POVERTY AND ANTI-POVERTY PROGRAMMES IN ALBANIA

THE ROLE OF SOCIAL POLICY IN TRANSITION AND CONSOLIDATION

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U.K.
This study examines the role of social policy in Albania, as effected in poverty studies and anti-poverty programmes since 1989. During this time Albania has undergone a transition from a centralised communist state to a democracy with a liberalised market economy, experiencing concomitant social upheaval and acute increases in poverty.

The research addresses poverty and need, combining theoretical and empirical methods to develop an understanding of contemporary poverty in Albania wider than that offered by the official income-based poverty statistics alone. Government policies are examined through assessment of the Economic Aid programme, which has been the direct long-term anti-poverty measure employed since regime change. The programme is examined first in the context of the Social Assistance scheme within which it was implemented, before consideration is given to its subsumption into the later Growth and Poverty Reduction Strategy. By means of empirical research conducted in 2002 and 2005 perspectives on poverty and on Economic Aid of three specific groups are explored: recipients of Economic Aid, civil servants within the Ministry of Labour and in Local Government, and individuals working in Non-Governmental Organisations.

The research finds that the chief pattern of take up of Economic Aid is as a long-term contribution to household income, and it is now far from its original aim of being a passive programme for short-term relief during transition. Its impact on poverty has been undermined by a lack of political will, weak policy innovation and the slow appropriation of poverty studies, further hindered by limited coordination between concerned institutions and the externally driven nature of social policy, with consequent risks of distortion in contemporary anti-poverty strategies.

It is further found that poverty is experienced on multiple dimensions and that there is considerable overlap in understanding between group perspectives, but that these have not been used to effect improvement in needs identification, targeting and policy making. The poor have themselves developed and relied upon a diverse range of mechanisms to cope with poverty. These, however, keep them out of the mainstream economy en masse, and it is considered that this acts as an impediment to further economic and social development. Economic Aid, it is concluded, has renewed importance as a possible instrument of the Government of Albania in effecting some of the social changes deemed necessary for democratic consolidation and the country’s development.
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This work is dedicated to all of you!

♦
Author’s Declaration

The material presented in this thesis is wholly my original contribution, unpublished before.
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CHAPTER 1 INTRODUCTION TO THE THESIS

The subject matter of this thesis is poverty and anti-poverty programmes, and perspectives on them, in Albania during the period of reform and transition from communist rule that began in 1989. By means of a critique of the contemporary ‘language-game’ of poverty in Albania, with participants in this case being the Government, its officials, the poor, and individuals working within local and International Non-Governmental Organisations (INGO’s), it aims to elucidate the achievements of programmes and the role that poverty-focused social policy has played in the country’s contemporary development.

‘Poverty discourse’ is new in Albania. Democratic Albania has had to engage with poverty in a way that the previous communist regime could avoid. Their rule espoused egalitarianism and although the country was by international standards very poor, isolation impeded comparison and authoritarianism prevented dissatisfaction from finding expression: hence, poverty ‘did not exist’. In this regard, the contemporary understanding of poverty and the complexity of interaction of the issues surrounding it, the causal chains of poverty, is a recent field of debate and study in Albania.

Transition has not given much time for theorising poverty, however. Poverty awareness was magnified by the opening up of the country to the outside world after regime change, coupled with the incontrovertible evidence that was the social fall-out from the ensuing economic collapse. Prompt action was needed from the Government to remedy the effects of a poverty whose scale threatened bankruptcy to the country and brought misery to much of the populace. A ‘quick and dirty’ policy was found: the Economic Aid. Still, the discourse could wait while the decade marched on, social issues ten paces behind the political - only appearing again at times of great crisis, or,

\[1\] For the purposes of this thesis I consider a language-game as being a discourse around a set of behaviours (Wittgenstein, 1952).
\[2\] Not a value judgement on the policy, the term describes a turnkey, ‘off the shelf’ solution to a problem.
\[3\] In Albanian, Economic Aid is called: ‘Ndihme Ekonomike.’
crucially, when politicians had to play the Donor's game following the lead of foreign interests in the pursuit of aid.

This narrative sets the context in which this thesis makes its appearance. The poverty discourse has of course developed in Albania - the extent and nature of that development, and its connection with social change, is the point of the story and underlies this thesis. Theories of poverty are underpinned by the concept of need. However, who defines need and to what end? It is a fact of life that the scientific understanding and the experience of poverty are often dimensionally at odds with each other - the former being the domain of officials, experts or academia and prone to being undertaken with some little regard for, or comprehension of, the latter. Modern social policy has evolved greatly in its attempts to overcome this limitation for the sake of better addressing the needs of the poor, to craft policies that may better help them out of their poverty. This thesis hopes to find where needs assessment, poverty measurement and policy making in Albania are situated in this regard.

Other institutions also have had a role to play: as mentioned, INGO's and domestic organisations whose operations have kept them close to the ground and who have advanced the anti-poverty agenda. The danger for these, aside from that their discourse may appear as empty rhetoric to their target audience and clientele, is that their operations may be seen as a way of enabling Government to withdraw to an extent from the arena. Of course, individuals too are not wholly powerless. They often have strategies for coping with, or mechanisms for escape from, their state of poverty; mechanisms which the Government is not oblivious to and need to be accounted for in policy evaluations and refinements. It is against this background that Government anti-poverty policies are evaluated. The evaluation is made from two perspectives, against Government aims and against the real needs of the poor. From this, the developing role of social policies is drawn, from the requirements of transition to those of consolidation, with emphasis given to the interplay of policies and people, including the poor. NGO's and the Government.
Albania was chosen exclusively for this study, rather than using a comparative approach, for the reason that much about the character of its modern situation appears singular - especially the country conditions, the legacy of its history, and the actions of its people since reforms began. As mentioned, the regime change was the direct cause of much of the present poverty of the country. Indirectly too, the change has deepened the experience of poverty, with this interesting period presenting extremes across the whole social sphere, including mass emigration, economic boom and bust and profound civil unrest. The thesis has provided an opportunity to explore a point in Albania's history that may soon be readily, indeed happily, forgotten: a time of turbulent transformation between two long periods of relative peace, perhaps - between the isolation of communism and possible future absorption into the European Union.

The paths of transition are precarious and Governments have experienced great difficulty in coping with emergent economic fragility and political instability. However, the social aspects of development require as much attention by policy makers as the economic and political. This study, through examination of the implementation of Economic Aid during transition, argues for the importance of social policy at such a time.

The policy that the thesis focuses on is the Economic Aid programme, established in 1994 as part of the wider Social Assistance scheme. The policy was, with Social Assistance, subsumed wholesale in a new strategy for Growth and Poverty Reduction which was launched in 2002. The Economic Aid programme is of particular interest for:

- Its implementation in a period of historic political, economic and social change, the transition from communism to a liberal democracy.

- The fact that the policy was conceived and brought on-line without legacy problems, since Social Assistance was newly established after the regime change.

- The origins of the scheme lay in a model that was already operational in other countries, which was then adapted to the Albanian context.
• Its place in the Social Assistance scheme as the only directly targeted and long-term policy for income-based poverty relief.

• The way it is targeted, which presents interesting coverage patterns - a wide range of needs and poverty contexts fall under its umbrella, revealing cross-cutting concerns over geography, gender, and age groups.

• The continued relevance of Economic Aid, being still operative more than a decade after its launch, provides an opportunity to use it as an indicator of the development and innovation in social policy thinking in the institutions of Government.

This thesis therefore addresses issues of poverty, policy, and perspectives upon these, through such considerations as:

1. What are the perspectives on poverty among actors? Are there overlaps in understanding between the Government, the poor and the civil society groups? What attitudes are revealed through poverty discourse? What has shaped the welfare climate?

2. How successful were the anti-poverty programmes? What are the factors that might have influenced this - in origin, development and delivery? To what extent have they been able to address the needs of beneficiaries? Have the poor developed their own mechanisms to cope with poverty?

3. What are the institutions that affect poor people’s lives? Who are the actors that have been involved in the process and what are their roles? How do they view each other? How do they view themselves?

There has rightly been much academic emphasis placed on the politics and macro-economics of transition. Research has analysed anomalies such as the massive migration or the interesting anthropology of the country. As sure as ‘All roads lead to Rome’, these approaches eventually touch upon the issue of poverty, so rooted is it in Albanian life. Poverty studies, such as have existed in Albania, are mostly produced
by NGO’s and the Government and are often not widely disseminated. This research builds on the rich tradition of international studies in the areas of poverty, needs and policy evaluation. It also draws on the literature of transition in Albania and other transition countries. The study uses mixed methods, focusing on qualitative empirical research conducted in the period 2002-05, complementing this with appropriate secondary data analysis of published evidence and official documents. The intention of the empirical research is to try to establish three perspectives: one is the perspective of the Government, reflected in the programmes that its institutions have designed and implemented. The second is the perspective of poor people, generally comprising recipients of Economic Aid. The research also combines the work of the voluntary sector operating within the realm of social service delivery as another major actor in poverty relief projects. The study therefore parallels to a degree the contemporary Growth and Poverty Reduction Strategy (GPRS),\(^4\) which also incorporates principles of interdisciplinary participation in its approach to policy making.

Original contributions of the thesis to the field are:

- To enhance the understanding of poverty in Albania as a multi-dimensional phenomenon through a mixed approach of qualitative research and data analysis - providing a picture of contemporary poverty that is often obscured by economic and political concerns.

- The exploration of formal and informal perspectives on poverty and anti-poverty programmes of three varied interest groups and the interplay between them, for the purposes of policy evaluation.

- To present poor peoples’ perspective on the Economic Aid programme and show what life is like for recipients.

- To promote debate about the issues of poverty and the role of social policy during transition and consolidation.

\(^4\) Recently renamed as the National Strategy for Socio-Economic Development (NSSED).
To identify policy issues that contribute to the national and international studies of poverty.

The core of the thesis lies in the empirical research conducted, which provides the basis for evaluation of the Economic Aid scheme and an assessment of the role of social policy in Albania. This is supported by examination of the social, economic and political conditions, in order to determine how the interaction of these forces has affected the process of policy making and policy development.

The thesis begins, however, with an examination of core issues of real need in Chapter 2, *Theorising Poverty, Policy and Actors*. Poverty definitions, measurements and theories of policy evaluation from the academic literature are presented as they pertain to the domain of social policy, with regard also given to the role of NGO’s as an expression of civil society. Chapter 3, *Research Methodology*, shows the means employed for fulfilling the research aims. A description of the research strategy, its design, planning and execution, also details the identification, selection and approach to the groups under study. As well, it presents an evaluation of some key indicators for the regions in which the study sites are situated in its account of the site selection process. The research methods employed are reflected upon in concert with a critique of the chief data sources, interviews, official statistical data, laws and statutes. The chapter closes with an assessment of the problems faced by the researcher in pursuing information necessary for investigation into this thesis.

In order to provide an ‘official stance’ on poverty and social policy in the period of study, which can be brought into comparison with the later empirical findings, the ensuing chapters explore the literature on poverty and Economic Aid in Albania. Beforehand however, Chapter 4, *An Historical Context*, offers a potted history of Albania for the reader unfamiliar with the country, by way of consideration of the circumstances which preceded Albania’s transition: a long history of poverty, political instability and national indeterminacy, some of which still resonate in contemporary Albania, complemented by a legacy of political and institutional problems from the communist period, attendant to a generally low level of economic development.
Not to ignore the social in ‘social policy’, an examination of the milieu of selected significant events reveals the country conditions during Albania’s transition. This opens Chapter 5, **Poverty in Transitional Albania**. Through statistics and literature published by the Government and INGO’s working in the country, the extent and profile of poverty in this period is studied. The chapter is completed by an examination of the development of poverty studies in the country and an overview of some of the salient features of poverty that is revealed by key indicators. An exposition of the Government’s anti-poverty program in Chapter 6, **Social Assistance and Economic Aid**, provides an analysis using official documents and statistical data to scrutinise the implementation of the Economic Aid scheme, including a presentation of the national strategy for development that it has become subsumed within. The chapter closes with a preliminary evaluation of Economic Aid complemented by findings from official and expert reports.

The heart of the thesis lies in the next three chapters, which contain the findings of the empirical research. Chapter 7, **Perspectives of the State**, traces the story of the development of the Economic Aid programme through qualitative in-depth interviews with the designers and implementers of the programme, providing an unofficial perspective to the scheme and the institution they operate within. It also explores their understanding of poverty and their considerations on the role of the State and social policy. Chapter 8, **Perspectives of the Poor**, focuses mainly on articulating the perceptions of poverty of selected Economic Aid recipients. It presents the results of empirical research into how people define and prioritise their needs and how these may differ from official determinants. It provides qualitative assessments of the impact of Economic Aid and looks at the mechanisms and institutions used in coping with poverty. Chapter 9, **NGO’s and Civil Society in Albania**, assesses poverty and anti-poverty programmes through the words of local and international NGO’s who have been operating in relief projects and social service delivery. Representatives discuss their operations and the impact of their work on, and engagement with, the poor. They consider the development of the sector, their relationship with Government and the nature of their contribution to the policy process, reflecting on the malfunctions of the past and challenges that lie ahead for civil society in Albania.
The thesis is brought to its conclusion by bringing the empirical findings to bear upon a discussion of Economic Aid and contemporary poverty in Albania in Chapter 10. **Concluding Discussion.** The development of policy is examined on the basis of the interaction over time of people, principles and policies: the people who are the intended recipients of aid, the principles of benefit provision and the explicit and implicit outcomes of the scheme. This leads to an examination of the efficacy of policy in dealing with poverty from both Government and the poor perspectives. An examination of issues relating to current Government anti-poverty strategies leads to final conclusions regarding the role of social policy in the differing contexts of transition and consolidation. There is a brief, closing meditation on the themes of the thesis and the path of the country, before the limitations of the study are reflected upon and avenues for future research are identified.
CHAPTER 2 THEORISING POVERTY, POLICY AND ACTORS

Introduction

This chapter draws on work done by scholars in the field of international poverty studies, notably in definition, measurement, and the concept of need which lies at the heart of welfare programmes. Poverty related concepts such as social exclusion and vulnerability are also discussed. Debates on the importance of evaluation of policies that are aimed at reducing poverty are presented, particularly through an examination of existing literature on policy evaluation. This is followed by theoretical arguments on the development of the NGO sector as social service providers and as an expression of civil society.

This inter-related framework serves as the basis for undertaking the empirical work and informing the analysis of the findings in this study. To evaluate the impact of policies directed at the poor, an understanding of why some alternatives are chosen over others is needed since ‘to improve the ways needs are met, some forms are better than others’ (Gough, 2002:7).
2.1 The Scientific Study of Poverty

2.1.1 Rationale for the Study of Poverty

Poverty research has a scientific as well as a moral rationale. Scholars have emphasised that the problem of poverty is not only a problem of individual character, but also a problem of economic and industrial organisation. It is interrelated with other social problems and it affects us all in one way or another. Because different causes can produce the same effect, the sources of poverty need careful examination as do its manifestations. As such ‘poverty has to be given scientifically universal meaning and measurement’ (Townsend, 1993:3), and its study should aim to positively impact the individual and society by building the scientific knowledge to influence and improve policy making.

‘If the term ‘poverty’ carries with it the implication and moral imperative that something should be done about it, then the study of poverty is only ultimately justifiable if it influences individual and social attitudes and actions. This must be borne in mind constantly if discussion on the definition of poverty is to avoid becoming an academic debate worthy of Nero – meaning a semantic and statistical squabble that is parasitic, voyeuristic and utterly unconstructive and which treats the poor as passive objects for attention, whether benign or malevolent – a discussion that is part of the problem rather than part of the solution’ (Piachaud, 1987:161).

Poverty is a core concept also to policy making because its continued existence is ‘probably the best symptom we have of the failure of our welfare state’ (Bradshaw, 1999: 12). It is an ‘unacceptable state of affairs’ (Alcock, 1993:4) that carries in itself a cry for ‘the world’s moral and political claims’ that something should be done about it (Lister, 2004:1). Governments, in attempts to better target groups in need, have consulted scholarly work and established and continuously updated the safety nets that are in place to help people in need. Nevertheless, poverty still exists and almost half of the world’s population suffer a state of deep ‘poverty amid plenty’ (World Bank, 2001:3).
As a result, the need for better policies places demands for better understanding of poverty as a phenomenon that is highly embedded in the history and culture of each country. It may be a ‘construction of specific societies, and moreover, different groups within a society may construct it in different ways’ (Lister, 2004:3).

Poverty is influenced by politics and has a specific meaning under different social, economic or cultural perspectives. It changes over time, yet its consequences are detrimental to those experiencing it. While the terms ‘conceptualisation’ and ‘definition’ of poverty have been used interchangeably in the literature, the aim of this thesis will be to investigate the conceptualisation of poverty beyond the definitions. For that reason the following section will introduce a framework of the existing debates in the literature in regard to poverty understanding, definition and measurement.

While conceptualisation of poverty offers a framework for understanding poverty discourse, it is definitions that influence official policy measures that are used to distinguish the poor from non poor. The consideration of both conceptualisations of poverty and the definitions of poverty can lead to better measurement indicators (Baulch 1996; Chambers 1997; Bennet and Roche, 2000; Lister, 2004). Each contributes to continuous contextual change in the other, yet ‘the interaction between them has been neglected in the literature’ (Townsend, 1978:298). However, attention has been drawn to the need to have a wider understanding of poverty by shifting focus from ‘measurement research’ into more studies on ‘conceptualisation and definition of poverty’ (Oyen, 1996:10).

Poverty conceptualisations are often achieved by obtaining people’s perspectives about what it means to be poor, whether achieved via qualitative research and interviews, participatory poverty assessments or large scale quantitative studies. Collected information is then fed back to improve conceptualisations and definitions of poverty as a study tool for the discipline of social policy, the policy making process, and ultimately to help in dealing with the problem of poverty all over the world. Scientifically they are important because theory informs the object of observation.
2.1.2 Poverty: From Conceptions to Definitions

Poverty definition, similarly to poverty conceptualisation, is affected by the ‘context of a particular society’ (Young, 1989:57) with its socio-economic, political, cultural and ‘historic legacy’ (Alcock, 1993:13). Yet, in the context of ‘globalisation’ it is at the same time ‘culture-bound and universal’ (Oyen, 1996:4). Politically and technically it is a highly contested concept (Alcock, 1993; Edye and Litner 1996; Dean, 2002) which is even more elusive and ambiguous at the level of popular discourse (Dean and Melrose, 1998). Therefore, its definition and measurement reflect a moral value judgement as well as an official positioning. The numerous and continuous contested definitions generated from scholarly work show that there is no one correct agreed definition of poverty, reflecting its complex nature (Alcock, 1993; Townsend, 1993, Bradshaw, 1999). However social policy as an academic discipline is concerned with the definition of real poverty as a scientific and social problem.

It has been noted, unfortunately, that those who most talk and write about poverty are not the poor people themselves, and for that reason poverty has not been understood, with the result that policies have had little to no success in solving the problem. These people, professionals, researchers or policy makers are ‘outsiders’ (Chambers, 1983), and they hold a position of power because they have the answers, while the poor are powerless. For that reason, to better understand what poverty is, in the development studies literature (Chambers 1997; Narayan et al, 2000a, b) a very important emphasis is given to the poor people’s voices. It is this approach of conceptualising and defining poverty that is at the heart of new strategies on growth and poverty reduction launched by the World Bank in most developing and transitional countries. Yet, it is where the objective poverty measurements and subjective approaches meet that a better understanding of poverty can be achieved (Shaffer, 1996; Baulch 1996; Moser, 1998).

Scholars differ in the ways they argue how poverty should be defined. Should we focus on ‘a core notion of poverty’ at the subsistence level (Nolan and Whelan; 1996:193), or define it in terms of deprivation (Townsend, 1979), which can lead to inability to participate in society because of ‘lack of resources’ (ibid.:188)? Townsend argues
that poverty should be understood and measured by its demonstrable effects, that it is
deprivation, 'a state of observable disadvantage relative to the local community, the
wider society or the nation to which an individual family or group belongs' (Townsend,
1987:125). To avoid debates that fall beyond the remit of social policy, whether
poverty is studied in its causes or effects, there is need for a common agreement on
at least what can not be considered poverty. If we widened the conceptual discussion
by introducing concepts whose realisation does not relate or depend on access to
resources, such as affection, we would risk losing sight of the notion of real poverty.
For instance, a rich man who feels lonely would as a result be classified as poor. Then
distinguishing between the poor from the non-poor would fall out of the capacity of
social policy to research, as it simply becomes a personal matter.

To clarify the boundaries of such discussions, Piachaud (1981) argues that the
definition of poverty is a moral question referring to a hardship that is unacceptable
and it is related to:

- Material conditions - needing goods and services, multiple deprivation,
or a low standard of living;

- Economic position - low income, limited resources, inequality or low
social class;

- Social position of the poor, through lack of entitlement, dependency
or social exclusion.

**Absolute and Relative Definitions of Poverty**
Among scholars, there have always been distinctions between those who are
proponents of absolute poverty, which is referred to as subsistence below minimum
and socially acceptable living conditions, and those of relative poverty that compare
the lowest segments of a population with the upper segments. Booth (1889) and later
Rowntree (1901 and 1918) pioneered research based on absolute notions of poverty,
concerned primarily with the requirements of fulfilling nutritional needs as a level of
subsistence, where a family is poor if it can not afford to eat (Joseph and Sumption,
1979; Alcock 1993; Oppenheim, and Harker, 1996; Moore, 1989; Bradshaw, 1999) and less with needs for clothes and shelter. In the US, Orshansky estimated the food expenditures with similar aims of studying poverty (1965). The focus on an absolute standard of nutrition ‘defined by reference to the actual needs of the poor and not by reference to the expenditure of those who are not poor’ (Joseph and Sumption, 1979) established grounds for the international research and analysis of poverty.

Subsistence was seen as related to ‘physical efficiency’ (Rowntree, 1901:86), a ‘standard of physical capacity necessary for production (paid work) and reproduction (the bearing and nurturing of children)’ (Lister, 2004:21). The subsistence standard was surveyed and reported on by Beveridge (1942) and was used as ‘a means of justifying low rates of national assistance and national insurance’ (Townsend, 1993:30) adopted during the post-war period in the UK, where, among the five giants Disease, Idleness, Ignorance, Squalor and Want (ibid.), the latter aka poverty ‘proved the most difficult to defeat’ (Dean 2002:20).

This approach has been criticised for being narrowly defined, based only on physical necessities and ignoring the social context which informs them (Rein, 1970; Townsend, 1962, 1970, Donnison, 1982; Lister and Beresford, 2000). Even ‘Rowntree who has been acknowledged as the founder of the absolute measure of poverty found it impossible to sustain either an absolute or purely physical standard over time’, adding more items to his definitions in the later studies (Bradshaw, 1999:13). In his study ‘Poverty in the United Kingdom’, Townsend argued that individuals are poor when they lack resources to obtain the diet, participate in activities and have the living conditions which ‘are customary or at least widely encouraged, or approved in the societies to which they belong’ (Townsend, 1979: 31). Such an approach, based on necessities set socially by society, has its origins in the writing of Adam Smith that will be discussed later in the section on needs.

Relative deprivation provided the alternative debate to absolute conceptualisations and definitions of poverty (Townsend, 1979; Bokor, 1984; Mack and Lansley, 1985; Desai, 1986; Ferge and Miller 1987; Lister, 1990), acknowledging the importance of the social aspect, such as when people cannot obtain the condition of life to fully
participate in society. Townsend’s contribution to the notion of relative deprivation suggests a need to distinguish the concept of poverty, as lack of income, from deprivation of the conditions or activities necessary for people to participate in society. As such, relative poverty changes commensurately with social conditions.

'It is in the deprivation of the lives that people can lead, that poverty manifests itself. Poverty can involve not only the lack of the necessities of material well being, but the denial of opportunities for living a tolerable life. Life can be prematurely shortened. It can be made difficult, painful or hazardous...deprived of knowledge and communication...robbed of dignity, confidence and self-respect...all aspects of poverty that limit and blight the lives of many millions in the world today' (UNDP, 1997:15).

Lister deconstructs the notion of relative poverty into two categories: ‘first, the nature of comparisons made to judge whether poverty exists’ since a person is relatively poor when compared with co-residents, and second, ‘the nature of human needs’ (Lister, 2004:22). These are different at different points in time, for example if we were to compare pre- and post-communist periods, the context, nature and conceptualisations of needs would be very different. However, the relative definition of poverty has been criticised for the difficulty it brings to international comparative studies of poverty, due to very different national standards and country conditions.

**Poverty and Income Related Definitions**

Lack of or insufficient income as ‘purchasing power to maintain a standard of living’ (Okum, 1975:15) constitutes the first reason for falling into poverty in a money-based economy, where ‘poverty refers to a socially unacceptable level of income which prevents a person from leading a normal life’ (Burden, 1998:54). Income and living standards have been among the indicators widely discussed in the literature on poverty definitions, either separately (Nolan and Whelan, 1996), or together (Ringen, 1987). Wider definitions suggest that a person is defined as poor when having ‘both low standard of living and low income’ (Gordon et al., 2000b:91). In this context, it has been argued that a distinction should be made between an agreed standard of living in a given society and the ‘right to a minimum level of resources’ (Atkinson, 1989:12),
and it should then depend on the individual to exercise that right or not. This results in a demand from society and the Government for a minimum living standard that each citizen has the right to enjoy. While it is difficult for Governments to translate that right into policy, it has been argued that it is a necessary guarantee for 'positive freedom' (Atkinson 1990:8) against the idea of a minimum subsistence as a negative liberty (freedom from poverty), which is, however, 'a fundamental human right that all Governments have the obligation to respect, protect and promote' (Vizard, 2005:7); this approach allows a degree of 'potential economic independence' (Jenkins, 1991: 464). It is important to distinguish between having the 'right', having the capability to exercise this 'right', and the way the right is used to 'function' in determining whether a person is poor - as a person who cannot afford to eat represents a different case from another person who carries out voluntary fasting (Dreze and Sen, 1989: 43).

The Capability Approach
Low income or total absence of it has been considered in other research work as one factor that leads to 'a denial of choices and opportunities for living a tolerable life' (UNDP, 1997:2; Vizard, 2001). Amartya Sen (1999), without underestimating the role of low income as a factor that leads to poverty, questions and assesses the dichotomy between income and living standards approaches, arguing that they are only instrumental to what matters most: the capability to lead a healthy and creative life, to enjoy a decent standard of living, freedom, dignity, self-respect and the respect of others, as well as participating freely in society, and in that respect income is a 'commodity' to aid 'capabilities' to lead a healthy life (1983; 1990; 1993; 1999).

Sen contributes to the poverty discourse and international development by directing attention to the outputs. He sees poverty related to deprivation, as the absence of certain basic capabilities for 'functioning such as being physically fit' (Dreze and Sen, 1989:42). The definition of poverty, according to Sen, should include both what we can or cannot do, 'capabilities', and what we are or are not doing, 'functions'. Responding to Townsend, Sen argues that poverty is absolute in terms of capabilities, and relative in terms of commodities. Commodities such as the level of income necessary to achieve good living standards are variables that can change over time, they are, therefore, relative.
The capability to achieve a good life by securing the necessary goods and services with the available income should be considered in absolute terms, meaning that the Government and the society should provide for all (Sen, 1993). In that argument ‘functioning’ can be assessed as the freedom to achieve. Sen concludes that poverty is ‘an absolute notion in the space of capabilities’ (ibid.:134) and represents ‘the failure of basic capabilities to reach certain minimally accepted levels’ of living standards (Sen, 1992:109), stressing, again, the importance of ‘a life that is worthy of the dignity of human being’ (Naussbaum, 2000:5). Therefore he suggests, poverty is more than simply low income or low standard of life.

While some general indicators of the capability approach are easily defined and measured at the macro level, such as life expectancy, literacy rates and malnutrition, others associated with participation in society are more complex and to some extent questionable. The capability of the poor to participate in society may not be easily defined or measured, unless they are part of a social group. Capability indicators are subject to change over time leading to difficulties in comparing past data with present ones, limiting their usefulness for short and medium term poverty monitoring (Alcock, 1993:15).

Wider Appreciations: The Concept of Well-Being

Another term in the literature on poverty is that of well-being. The concept of well-being, very much the approach taken by the communist governments to improve the quality of life of the population overall, has reflected a ‘shift of perspective from negative to positive’ approaches in the scientific field as well (Baars et al., 1997:302). This conceptual change has been taken on board by different international organisations committed to eradicating global poverty. Their vision is based on human development indicators of well-being, which represent a wider perspective beyond income poverty (UNDP, 1997; Narayan et al.,2000a,b), and much wider than psycho-social aspects. The concept has been criticised as referring to as ‘an unattainable or perfect state’ (Cameron et al., 2006:134).
On this basis ‘the extent to which citizens are able to participate in the social and economic life of their communities under conditions which enhance their well-being and individual potential’ (Beck et al., 2001: 7) would constitute a definition of social quality which, even though an important notion, cannot serve as an exclusive definition of poverty, just as ill-being only does not constitute poverty (Baulch, 1996; Bradshaw, 2002; Lister, 2004: 18).

2.1.3 Poverty and Need

The concept of need is crucial both to absolute and relative definitions of poverty. As noted by Veit-Wilson, Rowntree wrote in his poverty line reports that ‘poverty was not only the need for food, but much more it consisted of social needs like the rest of the society we live in’ (Veit-Wilson, 1986: 69). Rowntree argued that social needs are as much a necessity for the poor as they are for the wealthy. But the risk is that the poor cannot afford to fulfil their social needs without going short on other essentials (1937, cited in Lister 2004: 28). It has even been argued that needs do not exist at all (Barry, 1965 in Bradshaw 1999: 11). However, debates later have shifted from the existence of need to the classification of need. These debates have become more complex as a reflection of the society in which needs develop (Townsend, 1979; Sen, 1983; Doyal and Gough, 1991).

Adam Smith first discussed the concept of need as necessities in ‘The Wealth of Nations’:

‘By necessities, I understand not only the commodities which are indispensably necessary for the support of life, but whatever the custom of the country renders it indecent for creditable people to be without. Custom has rendered leather shoes a necessity of life in England. The poorest creditable person of either sex would be ashamed to be seen in public without them’ (Smith 1776: 691).

This understanding leads to the question of what are social necessities. The Albanian national alcoholic drink -Raki- does not have much nutritional value, but it would be considered a shame for a traditional Albanian family to be without it, no matter how

1 Raki - aside from representing the national drink, serves also as multipurpose solution to illnesses.
poor. Raki has a cultural value as an expression of hospitality, and a social drink. Yet, it is not that Raki would be included in the list of the items that constitute essential needs when it comes to government policies in tackling poverty. It is, however, because of the need to acquire that item that the poor may even sacrifice and fall short on other essential needs. Equally important here is the role of culture, whereby the traditional Albanian family would offer hospitality even at the cost of starvation.

Scientific debates about what need is, how it can be classified and measured have been a concern in social policy and related disciplines (Bradshaw, 1972; Townsend, 1979; Smith, 1980). To this extent, it becomes necessary to distinguish between universal ‘needs’ and ‘wants and preferences’ which have more of an individual and cultural nature (Gough, 2000:4). Universality means that unsatisfied ‘needs’ can lead to serious objective ‘harm’ defined here as ‘fundamental disablement in the pursuit of one’s vision of the good...different from anxiety or unhappiness’ (ibid.). Needs may well have to be discovered and defined by those other than the individual concerned, such as experts and professionals (Manning, 1998:33).

Gough argues that universal objective human needs exist, can be known, charted and defined in absolute terms (Gough, 2000:7; Dean 2002:26). They are universal prerequisites for successful participation in a social form of life, and influence the capacity to make informed choices about what should be done and how to go about doing it (Doyal and Gough, 1991; Gough, 1992:8-9). Consequently, human needs can be understood as biological such as food and shelter, as well as non-biological, including intellectual, recreational, aesthetic and religious needs. But unless the basic requirements are fulfilled it may become impossible for individuals to participate in a society in order to satisfy the latter needs (Doyal and Gough, 1991).

Human needs can be defined in terms of ‘acquiring and maintaining dignity and being able to take a respectable and recognised part in one’s own society’ (Veit-Wilson, 1994:14). Townsend argues that human beings are social as well as physical beings, and the physiological needs, such as nutrition, cannot be divorced from the socio-cultural context (Townsend, 1993:31). Food in all kinds of society is ‘socialised’ (ibid.), ’being an expression of who a person is, what they are worth, and their ability
to provide for basic needs' (Dowler and Leather, 2000:208). However, it is argued that theories of need are always dependant on the capability to express or claim the need. Voicing needs can give people power, a power that can be exercised to bring the desired effects. Since power is existent in all encounters between individuals, institutions or groups it can be a very useful tool for policy (Foucault, 1974).

Debates about who decides what needs are, who can claim them and how needs can be fulfilled to satisfy certain criteria that are accepted by the majority of people are crucial to social policy. In development studies, assessment of needs is seen as a tool for empowerment, where poor people define unfulfilled needs as an expression of poverty and posit solutions (Craig and Mayo, 1995; Chambers, 1980; 1983; 1995; 1997). Yet, there is little agreement as to what extent voicing needs can lead to empowerment for communities and not only for the dominant elites (Chambers, 1997) who do not necessarily represent the real poor (Cooke and Kothari, 2001).

Bradshaw in 1972 proposed the taxonomy of need, distinguishing between four types, each requiring its own method of measurement. These are, normative need, felt need, expressed need and comparative need, which all together constitute ‘real need’ (Bradshaw and Finch, 2001) as follows:

**Normative need** itself dates from earlier literature on poverty and has been continuously redefined (Bradshaw, 1972; Townsend, 1979; Ife, 1980; Mack and Lansley 1985; Gordon and Pantazis, 1997). Normative need, as defined by Bradshaw, ‘is represented by a lack of socially perceived necessities’ (Bradshaw and Finch, 2001:2) defined on our behalf by professionals and experts (Dean, 2002:27), according to a norm (or set of standards) applied across different areas. The issue of who are the ‘experts and professionals’ has been questioned in the literature. Chambers stresses the importance of ‘need perception’ and questions from which perspective needs are defined: that is, whose reality counts? Is it the reality perceived by the externals or by the community workers? Alternatively, perhaps, should it be the reality of those in poverty? (Chambers, 1997).
The decision as to who defines the lack of the socially perceived necessities will, subsequently, influence the policies and resources allocated to the targeted population, in the form of government programmes or international initiatives through the civil society sector.

*Felt Need* is defined as such when people themselves say that they feel poor. Felt needs are subjective and as a result a person might feel poor in comparison to others when by official criteria they may not be classified as such. Hence *feeling* poor can be a very complex issue, especially in unequal societies. Felt need, when seen separately from normative assessments may, as with the concept of well-being, lead to issues that fall outside the remit of social policy.

*Expressed Need* is the same as the felt need, except that it is articulated through ‘political demands for the delivery of services’ (Dean, 2002: 27). Felt need and expressed need are interrelated with each other in mutual ways, such as, people can feel needs that they do not express and they can express needs that they do not necessarily feel. There may be needs which are felt yet not expressed, because of ignorance on the part of the individual about the existence of services that may help them (Titmuss, 1968: 66). Expressed need finds application within the recipients of the social assistance benefits. When studied in isolation, expressed need does not constitute a useful indicator, and just like the felt need, it may lead to issues that fall beyond of the aim of social policy.

*Comparative Need* exists ‘when there is a shortfall or deficiency in the services received by one person or group relative to those received by another similarly placed person or group’ (Dean, 2002: 27). Core poverty, as argued by Bradshaw, includes comparative need and can be distinguished within communities on the basis of inequality (Bradshaw and Finch, 2001).

This typology of need has been criticised for failing to prioritise different kinds of need. It also does not specify how needs thus defined then inform the ‘development of social policy. and even further who should be the guarantor of people’s needs’ (Dean, 2002: 27). However, together with other studies on the different perspectives of what
constitutes need as the most accurate and comprehensive way to the identification of poverty, the typology of real need has undoubtedly influenced debates on poverty understanding and measurement.

2.1.4 The Measurement of Poverty

' measuring poverty is an exercise of demarcation. Lines have to be drawn where none may be visible and they have to be made bold. Where one draws the line is itself a battlefield' (Desai, 1986).

Theories of poverty definition lead to the next step, the development of means to measure it. Poverty measurement is theory-dependent (Gordon, 2000a:43), and implies qualifications based on moral and value judgements that lead to delivery of programmes, and which do not necessarily reflect all forms of poverty (Oyen, 1996; Chambers, 1997; McGee and Brock, 2001). That is, definitions and the operationalisation of poverty do not necessarily follow each other precisely. Yet, over the years the scientific literature on poverty measurement has generated equally as many debates as theories of poverty.

While it seems that income related poverty may be easy to measure, studies have shown that by employing different measures, different results may be obtained in regard to poverty (Townsend, 1978:301). Bradshaw and Finch (2003) found that there were few overlaps between those identified as poor by differing measurement methods. This shows that scientific and technical questions can have political and policy implications, and as a result impact the poor in different ways.

Objective and Subjective Measurement
Poverty can be measured using indicators from objective or subjective perspectives, even though no measurement can be 'independently objective' (Gordon, 2000a:43). The objective approach, sometimes referred to as the welfare approach, involves normative judgements in the form of a poverty line, based on what constitutes poverty and what is required to move people out of their impoverished state. The subjective perspective places a premium on people's preferences, on how much they value goods
and services. Hence, the emphasis is on individual utility, opening the way to a full consideration of social needs (Townsend 1979; 1993).

Economists have traditionally based their work on an objective approach arguing that individuals are not always the best judge of what is best for them. For example, focusing on the study of nutritional attainments, while all individuals value food consumption, some may place higher value on certain food types or food quantities that are not necessarily good for their physiological well-being. Poverty measurement has been dominated by this objective approach, even though some would even argue that 'there never was such a thing as the absolute concept of poverty and no-one has argued there should be' (Ringen, 1988:353; Dessallien, 1998, a,b,c; Lanjouw et al., 1998a).

Subjective measurements seem to appear later in the scientific discourse. This is mainly because of mounting recognition of the limitations associated with so-called objective indicators and the proposed value of understanding the perspectives of the poor in shaping policies. As a result, methods used in development studies like participatory poverty assessments which focus on the poor people’s narratives, presented earlier in this chapter, have been gaining ground. Clearly, both objective and subjective perspectives bring valuable insights to the measurement and analysis of poverty. They approach the phenomena from different angles and capture fundamental aspects of it, neither of which can be said to be categorically right or wrong.

**Indicators in Poverty Measurement**

Indicators of poverty are supposed to be direct representations of the chosen way of poverty conceptualisation (Dessallien, 1998a; Lanjouw et al., 1998a). Proxies of poverty, on the other hand, are variables that are supposed to be closely correlated with the indicators in question. As such, proxies are indirect representations of conceptions of poverty or deprivation. Poverty indicators identify the poor, and they may facilitate measurement and interpersonal comparisons of different dimensions of poverty.

Income as an indicator has been questioned for its suitability in serving as representative of poverty. It has been considered an ‘imperfect indicator of living standards’ (Nolan and Whelan, 1996; Barnes et al., 2002; Lister, 2004). According to
the income versus consumption approach, a ‘person is poor in any period if, and only if their access to economic resources is insufficient to acquire enough commodities to meet basic material needs adequately’ (Lipton, 1996:3 in Schaffer). People may have a low standard of living for reasons other than income; equally, a measure of living standards only, would not necessarily reveal cases of low income. As a result both direct and indirect indicators are advised to be used when measuring poverty. As a response to income, measurement of expenditure and consumption have been suggested as alternatives. Evidence from other studies suggests that the expenditure of the poor is higher on average than their income; hence expenditure may serve as a better indicator of poverty, factoring that higher expenditure may be due to borrowings or under-reported income (Okun, 1975: 19; Bradshaw, 1999:19). The consumption approach on the other hand neglects those aspects of human need related to social roles and participation (Townsend, 1993:46).

Expenditure and consumption approaches do not distinguish between individual expenditure and consumption levels within the household as they are usually not measured at this level of granularity. Combining income with expenditure measures has been considered as ‘tapping quite different dimensions of economic well-being’ (Saunder et al, 2002). Townsend argues that instead, resources should be taken into account when measuring poverty (1979). Nevertheless, the feminist critique argues that within the family resources vary and so does their value. As a result it cannot serve as significant criteria for measuring poverty. Among assets and resources time, the ‘forgotten dimension’ (Ruspini, 2001; Millar, 2003) may be used as an ‘indicator’, for instance as regards women’s time spent doing unpaid work at home (Walker and Ashworth, 1994:1). Hence, time is not an easy indicator to be quantified in policy measures.

2.1.5 Application of the Poverty Line

The threshold below which people are counted as poor is referred to as the poverty line. Scientific and policy debates have questioned who decides the poverty line, how is it set, and where the line is drawn, arguing that there is no ‘scientific, right definition of the poverty line’ (Beckerman, 1979:351). Nevertheless, once a poverty line is
drawn, 'the next step is to decide how to measure the extent of poverty' (Atkinson, 1980:294). Scholars stress that a distinction should be made about the poverty line and the poverty gap. The poverty gap is a measure of the distance people are from the poverty line, thus reflecting the severity of poverty (Bradshaw, 1999:20). The use of the poverty line can vary according to the target group. Hence, it may target those that have much lower than average income or those that spend less than average; it may include people that are on benefits, or generally be drawn based on those that believe themselves to be poor; it may reflect a low standard of living or lack of certain goods and services (Middleton, 2000:59). For example, a minimum income level set under social assistance schemes or World Bank measures of $1/day or $2/day are both examples of poverty lines.

Regional and international standards have been also questioned in social policy, such as, for example, whether a poverty standard has the same value to people living in different regions in a country (Bradshaw, 1999; Lister, 2004). It is considered possible that most subjective perspectives will be drawn from people comparing themselves with the local area where they live, resulting in different standards for different communities when they are compared. At the same time, when measurement levels are set internationally, questions arise as to whether they can translate into nationally applicable measures, considering that there are 'major variations between societies' (Townsend, 1978:299; Atkinson et al., 2007).

Absolute and relative poverty lines stem from their respective definitions (Lanjouw et al., 1998a; Dessallien, 1998a). However, such lines do not always reflect the changing level of income in a country or those at the bottom of the pyramid, who might find it harder to make ends meet, as was the case with post communist societies in the early 1990s (Unicef, 2000c). Poverty lines are used to estimate numbers of the poor (the headcount) and policies are directed to bringing as many people as possible above the line. Rowntree's concept of the poverty cycle, demonstrating that an individual might rise above the poverty line only to fall below it again at a later stage in his or her life, was an important contribution that emphasises the need for continuous measurement of poverty throughout life (Veit-Wilson, 1986; Lister, 2004). In his study, Rowntree drew a distinction between measuring primary poverty, resulting from an income
insufficient to provide even the bare necessities of physical well-being, and secondary poverty, resulting from the unwise expenditure of income (Oppenheim and Harker, 1996).

Time is also an important indicator when measuring poverty, distinguishing between the short term poor and the long term or permanent poor (Bradshaw, 1999:19). Critics of such methods argue that the poverty line does not reveal much about the intensity and depth of poverty experienced. The poverty gap method has been criticised on the grounds that those who fall below the poverty line may not be the largest groups in the headcount (Alderman, 2000c). As a result ‘policies that relieve poverty (reducing headcount) for those near the poverty line do not necessarily achieve that for those furthest below it’ (Lister, 2004:42). Poverty gap is used less frequently than headcount measures; yet when used together, they can produce a more comprehensive picture of poverty (Osberg, 2002; Kuchler and Goebel, 2003).

Scholars have questioned scientifically and politically the clear existence of the threshold which divides the poor from the non-poor or with oscillations between the two, and some argue that it is the debate about the poverty line that distracts attention from the analytical definition of poverty. Others have questioned these measures, arguing that they can only reveal information about poverty in the very short term (Veit-Wilson, 1999a:92).

*Individuals or Households?*

While when we talk about poverty we refer mostly to individuals, it is often the household poverty that is being measured (Lanjouw et al., 1998b). This runs the risk of underestimating poverty, an argument that has been at the core of the debates criticising limited Governmental programmes because ‘benefits are assessed on the basis of a family unit’ (Bradshaw, 1999:18). It is, in fact, the individual’s right to a minimum level of resources that should lie at the heart of anti-poverty programmes (Atkinson, 1989; 1990; Naussbaum. 2000) and, as such, the household approach has been criticised from a gender perspective (Bradshaw et al., 2003), as resources within the household are not shared equally, often especially disfavouring women (Pahl, 1989; Millar and Glendinning, 1992).
Who Decides?

It has been argued that very much of how poverty is measured reflects the issue of who decides about what is called a necessity (Veit-Wilson, 1987:188; 1998; 1999a:97). As was the case in the definition of normative need, professional experts decide to establish the poverty threshold using approaches, such as budget standards, through which a specified basket of goods and services is costed for different types of households. There has been discussion on how information should be collected; whether it should be decided by ‘expert judgment, as in the case of the US poverty line’, or in a more participatory basis, where information is actually gathered based on ‘how people live instead of how they should live’ (Bradshaw, 1997:51). The former approach has been criticised due to the perception that the richer people have always used their power to define poor people’s needs (Chambers, 1983; 1997; Veit-Wilson; 1999a) which the latter approach can avoid.

A second approach is based on more democratic measurements achieved consensually, representing the views of the general population and based on the essentials of modern life determined by experts (Mack and Lansley, 1985:42; Walker and Middleton, 1995: 20; Middleton, 2000:74; Van den Bosch, 2001). When this method is applied in welfare programmes, it can serve as a criterion for measuring ‘the effectiveness of social policy’ (Townsend, 1978:299). Yet, this approach too has been criticised because getting people’s views via social surveys is done within an expert’s framework (Levitas, 2000), limiting people’s choices through a set model of options (Townsend, 1978). This method does not offer much information on whether certain items are excluded due to choice or purely due to lack of these items.

The third approach is that of participatory research, which represents less a method than a philosophy (Lister, 2004:47), whereby engaging with the poor can lead to ‘better technical diagnosis of problems and better design’ of programmes in response (Robb, 2002:104). However, even this measure has not been critic-free, as measuring poverty with participatory approaches may lead to wider issues that fall outside the social policy remit, since people, as we discussed earlier, have many needs. Another criticism argues that this method alone will not give a complete picture, being limited by the living environment (Veit-Wilson, 1999a,b) and, as a result, people will associate...
their needs to what they can see and compare, which in the case of poor communities might be rather curtailing. There are conceptual problems with this method as well. Views of the poor people on poverty might be influenced by those held by major groups and classes in society, and indeed, conditioned by the state itself thus limiting their conceptualisations of poverty (Townsend, 1978:298). Critically, views of the poor may be conditioned by their poverty, which may act to limit their aspirations.

2.1.6 Poverty and other related concepts

Social Exclusion Approach

Social exclusion, according to the International Labour Organization (ILO), is concerned with participation and integration (Dean, 2002). Poverty and social exclusion are not the same (Room, 1995), yet they are closely related and tend to occur together. Poverty ‘may lead to social exclusion, in the sense that people are cut off from the labour market, do not take part in dominant behaviours and cultural patterns, lose social contacts, live in stigmatised neighbourhoods and are not reached by welfare agencies’ (C.E.C., 2001:7). Still, there are those who define social exclusion within the concept of poverty, focusing on those aspects of social deprivation that prevent people from participating fully in activities in society and its development, thereby encouraging the process and not only the outcomes (Golding, 1986; Lister and Beresford, 2000). Between these two positions lies a range of different approaches to the concept.

The definition of social exclusion depends largely on how one defines poverty. The underlying idea is that poverty or deprivation is best regarded as lack of the resources required to participate in activities, and to enjoy living standards that are customary or widely accepted in society. The social exclusion approach connects poverty closely with issues of citizenship and social integration and other associated resource requirements (Lister, 1990; 2004; Scott, 1994), and as a ‘multi-dimensional, dynamic, local and relational’ concept can provide a way to explore issues related to exclusion of groups, such as women (Millar, 2003:181) or lone mothers (Gardiner and Millar, 2006). Participation is a key indicator in the definition of social exclusion where a person is considered to be socially excluded if ‘he or she does not participate in key activities of the society in which he or she lives’ (Burchardt et al., 2002: 30).
Poverty and Inequality

Whereas poverty refers to different forms of deprivation that can be expressed in a variety of terms (i.e., income, expenditure, basic needs and human capabilities), equity is concerned with distribution within a population. The equitable principle seeks to re-balance differences that exist; usually this means differences in outcome, but sometimes also differences in opportunity. Measures of inequality are, from this perspective, at the heart of quantitative studies of poverty (Alcock, 1993; Esping-Andersen, 2002; Gordon and Townsend, 2002). An example of the power of inequality measures was demonstrated in the ‘Parade of Dwarfs’ (Pen, 1971), where the height of people was symbolic of their relative place in the distribution of resources in society and where average income equalled average height.

Despite the clear distinction between the concepts of poverty and inequality, analysis of poverty often employs indicators of equity because of inherent linkages between the two, which show that it may be easier to reduce poverty under relatively egalitarian conditions. Some studies show that countries with the lowest levels of poverty tend to be more equal, overall, than those with higher levels (UNICEF, 2000c; Esping-Andersen, 2002). Whatever the measurements used, it seems that ‘inequalities that stem from inequality of opportunity are more intolerable than those that emerge even when opportunities are equal’ (Okum, 1975:22).

The association of poverty and equity indicators is done in a number of ways, such as by disaggregation of indicators based on class, gender or ethnicity. The feminisation of poverty generated from unequal share of income within the household, although not a new phenomenon, is another indicator of the relation between poverty and inequality (Pearce, 1990), as women are one of the groups more at risk of falling into poverty than men (Bradshaw et al, 2003). Indeed, it has been reported that women make up 70% of the world’s poor, indicating a huge categorical inequality (UNDP, 1995). Issues such as women’s self-sacrifice (Vincent, 1991) or ‘compulsory altruism’ have been taken for granted for a long time, ignoring the unequal detriment that women suffer (Land and Rose, 1985). The feminist critique argues that a process of feminisation of poverty, which has until lately been of only ‘tangential concern’ to social policy (Lewis and Piachaud, 1987:51), has happened as a result of women’s unequal position
at home, their unpaid work and dependence on the family breadwinner, who is often the husband (Millar and Glendinning, 1992:9).

**Poverty as Vulnerability**

Certain indicators of vulnerability may be strongly correlated with poverty, such as female-headed households or families living in remote and isolated mountainous regions, children during an economic or social crisis and isolation of the elderly. From a global perspective, most of the world’s poor live in rural areas (Gordon and Spicker, 1999) and, as such, the rural domain may become an indicator of vulnerability. Nevertheless, not all members of particular vulnerable groups are invariably poor - hence the need to distinguish between the two when dealing with poverty indicators is very important. While poverty relates to deprivation, vulnerability is a function of ‘external risks, shocks, stresses and internal defencelessness’ (Streeten, 1994:17).

The high degree of correlation between vulnerability and poverty is increasingly leading development practitioners toward using the former as a proxy for poverty. This can prove useful when trying to ascertain a general estimation of the extent of poverty. However, using a vulnerability indicator as a proxy for poverty needs careful analysis to determine the degree of correlation, and regular testing to ascertain its validity over time.

Chamber’s poverty trap concept illustrates the relation between poverty and vulnerability: here the ‘poverty ratchet twists, creating increasing vulnerability, which then turns to powerlessness and isolation’, perpetuating the tautology that ‘the poor are poor because they are poor’ (1983:111). Geography, as a proxy for vulnerability, may be a factor that both contributes to and mediates poverty (Lister, 2004:69). While the concept of ‘people poverty’ is mostly associated with urban segregation and concentration of the poor, the same way as affluence becomes more concentrated in gated communities (Massey, 1996: Byrne, 1999), that of place poverty refers to social and physical aspects of the surroundings where people live, including infrastructure (Forrest and Kearns, 1999), which affects the multidimensional experiences of poverty and vulnerability.
Poverty and Underdevelopment

The distinction between poverty and underdevelopment also depends on how each is defined. When poverty is defined in broad human deprivation terms, it is often viewed as a form of underdevelopment. The Human Development Report 1997 distinguishes between the two concepts by associating the former with individuals and the latter with an aggregated perspective.

'The contrast between human development and human poverty reflects two different ways of evaluating development. One way, the 'conglomerative perspective' focuses on the advances made by all groups in each community, from the rich to the poor. This is in contrast to an alternative view, the deprivational perspective, in which development is judged by the way the poor and the deprived participate in each community. Lack of progress in reducing the disadvantages of the deprived cannot be 'washed away' by large advances - no matter how large - made by the better-off people' (UNDP, 1997:15).

Given the close relationship between these two concepts, it is not surprising that many poverty indicators are the same as those used to measure underdevelopment. From a policy and programme perspective, the necessity of recognizing a distinction between poverty and underdevelopment depends a great deal on two factors: first, the degree of equity within a society and second, the prevalence of poverty.

Furthermore, in order to develop realistic policies for poverty alleviation it is essential to understand the nature of poverty in a specific setting. It is a common component in virtually all approaches to poverty analysis to set a poverty line in a particular context. Across different countries, regions, communities and even families, the identity of the poor, the degree of their poverty, and its causes differ.
2.2 Poverty and Social Policy

'Social policy is a vague term, the boundaries of which are ill-defined, but the content of which is rich...it includes all policies directed at making some change in the structure of society...another name for government policy' (Boulding, 1973:187).

2.2.1 From Theory to Praxis via Premise

The formulation of 'theory inheres within the conceptualisation and measurement of a problem and the application of a policy' (Townsend, 1978:298). Policies to tackle poverty are influenced by the society's views expressed by the Government in legislation and exercised through central and local administration. While countries reflect different models of welfare (see Ditch, 1999a), it has been a preference to base anti-poverty, means-tested cash-transfer policies on a socially perceived minimum level of household income. In the process of transforming theory to policy many issues arise. Application of Social Assistance quite often represents a combination of needs-driven, self-declaration and means-tested indicators. The concept of social needs, as such, provides a 'theoretical basis for applications of the definitions of poverty and eligibility criteria, frequently used on the benefit schemes' (Veit-Wilson, 1986:69). The assumption is that central governments, through their institutions of local government, will gather information on those in need, categorize those in extreme need and respond through programmes within its limited resources, being those in cash transfers or in social services.

Before responding with policies, an understanding and a definition of what constitutes need is deemed important. For policies to reflect real need, a shift of policy conceptualisation from the absolute to relative notion of poverty has been suggested. Such a decision requires political change, by mobilising more resources to improving wellbeing as opposed to limited poverty based on subsistence (Cameron et al., 2006). Subsistence policies can carry the stigma attached to the derogatory term 'poor', referring simply to someone that can not afford food. Hence, need as a concept for policy can comprise:
‘The kinds of problem which people experience; requirements for some particular kind of response; and a relationship between problems and the responses available. A need is a claim for service’ (Spicker, 1993).

Furthermore, the correlation between poverty and need carries policy implications as a limited definition of need leads to a limited appreciation of rights. A narrow conception of poverty may restrict people’s understanding of social conditions and, as a result, their willingness to act generously. Townsend argues that people are ‘encouraged to believe that subsistence represents the extent of basic human needs; and therefore, that the kind of individual rights or entitlements which might be introduced and guaranteed under state policy would be restricted accordingly’ (Townsend, 1978:300). To address these issues, it has been argued that qualitative research methods can uncover meanings and provide insight into the experience of poverty that has implications for policy making (Lister, 2004:38).

Yet, because individuals gradually adopt their preferences to what is economically achievable, they are most likely to say ‘they don’t want’ or need an item if their access to resources is limited (Hallerod, 2006:387), and the ‘longer the economic situation lasts, the more people adjust their aspirations’ (ibid.:388), limiting the policies that affect their lives. Studies on the impact of policy on poverty reduction and how people cope with low levels of benefits show that there is a ‘discrepancy between government policies, which assume that financial dependence is limited to the family unit, and poverty studies, which generally assume that income is shared between all members of the household’ (Gardiner and Millar, 2006:367); and different policy objectives follow naturally from alternative measures. For example, Beckerman argues that ‘if funds are constrained they must focus on the poorest; if objectives are conceived to maximise the number of people who are raised above the poverty line then the best way of distributing the fixed sum is to give it to those that are the least poor. Alternatively, if the objective is to maximise the number of people in target groups who receive some of the funds, it is best to spread funds evenly’ (1979:79).
Others argue that the focus of social policies should shift from purely monetary based indicators of poverty definitions to those based on capability (Raveaud and Salais, 2001: 61; Williams and Windebank, 2003), by, for example, investing in health and ‘education’ instead (Giddens, 2002:39), a suggestion illustrated by the Blairite mantra ‘Education, education, education’. As such, skills and qualifications, it has been argued, can be treated as a form of investment in life earnings, and have been in the literature for years (Marshall, 1948 quoted in Rosen: 1977). They consist of what Townsend called ‘assets’, which are important indictors related to poverty (Bradshaw, 1999:18) being ‘direct forms of human capital’, but whose effects, however, can not be easily isolated (Mincer, 1979:104).

2.2.2 Evaluating Programmes: The Policy Process

'If we lived in a world of complete certainty and perfect administration there would be no need for evaluation: having selected the best option and put it into operation we would know in advance what its effects would be' (Hogwood and Gun, 1984:219)

The somewhat rhetorical question of why we are not more effective in actually solving social problems, such as poverty, with better policies, implies the complex nature of the policy making process (Linbdlom and Woodhouse, 1993:2).

The term policy is interpreted here as state intervention (Burden, 1998:1) via programmes aiming to reduce poverty, involving a particular package of legislation, organisation and resources (Hogwood and Gun, 1984:16). These are considered to apply to something ‘bigger’ than particular decisions, but ‘smaller’ than general social movements, sometimes even consisting of ‘what is not being done’ (Heclo, 1972:84).

Definitions of poverty and methods used for its measurement affect all stages of the policy process and vice versa, feeding into the analysis of problems and policy issues (Parsons, 1995:382). To clarify the vast information surrounding theories of poverty and policies in response, Veit-Wilson distinguishes between ‘poverty lines’ as scientific measures, Government minimum income standards as political criteria of the adequacy of income, and social security and social assistance as programmes based on political decisions about how much the government is willing to help people in need (1999a: 82-83).
Social and economic policies developed over time to respond to poverty, have been accused of instead ‘maintaining’ (Novak, 1988) or ‘at least recreating poverty’ (Alcock, 1993:9). Therefore, an analysis of the policy process helps in the consideration of how a problem, such as poverty, is dealt with, starting with definitions, agenda setting, formulation of programmes, decisions made or not made, their implementation and evaluation (Parsons, 1995: xvi).

After the design stage, the implementation of a programme is assumed to be ‘a series of mundane administrative decisions and interactions,’ that were for a long time considered unworthy of the attention of many scholars who were in thrall to the weightier conceptual issues (Van Meter and van Horn, 1975: 450). A study of implementation, however, is a study of change: how change occurs, possibly how it may be induced. It is also a study of the ‘microstructure of political life; how organisations outside and inside the political system conduct their affairs and interact with one another; what motivates them to act in the way they do, and what might motivate them to act differently’ (Jenkins, 1978: 203).

Policy delivery, on the other hand, has become important, especially in the context of the complex conditions facing modern governance (Kooiman, 1993) and the changing architecture of the state in modern society (Dunleavy, 1989) where delivery of welfare can be regarded as a complex mixture of contributions from different sources, including government and voluntary organisations (Self, 1993: 121). The ultimate test for the delivery system is whether citizens, such as recipients of cash benefits, are satisfied with the programme provided (Parsons, 1995: 525) and the evaluation process is an aid to ‘learning about the consequences’ of a policy on the recipients of this service (Dye, 1987: 351).

There are two important concepts in evaluating policies in general and those aimed at poverty reduction in particular; the policy outputs, which is what government actually delivers as opposed to what it has promised or has authorised through legislation, such as, for example, payment of cash benefit as an activity (Hogwood and Gun, 1984: 16), and the policy outcome, that is, in terms of what is actually achieved, meaning the impact of these activities, such as for example poverty reduction, as a result (ibid.: 17).
By evaluating policies we aim to find out 'how, why and to what effect governments pursue particular courses of action and inaction' (Heidenheimer et al., 1990:3), and 'what governments do, why they do it, and what difference it makes?' (Dye, 1987:1), and for that it is necessary to 'draw on a variety of approaches and disciplines' (Parsons, 1995: XV). It allows us to examine how the system seeks to prevent poverty, and whether it has succeeded in this task. Alcock (1999:50) raises some critical questions when assessing policy changes for the social security system in the UK, which are generally issues that policies on poverty reduction should mostly answer generally. They are directed at three levels: first, people – who are the intended recipients of benefits, and whether benefits reach those in need? Secondly, the principles – how are benefits delivered, and do the criteria for benefit entitlement lead to effective distribution? Thirdly, the policies – what are the aims of the policy development and structures adopted (ibid.)? Finally by evaluating the policies aimed at poverty reduction, including definition, measurement, implementation and delivery, via the people that are involved either on the delivering or the receiving end, tells us much about poverty. Policies tell us also about ideologies and 'whether all people matter or some matter less than others' (Veit-Wilson, 1999a:80).

2.3 NGO's: Operating Between the Government and the Poor

The involvement of the voluntary sector in social and other policy areas is a matter of growing interest (Parsons, 1995: 499). The voluntary groups seeking to do good works for the poor and needy have a long and distinguished history (Butler and Wilson, 1990: 9-14), and they are an important part in policy making in all countries (Anderson, 1997:70), playing an intermediary role between the public and government (Lewis, 1999:56). Voluntary participation in Albanian context would mean an activity given freely and not paid and quite often has been associated with the voluntary associations of the communist party. As such these organisations are known as in most countries of Southern Europe by the name of Non-Governmental Organisations (NGO's) (Lewis: 1998), and are seen as one expression of civil society - others being families, neighbourhoods, voluntary organisations, unions, and spontaneous grassroots movements (Wolfe, 1991:1) - that can be effective laboratories for testing and
delivering services to some of the poor (Reilly, 1995:7). Literature has been concerned with the growth and evolution of NGO roles in development and relief work, with policy issues of NGO relations with the state and donors and with community-based action and social change (Drabek, 1987; Korten, 1990; Clark, 1991; Carroll, 1992; Smillie, 1995; Farrington and Bebbington, 1993; Hulme and Edwards, 1997; Fowler, 1997). Hall argues that the idea that groups, albeit of the right type, should balance the state is subtly wrong. This manner of conceptualising state-society tends to see the state exclusively as a threat, which could act to undermine the necessary role of the state in providing protection and in ensuring basic social conditions for them to operate within (1996:15). There have been two prevailing interpretations of the development of the NGO sector in Central and Eastern Europe (CEE). The first sees NGO's as institutions rooted in a democratic culture and based on broadening social participation as necessary indicators of liberal market reform (Davis, 1996; Laczko, 1994). The second considers them as an expansion of the western organisations, a form of 'colonialism' of the western societies (Stubbs, 2000) at a time when 'socialist economies [were] busy de-socialising' (Dreze and Sen, 1989:257) in order to be part of the global action.

Sampson calls transition in CEE 'a world of projects' and in a case study the development of civil society in Albania as one of them (1998:121). In post-communist countries 'democracy' was demanded from the donors 'quantitatively' pushing for an increase in the number of the 'western model' NGO's (ibid.:128-9) and though seen as partners, it was expected to 'take time for structures and mechanisms to be put in place, until they would move 'our [western] way' (Walker, 1998). The dependence of this sector on Government money, as is the case in the western countries, or on foreign aid, as in the CEE, is as much an organisational structure as it is a political one.

It affects the way problems are approached and tackled and, more fundamentally, it reflects their position between the Government and the poor. Lewis (1999:56) argues that whether they move more towards the private sector, or the government, the way they will contribute to poverty reduction will change, depending on the future direction.
Some literature on not-for-profit organisations (NPO's) recognises that, although the actual contribution of these organisations, in general, is difficult to measure with any degree of certainty, they have undoubtedly contributed to the consolidation of democratic reform and the development of a civil society in transition countries (Anheier, 2001). Yet, to investigate their role in poverty reduction and social policy, it is crucial that all aspects, from mission to service delivery, are examined. Robinson in his study of rural poverty alleviation and NGO's in India, for example, revealed that it is often those community members who need help most who often continue to be left out - 'the destitute, the handicapped and the chronically sick who constituted the poorest stratum of rural society, were invariably beyond the reach of economic programs' and as a result the 'conditions of the poorest have not changed dramatically’ (Robinson, 1991:119).

Summary

To suggest in 'academic circles that there is general agreement on anything is to don a crimson in the bullpen' (Heclo, 1972:84). While this statement may, to some extent, appear pessimistic, many scholars agree on the existence of poverty as a moral claim - that something should be done. It is ‘deep-seated in many rich and not only poor countries and seems destined to get worse, unless scientific means are mobilized to fully explain current trends, and international action is taken collaboratively to counter them’ (Townsend, 1993: 3). If poverty persists it ‘implies a failure of citizens to secure their rights and a failure by the welfare state to honour those rights’ (Dean, 2002:21).

The way poverty is conceptualised, defined and measured is, in itself, as much a subject for study as it is a political act involving allocation of resources and a ‘state intervention’ that impacts the lives of the poor (Burden, 1998:1). Policy prescriptions permeate conceptualisation, measurement and formulation of theory; and starting from conceptualisation, it is the narrow definitions of poverty that lead to underestimation of the extent and severity of poverty² (Townsend. 1978: 298). Experience of poverty is detrimental to all societies, and for that all have a moral duty to contribute in solving it. Furthermore ‘our capacity to deal with poverty depends on giving equal and

² The Perception of Poverty in Europe (CLC, 1977), is given as one of the examples of restrictive survey practices, where a short list of alternatives is build based on a particular causal model.
simultaneous attention to meaning, measurement, explanation and policy analysis' (Townsend, 1993: 7). As providers of the services directed at people in need, NGO's, as actors in civil society, and the Government are expected to play a role in the programmes directed at the poor. It is the nature of this role that deserves careful scientific and policy investigation to understand and change the social situation of the poor.
CHAPTER 3 RESEARCH METHODOLOGY

Introduction

This chapter begins by describing the research strategy for the study and the methods used to achieve the aims of the research. This is followed by a description of the process of identification and selection of the study areas and respondents in each area. It later moves on to present the way research was carried out and the data analysed, finally reflecting on the research. Limitations of the research are addressed in the conclusions.

3.1 THE RESEARCH STRATEGY

3.1.1 The Nature of the Research

Aims of the research methodology for this study are two fold.

- First, to explore the context of the data and publications on poverty and anti-poverty programmes in Albania, including official documents and reports of local organisations as well as publications and data from international institutions.

- Secondly, to record and analyse the perspectives of groups selected to participate in this study in regard to poverty understanding and policy evaluation.

The research began with extensive readings of existing literature. Data collection was made via a wide range of sources, depending on the nature of the information needed and the groups under study, including official statistics and documents, media monitoring, study area visits and empirical evidence. A considerable amount
of material was gathered throughout the research, and it was updated accordingly until the completion of this thesis. Groups selected for primary research were the Government officials, civil servants and the poor that consisted of individuals from families that were receiving economic aid benefit. Due to its role in social service delivery that stands in between the Government and the poor, a third group was also considered as important in the research; the Non-Governmental Organisations.

3.1.2 Collecting Source Materials

The First Stage: Collecting Secondary Sources

Research started by collecting information from the following secondary sources:

1. Documentary data: official documents, laws, regulations and amendments, internal official reports published or unpublished and archives. The information was collated from a wide variety of sources over the period of this study, the main sources being the Ministry of Labour and Social Affairs (MOLSA), the General Administrate of Care and Social Services (GACSS), the Office for Employment Services (OES), local offices for Economic Aid and Social Assistance, the Government of Albania (GoA), the Prime Minister’s Office for public relations, the Municipalities and Communes Offices and Social Security Institute (SSI). Other institutions that were included in the secondary sources were the Municipalities, the Ministry of Education (MoE), the Ministry of Health (MoH), and the Growth and Poverty Reduction Strategy office (GPRSO1).

Information from these sources was used and interpreted with consideration of the political developments of the time in which the respective programmes in relation to poverty were formulated. Information collated from the above sources was in regard to all social policy areas, with a particular focus on poverty and anti-poverty programmes. Documentary research was considered an important part of the study as ‘documents have the potential to inform, structure’ (May, 1998: 157) and affect people’s lives; they tell us about ‘the aspirations and intentions of the period they refer to’ (ibid.), and the conceptual and ideological discourse as well as

Later the strategy and the responsible office were renamed as the National Strategy for Socio-Economic Development (NSSED).
'stability' (Macdonald & Tipton, 1997:189) and consistency that has accompanied decision making in the case of central and local government official documents. These documents were of course subject to analysis of accuracy, representation and meaning. Documents collected were compared between the different sources to assure credibility.

2. Statistics, where they were available. The National Institute of Statistics (INSTAT) comprised the main source of statistical data. Preliminary data like the Living Standards Measurement Survey (LSMS) of 1998 were collected prior to the field research; additional data were obtained throughout the time of the research, such as results from the 2001 Census, the LSMS of 2002, Social Indicators, Labour Market Indicators, Gender Indicators and other relevant monthly or quarterly publications generated by INSTAT and other official sources. Lack of consistently reliable data has been recognised as one of the major deficiencies of studies in Albania. Under communist rule, economic data and social indicators, while regularly collected, were not widely published and were subject to an uncertain amount of manipulation for political purposes when they were (Gjonca, 2001). In our contemporary political period, data collection has been hampered by rapid social and political changes. Official data on poverty and unemployment have been subject to distortions through political influences (De Soto et al, 2002), and macro-economic data has been favourably and optimistically presented without caveats by international donors (Vaughan-Whitehead, 1999).

Gjonca (2001) argues that while data quality can usually be taken at face value in Europe it is not the case for Albania. The necessity of describing and analysing the quality of data for Albania comes from two important factors. First, Albania was and still remains the poorest country in Europe, and the quality of data in low-income countries is always a matter for investigation. The second reason comes from the fact that Albania was a communist country during the period 1945–1990, and when one deals with data from an ex-communist country, the availability and quality of any data, demographic or otherwise, should be questioned (ibid.).
3. Reports and studies from domestic, international organisations and research institutes constituted also an important part of the informative background for studies on Albania. Studies from the World Bank, the UNDP, UNICEF, OXFAM, ILO, and the EU on different aspects of poverty were also supplemented by domestic publications such as journals and reports by local research institutes. The aim of using these sources was to consider the existing research and to build upon what had already been established. These reports were analysed using content analysis, with the aim of finding out not only what has been reported but, what are the issues that have been at the heart of the civil society - donor language discourse. All the above information was collated by using personal contacts. As will be shown later in the chapter, gaining access to the sources in Albania was made possible only due to social networks; the right to information was practically non-existent.

4. Media Reports – from the daily newspaper Gazeta Shqiptare. The aim of this monitoring was to investigate the phenomenon of poverty outside official reports, as the media is more sensitive to representing quotidian individual accounts of poverty and its detrimental effect on people’s lives, with the proviso that news productions are not necessarily geared to presenting a considered, balanced picture. They are subject to distortions, errors and especially audience context, for which a common frame of reference, such as national and cultural norms, must exist between the writer and the reader (Macdonald and Tipton, 1997:190). Therefore, although there has to be some trepidation in trying to make a universal out of particulars, the media provides illustrative narratives of the times. Media monitoring started from the conceptualisation of this research until its final completion.

Bearing in mind that documentary research must be checked from more than one angle (ibid.:199) to secure reliability of the information. data and reports were collected from different institutions as divided above, using the principle of data triangulation where possible (Denzin, 1970), whereby data is used that has been collected at different times, locations and by a range of people. For example information on

2 To be found online at: http://www.balkanweb.com
the number of the economic aid recipients and laws and amendments on that area was collected from INSTAT, MOLSA, GACS, MoF, and Parliament. This was the case as for the same issues, reports from different institutions had represented them differently reflecting mainly political divergences. When my research was conceived there was little qualitative academic or expert literature on poverty or anti-poverty programmes in Albania. Those that had been undertaken were concerned with factors related to poverty, such as health (Gjonca, 2001), migration (Barjaba, 1996: 2000), pensions (Ditch et al., 1999 c,d; Shalari, 1999), human development (UNDP, 1998a), economics (IMF, 2000) and economic and social conditions (UNICEF, 2000a,b). Social Assistance and Economic Aid were examined by Alderman (1998; 2000a), from a perspective of head coverage and targeting issues. Contemporaneous with the undertaking of field work for this research, other studies appeared, enriched by new data from the 2001 Census, poverty profiles and yearly reports produced as part of the GPRS/NSSED (IMF, 2001a,b; 2002; 2003; 2004; 2006a,c). Other studies of the time covered issues such as the assessment of vulnerability needs (Galliano, 2001), labour market and social programmes (Rashid et al, 1999; 2001), rural development and poverty (Oxfam, 2002), a common country assessment (UNSA/ACER, 2002b), and a qualitative countrywide poverty assessment (De Soto et al, 2002).

Each of these publications investigated issues related to poverty seen from one perspective - such as the official line of poverty, or perspectives of the poor, or the NGO sector. For that reason, this research was a fresh attempt to bring together three perspectives on poverty and government programmes, to appreciate conceptualisations of poverty beyond the official indicators. Combining together many methods such as documentary research and conversational information is intended to reinforce the study in a manner similar to the way Heclo rejected 'the analysis of general correlations on aggregate variables' in favour of inductively building up generalisations from detailed if less tidy accounts (1974).

Stage Two: Primary Research

The empirical research aimed at collecting qualitative material. Qualitative research has been criticised for creating an illusion and generalising; however, as King et al (1994:8) argue, sometimes the qualitative approach is more appropriate than
the simple accumulation of facts. Certainly, data only becomes information upon interpretation, which has a qualitative, symbolic basis. It is held here that the merits of both approaches can be beneficially combined, that there is value in qualitative research as being illustrative of the state of things, reinforcing data or revealing what may not be shown at all therein.

The fieldwork evidence was gathered in two parts. The first and the main research wave took place in 2002, involving background research and area visits for the study site selection, in-depth interviews, focus groups, note taking, non-participant observation, and mixed media records of the respondents' living environment. The second wave of research targeted a smaller sample of respondents, and was carried out in early 2005. It involved group discussions and interviews with only two of the selected groups, the Government officials and NGO representatives. The second wave did not include respondents from poor families recipients of EA as it was targeted at the newly launched strategy for growth and poverty reduction.

The need to conduct the research over two time frames stems from the fact that in 2002 the Government of Albania had just introduced and embarked on a new strategy for poverty reduction, which incorporated the existing legislation. As a consequence of that, research in 2002 could only gather deductive information on the strategy, while in 2005 research would generate more inductive evaluations. Deductive and inductive methods were aimed at providing a basis for the comparison between expectations and outcomes in policies aimed at reducing poverty in Albania. Hart defines deduction as an a priori statement, whereas induction is 'a statement whose truth or falsity is made more probable by the accumulation of confirming evidence - a posteriori - based on experience' (1998: 82).

Qualitative research is a valuable research method in its own right, but gains added importance in situations where quantitative data are missing, unreliable, or do not afford comparative analysis. In the context of this research, qualitative primary research methods were chosen for the purpose of investigating in-depth subjective perspectives of the respondents on poverty and anti-poverty programmes in Albania. Such information, combined with existing quantitative research, can help in creating
a fuller picture. Also the qualitative data generated by the primary sources, such as interviews and focus groups, is informed by an analysis of issues gathered previously from secondary sources. Having in mind that the best 'way to interview in a concrete situation depends on the situation' (Dexter, 1970:23), methods used to gather primary data were:

- Semi-structured in-depth interviews: These aimed at collating information about the issues researched, through interviews with individuals from each of the three groups included in the study. In-depth interviews were used to obtain qualitative information by getting into the heart of respondents' understanding of poverty and gathering a subjective assessment of government programmes. It was a crucial method which enabled gathering of the core information for this research, and with minimal observer bias. Such a method allows the researcher to ‘adapt the research instruments to the level of comprehension and articulacy of the respondent’, which was important among the different groups researched for this study (Fielding, 1997a:136).

The semi-structured interviews were based on themed specified questions also known as ‘interview guide’ (ibid.,) with the freedom to probe beyond the answers, seeking ‘clarification and elaboration’ on answers given (May, 1998:111). The assumption that interviews are a neutral measurement device and that the transmission of information has no effect on respondents (Owens, 1996:59) is called into question in the qualitative research literature (Owens et al., 1993). Nevertheless, the benefits of in-depth interviews stands in the potential to evidence issues that may be assumed to exist or may not at all be addressed via quantitative analyses.

- Focus groups/group discussions: here the term is used to illustrate ‘informally gathered groups where the researcher carefully leads the discussion’, in order to obtain perceptions of the participants in a defined area of interest in a ‘permissive, non-threatening environment’ (Krueger, 1988:18). Hence, they may be considered also as organised group discussions
(Kitzinger, 1994), interaction (Kitzinger, 1995), collective activity (Powell and Single, 1996) or social events (Goss and Leinbach, 1996). The different focus groups in this research could be considered as showing all these traits. For example, groups of the poor in the villages were not formed with the purpose of being studied for this thesis. They consisted of people gathered for community meetings and were approached by the researcher, who then led the discussions in the direction of the research topics. The focus groups conducted with people outside the Economic Aid office were generally impromptu affairs, that were less formal and more of an interaction, while meetings with groups of 3-4 officers of the Ministry at the institutional café had the character of a social event.

The focus group method proved to be very helpful, firstly because many respondents participate at the same time, and secondly because open discussions always lead to further development of the answers as they are viewed and argued from different perspectives. It also allows the researcher to 'assess how several people work out a common view, or the range of views about some topic' (Fielding, 1997a:141). It is argued that for some people some issues are better discussed in groups (Glesne and Peshkin, 1992; Lewis, 1995:2). Group responses may reinforce an argument or bring other aspects to light, yielding, however, a more diversified array of responses (Merton et al. 1990:135), that perhaps could not have been obtained in other ways (Cunningham, 1993: 93; Gilbert, 1997). Focus group interviews are essential as part of needs assessment research (Patton, 1990) and this lends strength to the appropriation of the technique for this research with respondents from poor families. The risk of group discussions, on the other hand, is that some individuals may be influenced by the group dynamics; they may feel intimidated by the dominant speakers, or they may just tacitly conform if their position could be jeopardised by what they say. When it was considered that this might be the case, individual interviews were conducted outside the group. Such a method also runs the risk of conversations developing onto further issues than those of interest to the researcher.
• Family visits: included visits to the poor households. In the urban areas the aim was to see the environment in which people were living. In the rural and peri-urban areas that aim was also helped by the fact that it was the household that served as the natural environment for people to meet, and, as such, interviews and focus groups took place in people’s homes, sometimes even while going about their daily chores, such as feeding the animals, working the land etc.

• Non-participant observation involved observation during activities such as village meetings with community organisation officers for project monitoring, queuing at the economic aid offices, or simply visiting the study areas. This method was used to provide additional information on respondents and the study sites by observing the dynamics of behaviours and attitudes within the three groups researched.

• Notes, diaries, tapes, photos and video recording - these methods were used to collect additional information with regard to the study sites, interviews, the environment, and other impressions of the experience of living in poverty. Material gathered from these methods was consulted regularly after the field work. Information collected from these methods provided contextual background and prompts to memory when transcribed and written up. Production of field notes is the observer’s raison d’etre (Fielding, 1997b:161) and to better appreciate their value, it has been argued that they should be called upon to overcome ‘memory distortion and general field fatigue’ (Bruyn, 1966:106).

Tape recording and note taking were used in interviewing. Tape recording has been considered essential to the interviewing process, particularly in addressing observer bias. It has been considered that ‘the recorder exposes the extent to which the interview data are influenced by the tactics and verbal activity of the interviewer - something that is very difficult to assess in written interviews’ (Bucher, et al., 1956 :360). Note taking is a very important part of interviewing. It is ‘a highly elaborate process which, besides it’s obvious utility in recording observations, that would otherwise be forgotten, is actually an instrument of discovery in sociology’ (Webb, 1968:83).
3.2 PREPARATIONS FOR THE RESEARCH

3.2.1 Selection of Study Sites

*Pre-Selection Area Visits*

Prior to the empirical research involving interviews and focus groups, visits to different regions of Albania took place with the aim of collecting information that would later help in selecting the study sites for this research. Area visits for the selection of the study sites took place between 2000 and 2002, at different intervals. Most of the trips to potential study sites were facilitated by logistics provided by different organisations that were operating locally or were at the time of the research organising activities in different areas in Albania. These included the Women's Centre, Oxfam, Swiss Agency for Development and Cooperation (SADC) and INSTAT.

Aided by the existing travel arrangements of the organisations, I benefited from this opportunity to visit areas and gather information for selecting the study sites later. Some further travel in the south of Albania was carried out independently. Figure 3.1 shows the areas visited as potential study sites and the final sites selected for empirical research. The travel involved: in the south of Albania, the city of Vlora was visited and three villages, Gjorm, Terbac and Vranisht. In the South East the cities of Korca and Berat were visited. More centrally, Lushnje villages, the city of Elbasan and the town of Librazhd.
Tirana constituted a potential study area because of the high concentration of the Government officials and NGO’s compared to the rest of the country, as well as for the phenomena of new informal settlements on the outskirts of the city. In the North, I visited the city of Shkoder and the villages Mnele e Vogel, Ura e Shtrenjte and Nenshat, and further northern villages of Malesi e Madhe and Dukagjin. During these visits, observations and talks with people participating in the activities, helped in collecting the necessary information to aid in site selection. In all cases, residents of these areas participating in activities were from poor families, local officials and NGO’s.

Study Site Selection Criteria
Factors that were carefully considered for the study site selection were i) Information from the area visits and talks with people; ii) Mapping of poor regions collected from official and other independent publications; iii) Site accessibility and safety; and iv) Availability of people: officials, Economic Aid recipients and NGO representatives.

Publications from INSTAT, MOLSA, World Bank, Oxfam, UNICEF were combined with empirical information gathered through visits to the potential study areas. The use of study area helps in being able to cover contextual conditions (Yin, 1994), as well as creating a ‘contextual framework covering the main features of a research and their presumed relationship’ (Robson, 1996:150). In order to achieve a certain depth in the profile of poverty and its root causes, the research is geared to generating qualitative data rather than attempting to cover all the country to employ quantitative measures, which already exist, albeit with varying levels of reliability.

The sites chosen for research, aiming to provide evidence of the experiences of poverty, Economic Aid delivery and its impact were as follows -

Urban
• Librazhd: for research with local officials, urban recipients of the Economic Aid, and NGO representatives. Librazhd is a representative sized town in a mostly rural district, in the interior of the country and away from the main Durres/Tirane trade corridor. While the district of Librazhd is considered to be rural, the town of Librazhd was reliant upon timber, food and metal processing industries, and mining under communism, which supported most of the employment there.
The town however has experienced large scale de-industrialisation since 1990, with a corresponding contraction in the service and commercial sectors of its economy.

- Tirana: for research with Government officials and NGO representatives. To explore the poor living in neither urban nor rural environment, the area of Bathore in greater Tirana was chosen for family visits. Tirana is the country capital and economic centre, and Bathore, a newly established peri-urban settlement. Tirana is the host of central government and has in the last decade seen a significant growth in the number of civil society organisations, in the form of NGO’s. These organisations have their headquarters in Tirana, even when the focus of their work is outside the capital. At the time of the research combined data from local publications of the Women’s Centre, the Albanian Foundation for Civil Society and interviews with activists from these organisations estimated that the number of the registered NGO’s was thought to be between 700-1000, with no clear reliable source of publication though, due to many changes in the registration and licensing regulations.

**Rural**

- Nenshat, Ura e shtrenjte and Mnele e Vogel: chosen as villages for research with recipients of Economic Aid in rural areas. Also the heads of communes and officials involved in Economic Aid delivery were interviewed. Officials from Shkodra municipality and NGO’s operating in the area were also included. The villages are situated in the district of Shkoder in the north of the country. The main town of Shkoder is ten times larger than Librazhd and has not relied on a few industries as the latter town did, instead playing a strong role in the economy of the District as a centre for commercial activity. The villages thus offer the chance to explore the dimensions of poverty in a region with a comparatively strong economic centre.
Study Area Data

The household basis of Librazhd district shows a higher proportion of families with greater than 5 members than either the national level or Shkoder district level (Figure 3.2), which is in accordance with the characteristic of larger families in rural Albania. Still, if we consider the average household size to be 4 persons (Figure 3.2), it can be estimated that around a quarter of households, rural and urban, in Shkoder district are recipients of Economic Aid to some degree (Table 3.1). By similar reasoning, out of around 2,500 families in Librazhd, about a third of households, enjoy a more generous level of benefit.

Table 3.1: Indicators for the Study Areas

<table>
<thead>
<tr>
<th>Study Site</th>
<th>Population</th>
<th>Civil Office Figures</th>
<th>Census</th>
<th>Employed</th>
<th>Registered Unemployed</th>
<th>Economic Aid Recipients (Families)</th>
<th>Economic Aid Fund in Leks</th>
</tr>
</thead>
<tbody>
<tr>
<td>District</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Librazhd</td>
<td>-</td>
<td>72,286 (10,387 in Town)</td>
<td>26,292</td>
<td>5,562</td>
<td>813</td>
<td>2,226,000</td>
<td></td>
</tr>
<tr>
<td>Shkoder</td>
<td>-</td>
<td>196,431 (104,667 in Town)</td>
<td>15,453</td>
<td>18,328</td>
<td>6,909</td>
<td>23,418,530</td>
<td></td>
</tr>
<tr>
<td>Villages</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nenshat (Hajnal Commune)</td>
<td>1704</td>
<td>1500</td>
<td>N/A</td>
<td>N/A</td>
<td>184</td>
<td>335,070</td>
<td></td>
</tr>
<tr>
<td>Mnele e Vogel</td>
<td>956</td>
<td>683</td>
<td>N/A</td>
<td>N/A</td>
<td>192</td>
<td>337,300</td>
<td></td>
</tr>
<tr>
<td>Ura e Shtrenjte</td>
<td>852</td>
<td>826</td>
<td>N/A</td>
<td>N/A</td>
<td>174</td>
<td>453,522</td>
<td></td>
</tr>
</tbody>
</table>

N/A - Not Available. (Source: INSTAT, 2002a; and INSTAT: unpublished)

3 Excepting Table 3.1, the data here generally refer to the district level. Hence, when Librazhd is mentioned, the district should be taken as being referred to, unless the town is explicitly referenced.

4 £1 is around 180 Leks as of 2006.
Figure 3.3: Study Area Economic Activity for Albania, Shkoder and Librazhd Districts.
(Data source: INSTAT 2002a.)

Data on unemployment are not available\(^1\) for the rural areas due to the reason that, since the majority of families in rural areas own land, they are considered to be self-employed in agriculture and are consequently discounted from national out of work counts. On a district level, both districts show similar ratios of activity (Figure 3.3\(^2\)).

Figure 3.4: Educational Attainment by Region.
(Data source: INSTAT 2002a.)

In educational attainment, Shkoder almost exactly matches the country norm, with 21% finishing upper secondary education (age 14/15) and 4.5% completing university (Figure 3.4). In Librazhd, attainment drops below national figures after the lower secondary stage, with only 15% continuing to upper secondary education, of which a mere 2.6% graduate from university.

The districts share similar demographics. Both have a similar age distribution, that correlates strongly with the national mix (Figure 3.5). Considering gender mix, a slightly higher female ratio is observable in Shkoder than Librazhd (Figure 3.6); the same figure also reveals the difference in levels of urbanity of the districts and is explained by Shkoder city being significantly larger than Librazhd (Table 3.1), and the district itself having a higher population density (150-300 persons/km\(^2\) and

---

1. Presented in Table 3.1 as N/A.
2. The horizontal axis is on a log scale.
The populations of both areas lead similar lifestyles with similar proportions of single and married people (Figure 3.6). Census data indicates a raw level of 21-25 live births per thousand inhabitants for Librazhd district, comparable to the 17-21 for Shkoder. Mortality rates are similar too, being homogenous for the whole country between 5-10 deaths per thousand inhabitants (INSTAT, 2002a). Causes of death show regional variation, Librazhd evidencing a higher incidence of death through respiratory disease than Shkoder. Librazhd suffers, however, a higher infant mortality rate than Shkoder and the rest of the country, of between 30-60 deaths per 1000 births (ibid.). An indication of unequal access to health facilities is given in the statistic that Librazhd has a ratio of physicians to populace of around 1:2000, and 2-4 hospital beds per 1000 inhabitants, while Shkoder (and the nation on average) has a ratio of 1:715 and 4-6 beds (ibid.).

The areas have had vastly different experiences of internal and external migration. Shkoder district has experienced a net gain of up to 15% of population through internal migration, with the city of Shkoder and its environs being a choice for migrants (ibid.). Librazhd district has experienced a net loss of between

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5 Cardio-Vascular disease and Cancer being the other main causes in all regions.

6 These figures are for total internal migration to another administrative district, or external migration, seasonal or permanent since 1992, as of 2001 (INSTAT, 2002a). More ‘precise’ figures are available, but given the informal or illegal character of much of Albanian migration, precision does not necessarily entail accuracy.
15-30% of population, with neighbouring Elbasan holding better prospects than Librazhd town. According to the data, Librazhd district has not experienced much external migration, with only up to 8% of its populace moving abroad (ibid.). Again, this may explain the gender imbalances between the two, Shkoder and Librazhd. This low level is comparable to the remote districts of North-East Albania such as Kukes, which borders Kosovo. For Librazhd, a factor could be perhaps the mountainous and isolated landscape of the region, which makes access to the Macedonian and Greek borders difficult for seasonal migration. Shkoder district has experienced between 16 and 24% external migration (ibid.), which is around the median for districts in Albania. Perhaps related to this level of migration, Librazhd district has not enjoyed as much investment as Shkoder (Figure 3.8), indicated, on the one hand by new building construction activity of only around 60% of the national average since 1996 and a low level of buildings enjoying water services.

Bathore: Neither Rural nor Urban

The new informal self-help built settlements that made Greater Tirana expand beyond the old city boundaries, also represented a new settlement of poverty. Figure 3.9 shows the expansion of Tirana after 1991. Such an expansion is being considered in this thesis to illustrate the growth of what is called peri-urban poverty, which seems to be allocated somewhere between the rural and the urban with no clear definition. Data based on combined studies and reports argues that Greater Tirana grew to over 700,000 residents in ten years (Deda, 2004; 28), while the total number of Tirana inhabitants increased by 150,000 new residents, with estimates of in excess of a quarter of people reporting being without regular employment. It is now estimated from combined

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7 This figure shows the proportion of recent licensed buildings - dwellings, commercial and other types. The proportion of spend on new construction is similarly low compared to the national average.
sources of local government and community organisations that operate in the area, that Bathore has now an all-migrant population of 25,500 inhabitants.

In fact, because unemployment data are based on self-declaration, it is thought that unemployment rates are as high as 40% of the work force. Much of the Greater Tirana economy is operated informally. Many of those engaged in it could hardly be considered to be gainfully employed, however. These include day labourers in construction and other fields, street vendors, money changers, as well as skilled workers in manufacturing, metalworking, and automotive repair. The informal sector is the main entry point into the urban economy for low-income migrants in Tirana (ibid.:31). These considerations and personal previous experience of the existence of such areas, motivated visits to poor families in the area of Bathore, to understand how the system of Economic Aid impacts on their lives and to provide an extra dimension to the picture of poverty in Albania.

3.2.2 Selection of Respondents

Approaching Respondents

Sampling is an important aspect of qualitative research and sample design depends on the research goals (Arber, 1997:68) and purpose of the study (Lewis, 1995). This research aimed to achieve a sampling ratio of 20:20:30 of Government, NGO’s and recipients of Economic Aid (REA) respectively, in order to balance the dual interests of the thesis in poverty and anti-poverty programmes. The sample was later enriched with second wave interviews with officials and NGO representatives in the light of the

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Figure 3.9: Map of the expansion of Tirane after 1991. Source: Co-Plan & IHS, 2002 in Deda (2004; 29)

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8 The profile of an internal migrant family newly settled in Bathore will be presented later in Chapter 8.
introduction of policy developments. The sampling process was based on the theory of
generalisability of qualitative research as developed in Ward-Schofield (1993), and the
aim was to understand social processes and attitudes rather than obtain a representative
sample (Arber, 1997). Given the research objectives, the dilemma between the breadth,
a large number of sites, and depth, providing enough internal validity for the findings
to be generalisable turns out in favour of the latter, allowing the researcher to make
'some kind of moderatum generalisations that whatever has been selected must be
seen at least in the weak sense as being representative' (Williams, 2003:77).

Selection of the respondent's sample for this research was made according to the groups
studied. Contacts for potential interviews were made early in the study. First contact
was made with Government Officials and NGO representatives; these were obtained
through personal contacts already established via cooperation with people working in
some of these sectors. People were contacted initially by e-mail to inform them about
the research and ask about the possibility of giving an interview. Others were contacted
by telephone, or visited during preparatory visits and field work in the country. Some
NGO's were cold-called, contacted electronically, with their addresses obtained from
the Directory for Albanian NGO's 2000. Over 50% of these contacts selected from
the NGO registry turned out to be non-existent. Nine potential respondents answered
positively, while some who never replied included leading directors from Donor
Organisations. Initial contacts with Government officials were made over the phone,
as electronic methods proved wholly unsuccessful: it was reported by one respondent
that they 'don't even have computers in the offices, let alone internet or e-mail'.

While several contacts were established before field work got under way, most of the
contacts were made while carrying out the first wave of the empirical work in 2002.
Using the snowballing technique (Arber, 1997), once interviewed, respondents were
also asked for other contacts that they considered might contribute to the research. An
advantage of the snowball research technique is that it reveals a network of contacts
which can itself be studied, but, that it may in some cases prove to be disadvantageous
as it will refer to those related or connected to a specific network (ibid.:74). Recipients
of Economic Aid (REA) were identified based on the official criteria for families to
receive the benefit. This follows a well established approach, in that, benefit recipients fall into the bracket of being officially poor (Abel-Smith and Townsend, 1965:17). Some contacts with REA were made randomly depending on the research environment. For instance, in the town of Librazhd respondents were approached haphazardly outside the Economic Aid office while they queued to receive their monthly benefit. That interviewees were recipients of EA was established with the use of a list of benefit recipients provided by the EA offices, containing partial information about recipients. Where it was deemed both feasible and safe, and with the assistance of the local statistics officer, interviewees were visited in their home environments after the interviewing, to observe their living conditions.

Reaching respondents in rural areas was done by chance during community meetings or family visits facilitated by Oxfam. Community meetings gathered people of all ages and both genders that were involved in local associations, or were hoping to get involved in new community projects to improve their living standards. Because of the small size of the villages, all families were in some ways connected or participating in the community events. Meetings provided an opportunity for non-participant observation of how people prioritised needs and suggested solutions in cooperation with the community workers. People were then interviewed individually, or in focus groups. In Bathore, family visits were helped by having previously established contacts in the area during a community workshop in 2000 as part of Oxfam participatory community development work. A few families were revisited to create a profile of a poor internal migrant family trying to make a living in an informal setting.

The participation matrix (Table 3.2) shows the sample of respondents from each group according to the different timetable and method of research. Selection of participants in the focus groups was guided by two principles of such research: that the group should not be so large as to be ‘unwieldy or to preclude adequate participation by most members; and it should not be so small that it fails to provide substantially greater coverage than that of an interview with one individual’ (Merton et al, 1990:137). This research method was aided by additional information gathered from note taking, diaries and non-participant observation methods.
Table 3.2: Research methods and respondents according to each group

<table>
<thead>
<tr>
<th>Government Officials</th>
<th>Focus Groups &amp; Number of Participants</th>
<th>Other Research Methods Employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interviews (Individual Basis)</td>
<td>Total: 24 in 2002</td>
<td>Total: 9</td>
</tr>
<tr>
<td>5 from MOLSA</td>
<td>5x2 in 2002 Central Government</td>
<td></td>
</tr>
<tr>
<td>6 from GACSS</td>
<td>2x3 in 2002 Local Government</td>
<td></td>
</tr>
<tr>
<td>8 from Local Office</td>
<td>2x12 in 2005 Central &amp; Local Government</td>
<td></td>
</tr>
<tr>
<td>1 from INSTAT</td>
<td>&amp; Members of the Albanian Parliament</td>
<td></td>
</tr>
<tr>
<td>1 from MoE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 from MoH</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 from ISS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 from MoF</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic Aid Recipients</td>
<td>Total: 30 in 2002</td>
<td>Total: 9</td>
</tr>
<tr>
<td>18 urban</td>
<td>4x4 urban (1 youth)</td>
<td></td>
</tr>
<tr>
<td>12 rural</td>
<td>5x7 rural (one women)</td>
<td></td>
</tr>
<tr>
<td>NGO Representatives</td>
<td>Total: 20 in 2002</td>
<td>Total: 5 focus groups</td>
</tr>
<tr>
<td>5 from DO’s</td>
<td>4x3 in 2002</td>
<td></td>
</tr>
<tr>
<td>7 from RPI’s</td>
<td>1x2 in 2005</td>
<td></td>
</tr>
<tr>
<td>8 from NPO’s {4 from CO, 2 women, 1 Child, 1 association}</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


Venue for the Interviews
Travel to Librazhd was co-ordinated with logistics provided by INSTAT, while travel and access to the villages in the Shkoder district in the north of Albania was facilitated by Oxfam. Access to the areas for research was organised to be within the scheduled work and travel of each organisation. Access to respondents in Tirana was obtained independently.

Arranging interviews was often difficult and sometimes, due to work commitments of the respondents, they had to be cancelled even a few minutes before the interview was supposed to take place. Rearrangement was often agreed only after much persistence. Interviews with government officials and civil servants took place at their offices, at the request of the interviewees, or in a public part of the building. Interviews were planned to last for one hour: flexibility, however, was important, with the success of the interview always depending on the interviewee’s schedule and their willingness to impart information.
3.3 CONDUCTING THE RESEARCH

3.3.1 Interviews with Government Officials

The first line of research with this group constitutes a long process of overcoming gate-keepers, establishing contacts, gathering information, selecting the sample to be interviewed and carrying out interviews. In-depth semi-standard interviews form the crux of the research. Engaging policy makers in discussion was found to be the most effective way to generate rich data that fell beyond the official line of reports. Seventy percent of the respondents were at the time of the study working for the Government, while thirty percent of them had been working there previously during the first years when the Ministry of Labour was established. They comprised leaders and civil servants at the Ministry of Labour, the Administrate of Social Services, the Employment Opportunities’ office and other relevant policy making institutions.

The sample was selected carefully to include people who had been in the past or were currently involved in any of the stages for policy making focused on economic aid. Although informally government officials and civil servants had agreed to be interviewed, that did not constitute a guarantee for an interview to take place. In other words, a back up list of people to be interviewed was made to cover for this eventuality.

Interviews were semi-structured, allowing respondents to answer from a variety of directions and leaving space for discourse and discussion to develop, with the purpose of promoting engagement and hopefully, thereby, the volunteering of latent information that could not be drawn out by closed questions. Starting with a brief presentation of the study and reasons why the respondent was chosen for the interview, general questions were introduced in order to get initial views and interpretations of the interviewee about the broad area of the topic of the interview. The interview guide was decided after studying theories of poverty and policy evaluation as ‘theory serves the study, generating explanations and guiding the search for data (Mabbert and Bolderson, 1999). The interview thematic guide for this group is provided in
Appendix I. Questions fell into three main clusters according to the major themes of the research:

- Conceptualising poverty within the government's perspective and establishing respondents' subjective evaluation of contemporary poverty in Albania.

- Examination of policies in response to poverty reflecting the major economic, political and social transformations in the country. Establishment of MOLSA and GACSS, were examined as core social policy-making institutions.

- A range of questions gathered under the 'why' theme constitute the last part of the interview sample. These questions tried to ascertain the motivation for the programmes and reasons for their method of implementation and delivery. An important value judgement was asked of each respondent, as to whether it was felt that the programs had achieved their aims and what impact they might have had on poverty.

The research recognises the risk of self-favouring in this assessment, where people might have the tendency to appreciate the policies carried out during the time when they were directly involved or when they were leading particular aspects of policy making. All interviews were tape recorded except in one case when the interviewee was strictly opposed to the idea of being recorded, and afterwards even to the idea of being interviewed. The potential respondent, who was at the time of the research leading one of the main institutions running part of the social protection system, categorically refused to be interviewed. The justification given was that 'only journalists can make interviews, not researchers'. When asked whether he could provide some data 'off the record' he replied that he was 'too high up in the hierarchy to be dealing with anything that was merely for study purposes'. I then asked him whether I could interview one of his employees, but he firmly said that 'they [were] not allowed to give interviews and each employee needs a written permission [from him] to be able to do that or they would be risking their job'. Asked whether he would provide a written permission, the answer was 'no!' I later found out that the Government, in its attempts to preserve
internal information, had circulated an internal code that authorised who had the right to deliver public interviews. It was obvious that no division was made between media interviews and interviews as a tool for academic research. Needless to say that, thanks to personal contacts, I managed to interview one of his employees who disregarded that order as 'the usual nonsense'. Yet, from an ethical point of view, I questioned myself whether by trying to fulfil my research aims, I was making a mistake in disregarding authority and power. At the time, however, obtaining the interview seemed of more importance.

While tape recording, some of the interviewees wanted to express personal views that they otherwise would not have been comfortable sharing in formal discussion. They would anticipate by saying: 'Off the record I would respond differently...' In cases like this, I offered to stop recording, reinforcing again the ethics of this research in safeguarding respondent anonymity. It is a debatable point though to what extent such answers reflected a personal or an institutional view, or what it reveals about civil servants feeling alienated within their institutions. The existence of multiple interpretations, an official line and unofficial ones, is hardly a new phenomenon in social investigation. In both individual and group interviews, two principles, as suggested by Stewart and Shamdasani (1990:61), were considered important: first, that questions followed from more general to more specific; secondly, questions of greater importance such as specific evaluations were placed at the top of the guide, while those of a lesser significance such as general opinions near the end. Questions that include words such as 'how', 'why', and 'under what conditions' suggest to respondents that the researcher is interested in complexity and facilitating discussion (ibid.: 65).

3.3.2 Researching the Poor

The perspectives and opinions of REA were gathered through in-depth interviewing and open and free discussions in focus groups. The study does not attempt to cover the whole spectrum of the phenomenon, rather the depth of it. Semi-structured, open-ended in-depth interviews are a good way to get people to talk about the topic the researcher is interested in, allowing them space to expand on, and yet keeping the focus on the
aim of the interview: to get people to talk about their perceptions of poverty and to assess the policies. Thus, these interviews with REA are in the manner of informant, or non-directive interviewing, in which the prime concern is the ‘interviewee’s perceptions within a particular situation or context’ (Robson 1996: 231). At this stage of research an important criterion was to avoid raised expectations that my research would influence policies that affect people’s lives. While I hope that this research might contribute to the studies on poverty and anti-poverty in Albania, studies that then indirectly benefit the poor by influencing policy making with empirical data, I felt I had to make it clear that interviews and group discussions were only for study purposes.

Among the REA that participated in the research in the rural areas there were more women than men, perhaps due to the fact that men either migrate abroad or go to town to look for day jobs. In the urban areas, use was made of the places where poor people stay. Firstly, the Economic Aid office where mixed groups of people who collected their monthly benefits were approached. Also useful was the daily job seekers’ place, that has become such a feature of Albanian towns and brings a new dimension to urban studies. Job seekers are a new kind of day commuter, coming to the centre of the city each day to search for work.

The long queues at the Economic Aid office afforded a good opportunity to approach people, with the caveat that the ease of conducting open group discussions in a busy public street needed consideration. Non-participant observations were carried out in the form of dictated reports, note taking and diary throughout the fieldwork, which proved very helpful especially after research had taken place. Asking people to describe their experiences of poverty and the impact of policies on their lives proved to be very important and it revealed issues that are not always covered in traditional poverty analysis, complementing and extending the official reports. Shaffer (1998) finds that using ‘non-traditional’ approaches such as people’s subjective perspectives can highlight issues that are quite often ignored by traditional metrics.
**Thematic Issues**

Themes in the group discussions with REA respondents concentrated on three main areas. First, people's opinion about how poverty was understood and how it was experienced. Secondly, their opinions on the impact of government programmes on reducing poverty and the role of other institutions. Third, mechanisms that people have used to cope with poverty and its interrelated effects were explored. Family visits provided the visual aspect of the conditions in which poor people live. A sample of the main discussion themes is presented in Appendix II.

**Justifying the Research Techniques**

The importance of getting people's perceptions of poverty rests on the idea of seeking to understand poverty from a range of perspectives beyond that of the normal stakeholders, academics, experts and political elites who are involved in policy design, analysis and implementation (Narayan et al, 2000a). In-depth interviews and group discussions were considered the best way to get poor people's views on poverty, providing a living dimension to the official statistics through which a deeper understanding and evaluation of poverty could be developed. As mentioned in chapter 2, poverty conceptualisations are crucial in defining, measuring and tackling poverty. For that, a combination of methods and sources is considered a valuable and important means of apprehending the issues.

Group discussion is used here as a technique that allows for a number of people to be interviewed simultaneously, similar to a focus group that is not gathered only for the purpose of this research. It was found possible, using this method, to generate discussions around the issues in which the researcher was interested. Group discussions can offer a level of willing participation of people above that often found in focus groups, since people are gathered by their own will and the direction of the discussion is more fluid and less deterministic. People reported feeling freer to talk in discussion groups and the method avoided raising expectations because the group had been formed for other purposes. The researcher found herself to be welcomed in these discussions.
3.3.3 Interviews with NGO Representatives

The secondary line of research comprised interviews with active members of civil society and representatives of the international Donor Organisations (DO's). There is need to clarify that the notion of civil society here refers to people organised in non-governmental organisations (NGO's) or research policy institutes (RPI's), which are thought to have had an impact on people's lives. Interviews covered issues regarding the origin of the development of civil society, their role in poverty relief, and relations with the Government and communities that they worked with. A thematic guide of the research with this study group is presented in Appendix II.

Interviews with this group were considered important as they tried to explore the opinions of the so-called avant-garde elites whose aim is to influence the policy making process by working closely, with yet critically observing, the Government. NGO's have been considered elites and their involvement and impact in changing society has been seen as important (Hossain and Moore, 2002).

Research methods used in the study tried to explore the way poverty was understood and dealt with in Albania. NGOs' role in social service delivery was examined under the context of civil society development. Open and informal focus group discussions aimed at gathering different perspectives on the topics researched. Respondents from the NGO sector involved people whose participation in civil society has been at different levels and time length. While access to respondents from the NGO sector was easier than was the case with government officials, access to information such as studies, data, or reports proved to be as difficult as was the case with Government ministries. By no means did the Freedom of Information Act guarantee access to the information held by these institutions. In other words, the information was open, but not always available.
3.3.4 Data Collection and Analysis

Recording Methods
Various methods were employed for recording depending on the situation the research was conducted in and the role of the researcher in the process. Most of the research was based on tape recording, but where possible, especially during open discussions in the rural areas, where people were happy to be filmed, the researcher made use of video recording as an aid to visual memory. While an invaluable means for research, the tape recorder quite often led to background noise especially in the case of interviews in public places. The research process was accompanied by note taking after meetings or during the time spent there as a non-participant observer. Such reflections made during visits in the study area turned out to be an integral part of the study, as they gave a useful vantage point from which the researcher could reflect upon the expectations of the research, and how they were fulfilled, which has in the process shaped the researcher’s own attitudes and ideas.

Analysing the Data
Outcomes of the field research consisted in a process of transcribing interviews, reviewing the information collected, such as statistics, published documents, studies, visual and verbal materials, notes and diaries which made the raw data. The process of transcribing and putting together all pieces of information was rather complex. Information gathered was divided according to the main themes of the research and the groups that participated in the research, exploring the direct and indirect meaning of the answers of the respondents (Brenner, 1978). Information was clustered in two ways: first, conceptualisations of poverty and second, policy evaluations for each of the groups studied.

Analysis of data started while the empirical work was still going on, a procedure known as ‘sequential analysis’, whereby further research focuses on issues that have become apparent from preliminary analysis (Becker, 1971). These issues are taken on board when considered relevant and crucial to the investigation. The process of analysis included search for trends and patterns that reappeared within one or among various groups. As Lewis (1995:5) and Krueger (1998:109) suggest, analysis starts
with a comparison of the words used in the answer, paying attention also to the intensity of comments, which was a feature of many discussions and interviews with the REA in particular. Answers were then analysed across the groups of respondents according to the context of poverty understanding and policy evaluation, bearing in mind that the aim of this research was to investigate the nature of these issues and personal accounts. For that reason, computer software packages were not used in the analysing process.

3.4 Reflections on the Research

3.4.1 'O tempora! O mores!'\(^9\)

At all stages of the research, potential respondents were informed about my position as a researcher and the aims of the study before being presented with the request to participate by being interviewed. They were informed about principles of confidentiality in regard to their responses. Even though a few pre-fieldwork contacts had been already established, I often tried to access people and data to no avail. Over thirty phone calls were made to Government offices and Donor organisations where I introduced my research, and requested to access people and information, as a student, not giving my real name (that is, without introducing my full name to people I already knew). The answer from absolutely all of the people contacted was negative. It was expressed either in the form of simply ignoring my request, never replying or calling back, even though promised, or in the form of denial of the existence of any relevant data: 'We don’t have anything relevant' or 'call another number in the institution'.

Out of total frustration, I decided to give in and use my personal contacts. I called back these institutions and introduced myself and spoke to people I knew from before either through direct cooperation or through the small Tirana professionals network. And doors started to open! From, 'no' answers I was hearing 'Oh, how are you? Yes, come around and have a look at all our publications here; of course we will give you an interview'. Such an experience was as frustrating as it was demoralising. Had I not had previous contacts through informal networks I might not have been able to access

\(^9\) Oh! the times! Oh! the manners! - Cicero, \textit{In Catilinam}.
the information. While it seemed to be 'the way things work in Albania' as I was often reminded, it showed how difficult it can be to gain access to information that people are entitled to. It raises even more issues as to what extent the poor can have access to information. While expressing my frustration to friends, their reply was an indicator of acceptance of these issues; 'What do you expect?' In fact, I was not expecting other than openness and efficiency from institutions. The sense of tacit acceptance made me think it was illustrative of Albanian society. While my friends, young in age and with high academic and professional achievements, take such a retreatist role, then who will ever change things in Albania? What about those that have no power or position? Is this comfort with what is malfunctioning because of fatigue or because things are not being questioned?

One aspect that influenced the sample selection procedure was the instability of the position of civil servants that has characterised the Albanian administration for the last decade. Despite the introduction of relevant legislation\(^\text{10}\) to protect workers from being influenced by changes in political leadership in the Government, public administration was still suffering from it. Constantly updating the data and information before final completion of this thesis, I contacted some of the respondents I had interviewed from the Government offices. At least seven of them had lost their jobs due to 'institutional restructuring' that started in 2005 as a result of the change in the Government, and the issue was being raised continuously in the media.

As a female researcher, it was felt that in a patriarchal society, which Albania undoubtedly still is, it was deemed necessary to adopt certain mores to break the ice with communities, such as drinking raki\(^\text{11}\). Over-loaded with cultural signification, it offered a shared point of reference and thereby some acceptance among the host communities, particularly among the northern rural groups, to whom I was as good as a foreigner. On the other hand, being a female researcher made access to other areas a matter for risk assessment, and safety matters were always a concern especially when travel and access to respondents was done independently.

\(^{10}\) Law 8549 for Civil Servant, Date 11/11/1999.
\(^{11}\) In moderation.
Research with Government officials was sometimes affected by gender. Being a woman in an undoubtedly masculine environment and looking slightly ‘studentish’ made the research stagnate in some instances, leading to the adoption of a more professional look for subsequent interviews. Research with NGO respondents was easier to organise and respondents and organisations were approachable. The language used by the respondents in this group is often regarded as ‘elite jargon’ or ‘NGO-language’. dense with words like ‘deadlines’, ‘funding’, ‘projects’, and ‘sustainability’, some of which are adopted into the Albanian language as loan words. An element of this was apparent - but easily overcome by adoption and repetition of the buzzword. This experience made me question the extent of shared ground that exists between government, elites and community when they operate in such different realms of discourse.

3.4.2 Personal Reflections

When I carried out the major part of empirical work in 2002, much of me had not really left Albania. I had been in the UK for two years, but travelled back every 3 months doing work and gathering data for my research. After the field work, I had a feeling I already knew all the answers people had given during the interviews, which made me question all the trouble of arranging for so many meetings, interviews and travelling, when I simply would have got the same answers from just a few of them. So many tapes and endless fieldwork notes that easily filled up my office seemed to lead me nowhere. After these years, my research has hardly left my brain for a second, while working full time and updating my mind on everything my research was aiming to achieve.

Most worryingly, I have been going around in circles, re-thinking, re-calling and re-positioning my research; recalling interviews that at the time seemed no novelty to me, re-visiting my notes and watching people’s behaviour on the video-recordings. I was too close to the subject matter, as it has been a part of lived history for me. Only now, while I complete the last touches of my research am I able to recognise so much of what I now see as the danger of the insider (Fielding, 1997b). Being part of the society I was studying, I had an implicit position, which at the time I thought would be of immediate benefit.
That said, I felt unable to piece together common threads, and find novelty in my research because I carried so many assumptions with me, having lived with these issues for a long time. I had spoken to governmental officials during my university internship, visited and worked with poor communities during my involvement with Oxfam and I had a very good knowledge of the NGO sector as I had, as every other university employee in Albania, held a second job in the third sector. Typical scenarios illustrate this when interviewees would say... 'C'mon, you know this better than me; you know how things work here... why do you even ask?'

To make matters worse, not only professionally was I close to these issues as a researcher, but I was Albanian, which means a professional debater of politics. Every Albanian is so highly engaged in politics - it is said they can’t afford not to be. During a long process of re-assimilation and gestation of the themes, I was desperate to have a ‘Eureka’ moment. Now, that I have spent considerable time outside Albania, I can see the experiences for the idiosyncrasies they are: those interviewees that said ‘you know that nothing changes here’; the smiling people in the village who amidst their poverty never forgot to throw a good joke and volunteer to find me a good husband with a house and some acres of land; the bureaucrat that was leading a big institution who ‘of course’ refused an interview; the poor woman at the EA office who after the interview wanted my phone number for when she might visit her son in the UK whom she had not seen for 7 years; or the children selling cigarettes, who were so happy to have a chat and tell me about their school, when they did go, and their teachers, before running off to the next table to sell cigarettes to the unemployed; the unemployed, discussing politics in cafes while nursing an all-day espresso or hanging around the public square, waiting, but without much expectation that they would be picked to do some work; or the mixed feelings of fear and distrust when I had to travel from the fieldwork in the north back to Tirana for four hours in a van with the driver and two strangers in hoodies, while I (a national) was thinking all the way back to Tirana of what piece of metal I would grab in the worst-case scenario. Needless to say that I was rehearsing bargaining with them in case they would want to take my research arsenal, the camera and the tape recorder- at least I had to make sure I could keep the tapes.

12 A joke runs: The Albanian calendar is not set out according to the seasons, but elections.
13 If she would ever be granted a visa.
It felt strange how I fell into those typical western Governments’ stereotypes of panic ‘advice if you travel to Albania’. Such a scenario could be most common in London. To this date I have not dared to tell my parents of that trip - had I mentioned it then, it would have surely meant the end of my research experiment.

I hadn’t seen that all those lengthy conversations with people over a coffee were the novelty, which at the time I considered so Albanian, everything has to be done over a coffee, or a glass of raki; being called ‘cika jone’ (our girl) because of the deep social significance of sharing such a drink with them (which is more of a man’s drink), and sitting on the floor as they did; the language, humour and culture of respondents in discussions, whose richness was simply lost in translation. I had taken the experience for granted and only later could appreciate it. As the English expression goes, I couldn’t see the wood for the trees. This experience emphasised by the post-fieldwork fatigue affected the way I saw my research for a considerable time.

Ultimately, the research experience brings to mind a tale from Tolstoi that, as children growing up in communist Albania, was shown frequently on TV for educational purposes. A father, on his deathbed, tells his sons that he had hidden gold in their land. They would need to work the land to find the gold. The sons worked hard for years but no gold was to be found. One day they noticed that while they had worked the land in search of the treasure, the fruits of the earth had flourished. Only then did they realise that the gold was not to be found in the land, but in their work, in the process. So, to qualify the fact that, while ‘years of immersion are needed to write a good case study’ (Mabbet and Bolderson, 1999), it can require an equal degree of distantiation to truly comprehend it.
CHAPTER 4 AN HISTORICAL CONTEXT

Introduction

One can hardly find a ‘Golden Age’ for Albania; and poverty has been synonymous with the country throughout its long, obscure history. However, the extent of Albania’s poverty has rarely been as acute and apparent as in the last decade, with effects and consequences of international significance. To provide context and to better appreciate the need for, and development of, contemporary social policies and poverty discourse in Albania, this chapter profiles the country and traces its historical path which, for the purposes of this study, is divided into three main historical periods -

- From the peoples’ mythical beginnings until the end of the Second World War in 1945. This saw hundreds of years of occupation, followed by a struggle for nationhood interrupted by the Second World War.

- The country’s self-determination and assertion of independence since 1945. In this period Albania was ruled by a communist regime, led by the dictator Enver Hoxha, who aspired to develop the country on strict Stalinist principles from the starting point of the devastation of the country’s’ already blighted economy.

- A short period of reform following Hoxha’s death in 1985, with a swift release from the famous isolation imposed by the communist regime accompanying turbulent transition to the present democratic constitution and creation of a market economy.

The last period is discussed in greater detail, and with a poverty focus, in the next chapter. The first two periods form the matter of this chapter, alongside an examination of welfare as it was implemented under communism.
4.1 ALBANIA, TERRA INCognita

"A country within the sight of Italy which is less well known than the interior of America."

(Attributed to Edward Gibbon')

4.1.1 Place and People

Albania is a small country of some 28,000 km² – fractionally smaller than Belgium. The land extends approximately 300 km north-south and 150 km east-west (Berxholi, 2003) and faces the southeastern coast of Italy, 100 km across the Strait of Otranto. There are southerly and eastern land borders with Greece and Macedonia and to the north with Montenegro and the Serbian province of Kosovo.

The country’s geography can be considered as being divided between a western coastal lowland and eastern mountainous interior, with an average altitude 700 m above sea level. Albanians enjoy a temperate Mediterranean climate of short wet winters and hot dry summers with temperatures in the 30’s Celsius. The land affords plentiful water supplies from lakes, rivers and springs: hydropower in the north is an important provider of electricity. A quarter of land use is for arable permanent crops. The country benefits from many minerals (bauxite, chromites, copper, iron ore, nickel) and energy resources (petroleum, natural gas and coal). The domestic population is 3.1 million (INSTAT 2001a:10), with a growth rate of 0.8 percent after migration is considered. An estimated 600,000 Albanians live abroad (King and Vullnetari, 2003:12), mostly in Italy, Greece and other EU countries. Allied to falling birth rates, this emigration has led to a net decline in the resident population since 1989. Consistently high rates of internal migration to towns have raised the country’s

1 Probably erroneously. c.f. Winnifrith, 1992:1

Poverty and Anti-Poverty Programmes in Albania
The general level of urbanisation to 42% in 2001, from 35% in 1989. The 2001 census enables comparison of the two extremes in the population dynamics. The capital, Tirana, with 520,000 inhabitants, has experienced a growth rate of 41% since 1989, with a population density of 8,537 persons/km² (INSTAT, 2001a). Correspondingly, rural areas have seen population depletions, as large as 54% in the case of southerly Delvina, near Sarandë, with a population density as low as four persons/km².

The populace is ethnically homogeneous (98% ethnic Albanian), but regionally distinct (ibid.). There is a broad north-south distinction, between Gheg and Tosk Albanians. The country’s official language, ‘Shqip’ is a modified version of the Tosk dialect. There is a diverse religious canvas of Muslims, Catholics, Orthodox, Sufi and Atheists with no appreciable social or political attrition between faith groups, perhaps due to the complete decoupling of religion from the apparatus of the state under communism, and other historical factors that are presented later in this chapter.

The country is characterised by an unmistakeable history and strong regional identities, possessed of rich veins of culture and mores. These find expression in, among other things, living traditions such as the polyphonic music of the Vlorë region, recognised by UNESCO as a World Heritage art form, and has been the inspiration for modern artists and writers of international prominence, such as the Nobel Prize nominated Ismail Kadare.

4.2 AN ELUSIVE EAGLE³

"Les philosophes: Le monde n'a pas d'âge. L'humanité se déplace, simplement."

4.2.1 From Myth to Obscurity: Beginnings of the Albanian People

The origins of the Albanian people are as elusive and obscure as much of their history. They are perhaps among the most ancient inhabitants of the Balkan Peninsula, popularly considered descendants of the Illyrians, one of several ancient tribes to the immediate north and warringly independent of the ancient Greeks.

2 The other official 'language', the unit of monetary currency, is the Lek.
4 ‘Philosophers: There is no History. Humanity just moves about.' Rimbaud, Les Illuminations.
As if to set a template for the future, the tribal Western Balkan region was unified under occupation from 168 BC, becoming the Roman province of Illyricum, until cleaved apart during the division of that Empire in 395 AD. This partition, splitting the north and south of Albania geographically, could be said to have characterised these lands until modern times. It was later sharpened with the Christian churches Great Schism in the 11th Century AD (Winnifrith, 1992), broadly dividing the region into western-looking Roman Catholic north and eastern looking Orthodox Byzantine south. Hun, Visigoth, Ostrogoth and Slav invasions interrupted intermittent Bulgarian rule and submersion in the great Byzantine Empire, which lasted into the 12th century AD, during which time the inhabitants of the area became known as ‘Albanoi’. At this time, there was increasing urbanisation, the ports of Durrës and Valona increasing in strategic importance, and there was a regeneration of the ancient towns of Shkodra, Krujë, Berat and Elbasan (ibid.).

Normans and Venetians came, for conquest and for commerce, and on 21 February 1272 Charles I of Anjou “founded the Latin kingdom of Albania, which covered most of modern Albania, from Drin to Vlorë” (S. Hill, in Winnifrith, 1992:54). However, even after this, Albania was again to seem to be more of a geographic expression than an independent nation (Costa, 1995), as the country succumbed to another great Empire in the east.

4.2.2 Whither the Eagle? Subsumption in the Ottoman Hegemony

The leadership of national hero Gjergj Kastrioti-Skanderbeg stood in the way of complete Ottoman domination of Albania, independence being maintained until 1501. The struggle against occupation strengthened the Albanian sense of unity and belonging: the first sources of written Albanian and the people’s self-identification as “Shqiptarë”, their language as “Shqip” and the naming of their land as “Shqipëri” date from this time.5

The 400-year Ottoman occupation has often been blamed for the comparative backwardness of the country. This period is thought to have impoverished Albania, as

5 Perhaps derived from “Shqiptonje” (Eagle), hence the national symbol of a Janus-headed eagle. (Hall 1994).
the Ottoman dynasty had perhaps more interest in developing the country religiously than economically. One must pause here and consider the impact on life opportunities for the Albanian population under the culturally rich civilisation of the Ottomans (Puto, 2003). For those that did not convert to Islam and/or emigrate – Muslims to other parts of the Empire, and tens of thousands of non-converts to southern Italy (an ethnic group known as Arbëresh) - the choice was more “convert or pay” than “convert or die”, as has been the case so often in history, with punitive taxation on land and production for infidels (Logoreci, 1977).

Whether or not there was an element of pragmatism or the Vicar of Bray here, Albanians did convert in majority, unlike Greek and Slav neighbours whose souls were perhaps more bound to their national Orthodox churches. Albania became the only Islamic country on mainland Europe. Closer inspection would reveal that this was no simple assimilation. The country was divided along old fault lines: Gheg clans living under ancient codes in the mountainous north, largely ignoring Ottoman cultural influence and a class of feudal landlords in the Tosk south, who enjoyed more of the cultural and economic advantages of the time, mobilising into the higher echelons of empire (Kressing and Kaser, 2002: 41).

4.2.3 Asking the ‘Albanian Question’

It could have been that the protection afforded by the Ottomans against other ambitious neighbours was the reason for Albania to be one of the last of the Balkan countries to gain independence (Vickers, 1995:31), or perhaps the absence of a nationalist sentiment fuelled by religious differences, as motivated Greeks, Serbs and others. The nationalist movement in Albania arose appreciably only as late as the 1870’s, when similar movements in other countries had already gained much momentum. The independent Albanian State was born at the beginning of the twentieth century, following the Ottoman Empire’s dismemberment in the Balkan Wars. On November

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6 Comparative peace, education, work and travel, for instance.
7 Famously changing allegiance according to who was in power at the time of the English Civil War.
8 What was to be codified as the Kanun of Lek Dukagjini (15th Century) – a code of honour featuring cradle betrothals, blood-feuds and sworn virgins (c.f. Young, 2000).
9 Or any other until the last century, being of living interest to ethnographers, anthropologists and eco-tourists to this day.
28, 1912, Albania’s independence was proclaimed at a summit in Vlorë on the Southern coast. Ismail Qemali proclaimed independence and created a temporary government with a promise, to be made many times since, of delivering the people from want and despair.

Albania was on the agenda for an Ambassadors’ Conference in London on July 29, 1913, attended by the ‘Great Powers’¹⁰ (Vickers, 1995). The conference affirmed Albania’s independent and neutral status under their protection. It established the borders of the new state, which have remained to this day. These borders excluded more than half of Albania’s former lands inhabited by Albanians, including Kosovo in the Northeast, so that, not for the first time, the geographic border sat well within the ethnographic/linguistic border. Southern borders were redrawn, allowing the region of Epirus to Greece. An international Control Committee drafted Albania’s first constitution, the Albanian Organisational Statute, in April 1914 and assumed powers for regulation of the state’s administration and finances (ibid.). Therefore, independence remained nominal - the European powers ruling by proxy through Prince Wilhelm zu Wied, from March 1914.

His rule was brief. During the First World War, neutral Albania enjoyed the protection of the Austro-Hungarian Empire, who had entered the country in pursuit of Serbian forces, who themselves had invaded at the first sign of war. The country suffered becoming a battleground, with in excess of 20,000 French and Italian forces stationed south at Korçë, which Greek troops had also invaded at the opening of hostilities (Logoreci, 1977). The secret ‘Treaty of London’ (1915) had brought Italy into the war with a promise of making Albania into an Italian protectorate and the ceding of land to Greece and Serbia. After the Armistice, only the United States-held doctrine of ‘self-determination’ lent any international force to the idea of independence when the war was through. Nationhood would have to be asserted, not granted.

The specially convened Lushnjë Congress declared an independent Albanian state and a mainly populist volunteer army was assembled, which fought to rid the country of Italian forces, still occupying towns such as Vlorë. International recognition

¹⁰ Great Britain, France, Russia, Germany, Austro-Hungary and Italy.
for the new state was confirmed with admission to the League of Nations in 1920. Domestically, Parliament was a factional rather than party-political affair and the interests of the clan chiefs and landowners were to be well served by the two year Prime Ministership of Ahmet Zogu. A ‘democratic coup’ in June 1924, brought about by only a dozen antagonists, saw the creation of a new constitution and arrival of a democratic government led by Orthodox bishop Fan Noli. If Noli’s liberal platform of reform and development offered hope for at last dealing with the comprehensive poverty of the country, they were to prove ephemeral: planned reforms never came to fruition as the fledgling government lasted a mere six months.

4.2.4 King Zog: Progression into Anachronism

In December 1924, Zogu took power with the assistance of Yugoslavia, to which he had previously fled during the coup. From 1925 to 1928, he governed the country as Chair of the Republic. In an anachronistic step, given his supposedly European re-orientation of the country, Zogu declared himself King of Albania in 1928. This further promoted the image of Albania’s relative backwardness to those outside the country. There were positive developments, however. During his 15-year rule, two constitutions and a civil code were approved: Zog’s rule created hegemony from authoritarianism, to ‘lay for first time the political foundations for a modern sovereign nation state’ (Logoreci, 1977:65).

Still, misery and poverty are particularly associated with these years, as expressed in some of the greatest literature of the period. Migjeni, the exemplar among Albanian poets of this time, writes:

‘A bite that can’t be swallowed is squalor
a bite that remains in the throat and leaves you sad
when you see pale faces and green eyes
that watch you like shadows and lay their hands
laid like that remain behind you
all their life until they die.’

(‘Misery/Poverty’ by Migjeni, 1911-1938. Own translation)
The Zogist era economy was in poor shape: largely agrarian, still it was not self-sufficient in agriculture. With a weak and antiquated infrastructure, an underdeveloped industrial base and poorly exploited mineral deposits, at this time Albania achieved an international trade equal only to 3% of Great Britain’s or 12% of that of Greece (Selenica, 1928). There were correspondingly poor indicators in education, health and life expectancy. The country had around 8% literacy. Only 400 people had a graduate qualification and 1100 had passed secondary education (ibid). By the 1940’s around 20 secondary and 650 primary schools had been established and primary education was made compulsory, but the education sector was still under-developed for the needs of a society of more than 800,000 people. Estimates of crude death and birth rates put them high, around 17% and 34%, with a life expectancy of 40 years11 (Haigh, 1925:134). There was no public health service until 1922 and one could expect never to be able to see a doctor in one’s lifetime if one lived in the countryside (ibid.).

Zog turned away from his Yugoslav supporters to conduct a turbulent accord with Mussolini’s Italy, receiving financial support for his modernisations and political support against his enemies. The extent of his regime’s dependence was shown in the establishment of the Albanian National Bank (Logoreci, 1977), which was Italian controlled and funded, and the nature of security and defence agreements that allowed for ‘protective’ Italian military intervention in Albania. Mussolini’s imperial ambitions grew with the outbreak of the Second World War and he brought down Zog’s regime in 1939. The abolishment of the constitution preceded the designation of Albania as an official protectorate of Italy. A 1941 Italian ‘offensive’ against Greece led to the loss of half of Albania to those forces within a month. German military superiority rescued the situation for Mussolini months later, as they swept through the Balkan region, granting Kosovo to the Italians in the process. The Nazi’s again took over after Mussolini’s fall, with a more ruthless attitude to opposition than the Italian forces. The Albanian people were hardly alone in having increasing hardships visited upon them at this time, but it witnessed an already poor country brought near the point of total devastation.

11 It is contended that recurrent malaria outbreaks and the practice of blood feuding contributed to this low figure.
Liberation came in November 1944\textsuperscript{12}. A great partisan mobilisation of separate communist, nationalist and Zogist factions was instrumental in this; but it was facilitated by events on central European fronts. This was the most powerful historic expression yet of the Albanian need for self-determination and desire for stability and prosperity. Having seen off the occupying forces and their internal enemies, such as the nationalist Balli Kombetar (BK) who had disastrously appeared to side with German forces against Greece, the Albanian Communist Party (ACP) dominated in sentiment and in politics, came to power on an extraordinary wave of patriotism, community participation and solidarity.

4.3 SHQIPERI, SUI GENERIS

"Nobody can stop an idea whose time has come"\textsuperscript{13}

Albania for centuries had been externally largely unknown and characterised by struggles for political independence and stability. Forty years of Enver Hoxha’s dictatorship were to solve the latter issue, but with the cost, by no means the dearest, of compounding the former.

4.3.1 ‘Pure’ Albanian Communism: Political Ideology and Nation

The Republika Popullore Socialiste e Shqipërisë (RPSS) (People’s Socialist Republic of Albania) had a single constitutional ideology of Leninist-Marxism: a centrally planned economy, the elimination of almost all forms of private property, and an ideal of national self-reliance as a guiding tenet of economic policy. In practice, this was to lead to an almost complete isolation - a cutting off from outside influence, information and crucially, investment.

The country’s inception and beginnings had familiar echoes, though. Even with history to inform it and the patriotism of liberation, Albania’s future as a nation was

\textsuperscript{12} The National Holiday of Albania is the celebration of Liberation. Today, its date is either the 28th or 29th of November, changing according to whether, respectively, the Democrat or the Socialist Party are in power. The former referring to the declaration of Independence in 1912, the latter, to the liberation from the Nazi’s and hence, the foundation of the Communist State.

\textsuperscript{13} Popularly adapted from “On a résiste l’invasion des armes: on ne résiste pas l’invasion des idées” (Victor Hugo, Histoire d’un Crime, 1877)
to be determined not without strong external interventions. Though governed by the ACP, in its infancy the RPSS was under the political and institutional tutelage, if not direction, of the Yugoslavian communist regime of Tito (Pipa 1990:15), which having manipulated events to reclaim Kosovo during liberation, feared a growth in pressure for its secession. Indeed Tito’s pawn, Koči Xoxe, Minister of Internal Affairs and head of the secret police (the dreaded ‘Sigurimi’), had set the path for the merger of the country into the Yugoslavian Federation as the ‘best solution for all parties’ (Biberaj, 1990:18-20).

Mirroring internal ACP divisions, an ensuing ideological rift between Stalin and Tito presented national leader, Head of State Enver Hoxha, with the opportunity to denounce Yugoslavia, expel its advisers and abandon signed treaties and protocols, as a prelude to the trial and execution of the ‘traitor’ Xoxe. Thus the Albanian Party of Labour (PLA), so named by ‘Uncle Joe’ himself, was borne into power in 1948 under the control of Hoxha (ibid.). In what was to become almost a behavioural pattern in future alliances, originating from a complex interplay of party politics, ideology, nationalism and foreign dependence, Yugoslav aid was replaced by the pot of Soviet money and Albania became faithful to the Stalinist model of Marxism, in plans, in policies and in purges, remaining so well beyond its namesake’s passing.

Krushchev’s programme of de-Stalinisation in the latter half of the 1950’s, as the USSR faced up to the realities of that regime, and his rapprochement with Yugoslavia brought some uncertainty to Hoxha’s tenure, seemingly vindicating the deceased Xoxe’s political position and thereby strengthening Party calls for the rehabilitation of those previously persecuted as ‘enemies of Stalinism’. The rift with Krushchev became more pronounced over the brief period in which Hoxha tried to ride the current of change, paying lip-service to Krushchev but no longer lured by the carrot of Soviet aid. and by 1961 the USSR had broken diplomatic relations as well as all trade, credit and aid to the RPSS - Krushchev remarking that Albanian communism was being debased into a cult of the leader. For his part, Hoxha daringly denounced the Kremlin as imperialist and revisionist.14

11 The rhetoric is exemplified by Hoxha’s reply to Khrushchev (nota bene: the Christian allusion): “we will live on grass rather than sell ourselves for 30 pieces of silver, preferring to die on our feet with honour than live on our knees in shame” (Griffith, 1963 :101).
Hoxha found another powerful ally to give succour to his regime. Maoist China, at similar ideological odds with the USSR in the growing Sino-Soviet rift, was not able to provide the same level of material support (Hamm, 1962), but was benign and less interfering – credit aid being without interest and with favourable repayment terms for example (Schnytzer, 1982). Internally, the Chinese influence brought a new radical impetus: to reduce and make accountable bureaucracy, to emancipate women and to eradicate the relics of bourgeois, religious and tribal customs and thinking. In contrast to Mao, who used the Red Guard against the Party to eliminate opposition, Hoxha used the opportunity of cultural reform to galvanise support in the army and the PLA, who oversaw the new revolution following a hard, narrow Party line.

With China being unable to provide military assistance, due to geography and resources, Albania was left effectively with only the strategy of guerrilla warfare as possible defence against foreign aggression, having left the shelter of the Warsaw Pact after the break with the USSR. To this end and in a heady cocktail of paranoia and propaganda, motivated by the apparent fear of invasion by ‘imperialist countries’ (to which Hoxha included the USSR as well as the US), the nationwide construction of hundreds of thousands of (inadequate) concrete civilian bunkers was undertaken (ibid). An extraordinary arsenal of conventional arms\(^\text{15}\) was assembled and the Youth Movement trained in preparation for an invasion that was never to materialise.

US President Nixon’s visit to Mao in Beijing was a fork on the road in the unlikely alliance. Ideology again won out over pragmatism. The PLA prepared for a split by reducing dependence on China and, cautiously, opening up trade with Italy and Greece. Soon it would make foreign commercial partnerships, receiving foreign aid and obtaining credits constitutionally illegal. The beginning of the reformist Deng Zhaoping’s tenure as Chinese leader in 1978, two years after Mao’s death, provoked unparalleled criticism from Hoxha (Pipa, 1990) that caused the severing of all relations.

\(^{15}\) In popular belief there were - or indeed still is - one bunker for every 6 Albanians.
As ‘the only truly Socialist State’ Albania was truly alone. The regime isolated itself even more from the West and from Iron Curtain countries, following the slogan of ‘self-reliance’ – ideologically, economically and culturally. Unwilling to volte-face, as if even one concession would cost everything, the regime pursued its extremist logic to its end, there being no one and nowhere left to turn to.

4.3.2 The State Machine: Forging a People and Culture

In Albania, the legacies of forty years of detailed administrative management of every aspect of daily life are deeply ingrained and pervasive. Communist rule ‘not only declares its intervention to be legitimate in every sphere of life, but also demands ultimate authority in each of these, no matter how intimate or important they may be’ (Eberstadt, 1990: 87). Albania in particular embodied Lenin’s thesis: ‘We recognise nothing private’ (ibid: 87).

It was obviously vital to the success of the PLA’s programmes that personal and social interests were seen as one, if necessary to the detriment of the former. Here the system, like all systems but in extremis, found itself pitted against human nature, with ‘a whole field of action necessary to imbue the people with the norms of communist ethics and to educate them to place the revolution above everything else’ (Schnytzer, 1982: 47), that is, to overcome a long list of individualistic bourgeois habits such as careerism, envy, partiality and localism. To bring the revolution to the masses would require utilising the apparatus of state for ideological conditioning and social control. The extent to which this was achievable in even the most authoritarian states is questionable. As late as 1967, the Albanian Press were reporting widespread illegal private economic activity (ibid.) - the abuse of state resources, such as the commandeering of equipment for personal use, the operation of private markets using state produced goods and private contracts to catch up with developments that had fallen behind plan. Thus the informal exchange economy, whether trade or barter, seems to have survived even the harsh impositions of Stalinism (Schnytzer, 1982:47).

16 From ‘The last castle of Socialism’, a popular song of the time.
Against Spleen, the Ideal: the slogan ‘Let’s work to create the New Man’ was a leitmotiv of the communist period, enshrining the goals of motivation, belief in the future and an exemplary solidarity and participation in communal activities. Propaganda was a natural instrument for the Party, given its opportunity to appropriate all media, including the prohibition of all foreign media and complete control of all forms of artistic expression: but propaganda was of limited effect alone. Membership of the Party being by no means universal, other forms of social mobilisation were necessary in order to reach every household in the country. In Albania these took the form of the Democratic Front, to which all Albanians belonged, and the membership card, which conferred rights to employment and services; there was also the Trade Union Movement, the Youth Movement and the Women’s Union, through whose instruments all became involved in the cause. If unable to win the hearts or minds of the proletariat, the Party would make sure the bodies still turned up for the cause.

As could be expected, there existed other, formidable, means by which the Party exerted itself. The judiciary, in no way independent of the Party, was effectively the prosecuting arm of the Police, including the Secret Police. Labour camps detained many thousands of political opponents and other inconveniences to the State who had the fortune not to be executed without trial.

It was not the case that the general populace enjoyed much more freedom of movement outside the camps. Domestic passports were introduced to curb internal migration, which was adding to growing urbanisation from the natural population growth. The choice of where to pursue one’s profession was not immune to government regulation, which tried to balance the distribution of professionals particularly, so that no area remained underdeveloped - attempting to bring rural services toward the urban level.

State dominance and transformation of professional and social life also extended

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17 Appropriated from Baudelaire’s somewhat Manichean philosophy in ‘Les Fleurs du Mal.’ (1847)
18 Such slogans advertised the socialist dream on posters on every street corner.
19 The PLA’s standardisation of the language seems also to have been an attempt to standardise the language based upon (southern, Gheg dialect) usage (Byron, 1976) more than a considered Orwellian effort in language planning (Cooper, 1989).
20 About 5% of the population were members in 1986 (Zeri i Poppullit, 1986).
21 Such as Fatos Lubonja and Rjetër Abaroni.
22 N.B. national passports were not in general issue outside the Party: hence, there was no legal travel outside the country. Foreign visitors were limited to officials and holidaymakers of donor countries. Citizens could be imprisoned for talking to a foreigner without authorisation.
23 “We will make the village as good as the city” was the official line (Personal Reflection).
into the domestic and personal realm. Too strong an institution for even Hoxha to consider attempting to undermine, unlike Mao’s attempts to replace familial relations with communal ones, the State promoted family and fecundity. An honorary title ‘Hero Mother’, accompanied by a special pension, was granted to those, especially in rural areas, who produced more than the mean two-child family. Birth rates were high, as a consequence of which Albania had the youngest average age of population in Europe during these years. Other institutions were not so well safeguarded. The various Kanun were perhaps the most obvious and strongest ‘relic’ of tribal thinking – and certainly at odds with Party ideology, since its basis lay in individual justice and property rights. The Party eventually outlawed its practise, and even the mention of it. A wholesale persecution of religious leaders and devotees and the closing of places of worship and meeting was undertaken. With much grandiloquence, and in what was perhaps more of a cultural than a metaphysical act, Hoxha famously and with apparent impunity declared God to be legally non-existent making the country the first atheist state in the world (Schnytzer, 1982) and reinforcing the remark of Pashko Vasa that ‘the only religion of Albanians is Albanianism’.

4.3.3 Poor, Yes, But Equally So: the State of Need in Communism

“There is constant improvement of living conditions and raising the cultural standards of the whole population has been and remains at the centre of attention of the entire activity of the Party. Our well-being, our happy optimistic future is guaranteed by the entire dynamic development of our socialist society. They are founded on the free work of our working people, liberated form every sort of oppression and exploitation.” (Hoxha, 1984)

The PLA’s drive for economic growth was seemingly matched by the desire to realise an egalitarian society. The espoused goal was for there to be no appreciable index of relative poverty. Given the poor state of development of the country, this effectively meant that the populace was to be ‘equally poor’, rather than equally rich.

24 Or, was it a case of Hoxha being too thoroughly Albanian to countenance attacking the institution?
25 As of 2001, the average age is still only 28 (INSTAT 2001a).
26 Besides the northern “Kanuni i Lek Dukagjinit”, there are other Kanuns which have not attracted similar amounts of scholarly attention, such as the southern “Kanuni i Laberise”.
27 Proverbial.
Although in Marxist terms the goal of the socialist society was ‘to each according to his needs’, in practice socialism had to prioritise ‘the production of basic needs satisfiers’ (Gough, 2000:76) - such as basic education, health care and food - at a mass level without tailoring to individual need. For instance, one may feel ambivalent about the availability of social housing, which was affordable, if not cheap, but frequently neither appropriate for lifestyle and household composition as well as being often of dubious quality. In effect, this meant that the needs of the individual were not recognised at all. Only State sanctioned ‘requirements’ were considered, which were objective, rational and most importantly quantifiable. While such measures usually apply only in welfare considerations in western liberal societies, communism considered this to apply all.

So what was wrong with this socialist system? The first point on which it can be questioned is whether material inequality really was less under communism than in western societies (Atkinson and Micklewright, 1992). On first inspection, the economy exhibited a dualism of sectors (Kuznets, 1955) with average incomes in the traditional and much larger agricultural sector being lower than in the modern industrial sector, with a high degree of equality inside the sectors. Hence, wage differentials were low, with a determined policy of income equalisation across the rural/urban divide (Figure 4.2), across sectors, and inside sectors between hierarchies and genders (INSTAT 2004:9). The differential ratio between an employee and a state enterprise

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**Figure 4.2: Rates of Growth of Wages Source INSTAT 2004a.**

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28 The second point is a value judgement as to whether that kind of equality is justified by the (not only economic) costs incurred in trying to achieve it. It is assumed here that history has answered that in the negative.

29 Their qualified conclusion is that, even though they may have been successfully addressed at certain times and in certain regions, inequality and poverty always remained a significant problem under communism, with vulnerable groups including families, the elderly and those outside the state sector. An Albanian specific study along the lines of Atkinson’s research would be worthy of undertaking.

30 In Kuznets theory, inequality traces a curvilinear, inverted U-shaped relationship with economic development. Inequality is relatively lower when the majority are in one or other of the traditional agricultural or modern industrial sectors.
director averaged 1:1.7. Hence, there was little of the experience of relative poverty as characterises capitalist economies. Still, in assessing what might be the experience of equity in communist societies one must give regard to the regular phenomena of the shortage of goods, and the existence of dual markets with official and unofficial prices. Therefore, the differences between the West and Eastern Europe cannot be explained fully simply by ‘comparing a capitalist mode of production with a socialist mode of production’ (Pahl, 1977:122) – attention needs to be paid to the actual products and consequences of the system, such as

‘the many irritating, humiliating and painful experiences of unfairness, defencelessness and chronic shortage... widely unsatisfied needs, unacceptable bureaucratic regulations and haphazard provision of services at more and more unacceptable levels’ (Szalai, 1990:92)

The system incorporated low commitment and a demoralised attitude toward employment activity itself - ‘we pretend we work, they pretend they pay us!’ It reflected an attitude to income distribution that did not foster motivation or competition. For such reasons, egalitarianism eventually had to give way to pay differentials, for instance agricultural pay being about half of industrial pay, and to reward those who had years of experience over a new entrant to a profession. Gorbachev’s solution, in a reformulation of the old Marxian adage, highlights the problem by contrast: ‘From each according to his abilities, to each according to his work.’

Poverty was considered incompatible with Socialism; therefore, official recognition was not given to it, and it would never factor as a causal agent in considerations of social problems. Evidence of poverty was withheld from the public eye, and independent research was banned or suppressed. No measurement of poverty or any of its effects, social problems such as homelessness, alcoholism or crime were permitted. Still, poverty, as understood in the wider world, persisted under socialism.

The differential that can be gauged to have existed between the privileged Party elite and the population was mostly hidden from the latter’s view. The Party occupied the centre of Tirana, an area known as the ‘Blok’, which was out of bounds to outsiders.
State programmes were directed toward improving ‘well-being’, which was evaluated against different criteria than ours today. These criteria perhaps showed that Albanians had failed to escape the psychology of their historical oppression (Dragoti, 1999) - since they ignored the indicators of social deprivation, including vulnerability, lack of autonomy, powerlessness, a lack of self-respect and dignity, which here could be applied to the majority of the population rather than a marginalised minority.

As mentioned, people’s right to full lifetime employment was guaranteed. Although incomes were low, they were stable and secure. Many basic goods and services were subsidised and in regular supply. People generally had food security and were adequately housed and clothed, even if rather poorly so by western standards. They had free access to education and health. They were assured pensions when they retired; other forms of social protection were free also to those employed by state-owned enterprises, such as childcare for working mothers. Less easily quantifiable social benefits included low crime levels and increased social solidarity. However, Deacon refers to the old systems as bureaucratic state collectivism (Deacon 1992a), in which needs were largely unsatisfied, and bureaucracy ignored service needs in order to cope with limitless levels of regulation.

Konopasek (1991) argues that the constitutive principle of a ‘state-socialist’ (ibid.) social security system was due to the simple fact that it had been working and taking shape within the framework of state-socialism, or monopolistic economic planning and totalitarian power structures (Deacon 1992a,b). The general internal feature of the socialist social security scheme was characterised by a high level mixture and confusion of fundamentally diverse criteria inside the welfare redistribution - meaning that each individual instrument is at the same time, to secure public minimum and private standards, both a bit of social solidarity and a bit of social justice and both standards and private dimensions of poverty (ibid.). When analysing the development of social policy in communist countries many authors agree that they shared similar characteristics (Kolberg, 1995:23), such as

- A social security system based on (previous) labour market participation; i.e., these systems were ‘occupational’ and not universal. Guaranteed full
employment in which full time wage employment for both men and women was an overwhelming norm and (almost) everybody was covered. This policy created an absence of true unemployment (Manning, 1992:48), but problems for individuals ineligible for insurance-based provisions - those with a good work record being viewed more favourably than those without, irrespective of need.

- No differentiation was made between social insurance as contributory schemes and social assistance as non-contributory programmes, because social insurance covered everybody due to full employment and many social assistance elements were indeed incorporated into the systems of social insurance. Thus, social insurance was much less pure than is common in the West.

- The social assistance features of the social security system were not predicated on need as such but instead on categorical status as a proxy for need so they were inconsistently related to empirical need. Hence, pension schemes could be seen as delayed reward systems benefiting those who had undertaken socially less desirable work, and to redress the inequitable distribution of domestic work according to gender.

- Another aspect, universal but located outside the orbit of social policy as conventionally understood, was the system of prices. It was politically determined and highly regulated, and in this way did not reflect ‘real’ prices. It therefore, included social elements in order to make sure essentials affordable for the whole population.

- A reliance upon delivering services through occupational welfare, whereby state-owned enterprises provided medical, child day-care and recreational facilities.

32 Unemployment existed in small scale but was not officially recognised, or rather, it was only considered a parasitic activity.

33 The main problem occurred if production became affected, such as after a bad harvest due to drought: sometimes they were rationed through voucher entitlements (for example weekly meat vouchers for the household) and sometimes they were subject to endless queueing. I myself can still remember both cases.
Gotting (1994:183), in outlining the main features of the old regimes, refers to benefits being 'gifts rather than rights', with social programmes designed to serve economic goals. Social policy on the other hand was an integral part of the production process, rather than in the western model, as a supplement to the labour market that 'redistributes resources to compensate for social risks ex post' (ibid.:183).

The insufficiency of services under communism has been widely recognised. Standing makes an interesting observation about the place of services as opposed to cash benefits under this system:

'The monopolistic structure of production and distribution tended to be associated with monopolistic control over the generation and distribution of social services. Most crucially, the system was characterised by a high ratio of services to transfers, creating what was in effect a service-heavy, transfer-light welfare system. This is paradoxical, in that the image of CEE was one in which 'services' were chronically underdeveloped. That image is not quite correct; it was the nature of the services, their rationale and distribution that was underdeveloped.' (Standing, 1997:228)

However, the literature does not provide us with extensive material about social care during socialism in Albania. Academic research and publications of the period were under government scrutiny and, therefore, had to abide by what was, at the time, considered politically correct. Anecdotal or experiential evidence from those inside the system lacked the opportunity of comparison. Only lately have scholars started to collate pieces of information to complete the picture and to compare with new approaches in dealing with personal and social problems, and few of them write with positive approval of formal social care services under communism. The danger for the integrity of this picture lies now in the problem that the communist block may be portrayed wrongly, a certain 'revisionism' informing the judgement that everything related to the former regime was wrong and bad. If the communist social care system was remote from and oppositional to its clientele, rigidly bureaucratic, and perpetually underfunded, there were certainly differences even between countries and certain
achievements that are difficult to deny, such as child protection in Albania, which was well established nationally, free and delivered without discrimination.

The achievements of the PLA in Albania were extensive, but require qualification. Housing was inexpensive, and as could be expected, demand outstripped supply. Health care was free at the point of use and with full country coverage, although it was notorious for its inefficiency and under funding (Munday and Lane, 1998). By international standards, there were plenty of professionally competent doctors but they lacked the equipment and other medical resources to provide an adequate service.

The extensive web of health care services brought unexpectedly high adult life expectancy for the low-income level of the populace (Figure 4.3). Research has shown that during communism life expectancy grew remarkably from 51 to 71 years in a relatively short period of time, which may be considered as due to government investments in health. Notably, the incidence of contagious diseases, such as malaria, was greatly reduced by the introduction of a new, modernised health care regime (Gjonca, 2001: 157). Education was free at all levels, including university. Women benefited from equal employment rights, accompanied by widely available services, crucially by means of work-based childcare and cultural facilities. Even though there were problems, some considerable results in economic and social transformation were achieved. The general well-being compared to the early post war years was indisputably considerably better and, apart from those political enemies of the state, there is little evidence of marginally excluded groups of the very poor.

Figure 4.3: Albanian Life Indicators. Source: Berxholi, 1987:22,102,351
4.3.4 Planning for a Miracle: The Stalinist Albanian Economy

Some consideration of the starting point from which the PLA embarked on its mobilised construction and modernisation of the country gives an indication of the regime’s initial achievements. With little in the way of infrastructure or industry to begin with, almost every aspect of development was started from scratch, with limited resources but much optimism and belief.

Albania pre-1945 had only 150 industrial enterprises, of which only half employed more than ten workers (Schnytzer, 1982:65), and a per capita industrial production level of $8/year. The Party decided to build the country’s economy upon the Stalinist strategy whereby all economic and social activity was conducted according to -

‘A command economy, which was centralised and planned, geared to rapid agro-industrial growth with a high percentage of GDP accumulated, particularly through sudden spurts of mass mobilisation. This ensemble has sometimes been described as ‘Soviet Fordism’, an application or exaggeration of the organisational forms of capitalist Fordism, such as synchronisation of production flows, gigantic scale and product standardisation’ (Ray, 1996:6).

The PLA maintained complete control of the entire formal economic infrastructure: government ownership of the means of production, the abolition of private property, state control of the labour market, with full employment in the populace; commodity prices were centrally determined and totally unrelated to foreign markets and the Lek maintained at an artificial rate against foreign currencies. Albanian economic policy was based on a series of ‘Five Year Plans’, with the first in 1951. A programme of countrywide electrification was put in place and there was a massive investment in the infrastructure, such as road and rail networks and massive hydroelectric power facilities in the mountainous north, as would befit the needs of an industrialised economy. Agriculture was reformed by wholesale land reform - a collectivisation of farms and removal of the long-established kulak,35 and the establishment of a state market for agricultural produce.

35 A landowning class, some of whose families had held estates since Ottoman times.
During the first years of this system Albania managed to achieve a strong record of growth\(^\text{36}\) (Table 4.1\(^\text{37}\)), and even to accumulate significant foreign exchange reserves due to substantial external subsidies from Comecon, the communist economic alliance\(^\text{38}\), in the form of credit aid\(^\text{39}\) (Schnytzer, 1982).

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<tr>
<th>Table 4.1: Growth Indices under Communism</th>
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<tr>
<td>Year</td>
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<tr>
<td>Gross Domestic Material Product</td>
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<tr>
<td>Agricultural Production</td>
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<tr>
<td>Industrial Production</td>
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<tr>
<td>Retail Trade Turnover</td>
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<tr>
<td>(Above Figures against 1938 Baseline of 1)</td>
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<td>Index of per capita Consumption</td>
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<td>(Baseline: 1950 = 1)</td>
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<tr>
<th>Demographic Data</th>
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<tr>
<td>Population (millions)</td>
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<td>(Source: Schnytzer, 1982: 1)</td>
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There were structural problems that were a result of the success of growth and worked against further growth. One example would be how the commitment to full employment, allied to a growing population (Table 4.1), meant that the state needed to create around 50,000 new jobs a year. This inevitably led to increasing inefficiencies and the creation of ‘virtual work’ (ibid.) – a division of labour of such fine granularity that some workers would have no real work to do, or their work would effectively be wholly uneconomic.

Allowing that the country was enjoying relative prosperity, the period 1950-1975 could be considered among the best in Albania’s history. The period of international isolation that began in 1975 would counter continued growth (Figure 4.4). Considering that this growth had historically been reliant upon donors and external credit, the

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\(^{36}\) N.B. this must be qualified with a concern for the reliability and completeness of PLA published statistics (see Schnytzer, 1982: 150).

\(^{37}\) Socialist States used ‘Material Product’ rather than GDP to measure country’s wealth – it can be considered a measure of production that excludes services and cultural activities.

\(^{38}\) Albania paid back by other means: exporting unrefined oil that was surplus to refinery capacity and having to import refined oil to meet need at about 13 times the cost. The USSR’s unwillingness to help develop Albanian refinery capacity was a factor in the rift between the states (Schnytzer, 1982).

\(^{39}\) The ratio of Foreign Aid to Gross Investments averaged 15% between 1950 and 1975 (Source: Schnytzer, 1982: 1).
regime’s commitment to autarkic policies throughout 1980’s could only lead to disaster. A period of severe economic stagnation was compounded by severe droughts affecting crops and hydroelectric power generation. The growth rate in the country’s net material product (NMP) fell from 4.6% in the decade of the seventies to 1.7% in the eighties (Sandstrom and Sjoberg, 1991: 937), with estimates that the net per capita NMP was the same level in 1988 as in 1975. There were corresponding falls in growth rate of investment and in retail sales. Agricultural and industrial labour productivity actually declined in the latter period (ibid.). As late as 1983, Prime Minister Ramiz Alia could say to the Party,

‘Continuing on this road, our economy is emphasising its distinguishing features as a truly Socialist economy, with a relatively high-rate of development: an economy without crisis’ (Sandstrom and Sjoberg, 1991:931)

However, with the Politburo in complete denial of the situation, the PLA out of the loop and all forms of discontent suppressed, the system was soon to be seen as merely recycling its crisis.

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40 Meaning an autocratic state implementing a national economic policy that aims at achieving self-sufficiency, eliminating the need for imports and foreign dependencies (Vaughan, 1999:3).
CHAPTER 5 POVERTY IN TRANSITIONAL ALBANIA

Introduction

Continuing from the historical chapter we now explore Albania’s transition from two perspectives: an exposition of some of the most important specific political, economic and social issues encountered on Albania’s road out of totalitarian state-socialism, and the subsequent ‘discovery’ of poverty and ensuing development of poverty studies in the country.

Transition is examined through the literature, with reference made to the experiences of other CEE countries. The manner of reforms, comprising sweeping political, economic and social changes had profound effects, not least on the characteristics and extent of poverty. The nature of some of the most consequential problems are examined, including political instability, institutional weakness, business climate, the pyramid crisis, law and order and the migration that the period witnessed, all of which illuminate the situation of this study and its participants and without knowledge of which, Albania is perhaps more difficult to understand.

The chapter closes with a look at the discovery\(^1\) of poverty in the new conditions. Poverty studies were established from scratch in the reforming Albania and only since 2002 have they attained maturity. This part broaches the official recognition of poverty; the development of measurement and analysis techniques, and the establishment of poverty lines. Based on recent literature, the impact of public and private transfers on poverty is gauged, and consideration given to non-income related poverty issues.

\(^1\) Perhaps rather like the ‘rediscovery’ of poverty in the UK in the 1960’s - in that, it never had gone away (Alcock, 1999:67).

Poverty and Anti-Poverty Programmes in Albania
5.1 THE ALBANIAN EXPERIENCE OF TRANSITION

5.1.1 An Inch is Given: Albania in Reform

'...the strange ease with which the communist regimes collapsed. They were not defeated, they only had to be touched for them to realise that they no longer existed, like a cartoon, where the tightrope walker looks down to see that his rope is gone and immediately plunges into the abyss'. (Baudrillard)  

If the period from 1950 until 1975 saw the construction of a more modern, industrial Albania, the 10 years after this witnessed its glacial erosion, with a period of interminable economic and political stagnation. The death of Hoxha in 1985 did little to provoke the PLA out of somnolescence. Political will was directed more into Ramiz Alia’s succession, the consecration of Hoxha’s memory and preventing news of Gorbachev’s reforms and the social upheaval in the Soviet Bloc from entering the country, than into dealing in any haste with the endemic and worsening poverty of the country (Vaughan, 1999). Until 1990, the Party was able to maintain the fiction that all was well in the country - to itself at least since the populace had been stirred by the sight of events in the USSR, Yugoslavia and Germany on Italian television (Mai, 2002). Eventually, it was impossible not to agree a new constitution (1990), concede the prospect of multi-party elections and make a few tentative market-oriented reforms aimed at re-integration into the world economy.  

Still, to call the sequence of events that occurred in Albania from 1989-1992 by the name of reform would be to give too much credit to the authorities of the time, since the reforms came as concessions to social unrest and chaos. Unparalleled public demonstrations in Shkodër in 1989 and in Tirana in 1990 spread to all the main cities by the end of that year. In what has been called an attitude of ‘Start from Zero’ the years 1991/2 saw country-wide vandalism (Table 5.1) done to housing, industrial stock and the destruction of farmland and equipment in an ‘orgy of destruction’ (Waal, 2005:8), the like of which had not been seen since the ravages of 1945. The belief was, indeed, in the air that Albania could, indeed should, ‘start from zero’ - that the country would be rebuilt from scratch, with unrealistic expectations of what capitalism would

2 (Baudrillard, 1992: 36).
3 As well as legalising beards and car ownership (Personal note).
bring and foreign help would consist in. In Tirana, later to be emulated in other towns, the statues and monuments, symbols of the old system, were overthrown.

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<td>Murder</td>
<td>205</td>
<td>251</td>
<td>268</td>
<td>265</td>
<td>210</td>
<td>248</td>
<td>1542</td>
<td>573</td>
<td>496</td>
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<tr>
<td>Attempted Murder</td>
<td>-</td>
<td>278</td>
<td>325</td>
<td>278</td>
<td>297</td>
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<td>1014</td>
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<td>Bodily Harm</td>
<td>-</td>
<td>184</td>
<td>269</td>
<td>286</td>
<td>250</td>
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<td>344</td>
<td>188</td>
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<td>Sexual Crime</td>
<td>-</td>
<td>190</td>
<td>153</td>
<td>149</td>
<td>97</td>
<td>101</td>
<td>41</td>
<td>62</td>
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<tr>
<td>Property Crime</td>
<td>8980</td>
<td>7586</td>
<td>5361</td>
<td>3330</td>
<td>2671</td>
<td>2131</td>
<td>1810</td>
<td>2150</td>
<td>1874</td>
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<tr>
<td>Money Forgery</td>
<td>-</td>
<td>-</td>
<td>9</td>
<td>47</td>
<td>32</td>
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<tr>
<td>Drug Crimes</td>
<td>-</td>
<td>-</td>
<td>25</td>
<td>68</td>
<td>393</td>
<td>99</td>
<td>49</td>
<td>449</td>
<td>342</td>
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<tr>
<td>Other</td>
<td>-</td>
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<td>2923</td>
<td>2948</td>
<td>2315</td>
<td>-</td>
<td>1563</td>
<td>2065</td>
<td>2203</td>
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Source: Ministry of Public Order and INSTAT, 2002a

The violence of this time wrought the destruction of nearly a quarter of health centres in cities and two thirds in small villages (WHO, 1997). It also saw social conflicts over the ‘spontaneous privatisation’ of land and business, whereby employees effectively took control and ran them as private concerns (Clunies-Ross and Sudar, 1998:61-2).

As ever, social unrest is ripe time for criminality to appear, but indicators are not available for the extent of other crimes during this period, since most crimes remained unreported and were not investigated. Senseless as it may appear dispassionately, the violence had obvious roots and followed similar patterns to events in other transition countries. The heightened awareness of the comparatively impoverished conditions of the country catalysed long-held resentment of the communist regime into violence against anything that represented peoples’ historic oppression.

The comparatively light-handed way that the Government dealt with demonstrators — giving only 20 year, not capital, sentences to ringleaders - showed a certain timidity that could eventually only work against the regime. A raft of concessions was introduced in order to appease the situation. Among policy changes were economic incentives, the freedom to demonstrate and form political parties, to practice religion, and the removal of the death penalty for unauthorised emigration. The last measure proved to be a great incentive to immediate action. By January 1991, there were

4 A la 1945; however comparisons are odious in this instance.

Poverty and Anti-Poverty Programmes in Albania
queues at the Greek borders and riots at Durrës as emigrants boarded ferries for Italy. Albania made its re-entrance onto the world’s stage, as over 20,000 Albanians arrived at Italian ports in only one week of March.

The unrest had considerable economic effects, with impacts on agricultural production and distribution, as well as industry. Agricultural output was reduced by about 35%, causing massive food shortages – a result of the end of the collectives, disputes over land privatisation, and a complete collapse of the old socialist food-markets (World Bank, 1997a: 32). Industrial output is estimated to have dropped to 60% in 1990 alone (ibid.) – the socialist State Owned Enterprises now seriously non-functioning through abandon, apathy, arson or total decay. The immediate economic future was threatening and unsustainable: as a result of the economic crisis around a third of the state-employed work force were removed from their jobs and given compensation of 80% of their wages in benefits.

Unsurprisingly, 1991 saw changes in the country’s administration. Three successive governments came to power in the that year: the PLA winning the first ‘free elections’ since the end of the Second World War, with Fatos Nano as Prime Minister and Hoxha’s successor, Alia, still kicking around, this time as President. To acquiesce strikers and to try to stop civil unrest, a coalition with the Democratic Party (DP) was formed, the ‘Government of National Stability’.

The PLA and DP were unlikely bedfellows; the DP soon resigning en masse, accusing the PLA of blocking needed reforms. A technocratic caretaker Government was hastily assembled, to establish a new constitution, and by means of the 1992 elections create the first representative Government in living memory in Albania. The DP, headed by Dr. Sali Berisha,7 won with a 62% share on a huge 92% turnout. As so often in her history, Albania would be entering a time of new economic lows with high hopes.

5 Vividly portrayed in the film ‘Lamerica’.
6 Salad days - it has been related to me about how many people were busier after redundancy than they were while employed.
7 Who had previously enjoyed a role as Enver Hoxha’s personal physician and been a Party Secretary.
5.1.2 ‘To Entrust is Sometimes to Abandon’: Embarking on Transition

'It is not surprising that we have been urged to ask not what our country can do for us but what we can for our country. The first question might prove to be too embarrassing' (Boulding, 1967: 10)

"Hello Europe, I hope we find you well" (Dr. Sali Berisha)

'Transition’ is a term that is used to encapsulate and characterise the specific historical changes that have been undergone by, among others, the states of the former Soviet Union, Central and Eastern Europe and the Balkans (Clunies-Ross, 1998: 2) since the end of communism: an orchestrated sequence of parallel political, economic and institutional reforms. The term carries fittingly teleological connotations, begging the question: ‘Transition to what?’

Berisha’s invocation to Europe, heading this section, can be presumed to give a good indication of the proximate destination intended for Albania as a result of this process. The path has so far been tortuous, though transition proceeded apace.

Albania’s transition was a radical ‘shock-therapy’ - of wholesale political change with a parallel implementation of social and economic reforms, the latter consisting in monetary austerity, price and trade liberalisation and rapid privatisation (Cornia, 1994), resulting in the familiar transitional experiences of GDP crashes (Figure 5.1), the so-called Valley of Tears (Mcauley, 1991).

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8 From Hugo (1862).
9 The first words of the first address of the new Prime Minister, at Skenderbeg Square, Tirana, after his Democratic Party’s Election Victory, 1992.
10 There are other approaches, too expansive for this thesis, focused on process rather than teleology. These approach reform as complex path-dependent transformations in political, economic, social and cultural networks with geographical variability below the regional and national level (Hausner, et al., 1995: 67-82).
11 The conditionalities attached to much needed aid and assistance, such as Public Expenditure prioritisation, in accord with the ideas of the Washington Consensus (Nagle and Mahr, 1999), make this a somewhat rhetorical question.
Politically, the times have been characterised by protracted political confrontation with weak, unstable, not consolidated and partial democratic processes (McFaul and Stoner-Weiss, 2004:13) due to a kind of elitist democracy (Dahl, 1971), with many attempts to undermine the constitution (Agh, 1998:11). As of 1992, the new administration found remarkably more international support in these efforts than the previous reformist one. Albania was admitted as a member of the IMF, World Bank and EBRD, and received humanitarian aid from the G24 group of countries. Otherwise, the new leadership continued pretty much where the coalition Government had left off. Previous to 1992, there had been a land-privatisation act, the reclaiming of state assets from the PLA, currency revaluation, some independence for the State Bank, allowance of hard currency accounts and inward transfer of money, and a loosening of trade restrictions.

The new Government managed a series of liberalisation and privatisation policies, such as a 13% reduction in state subsidies by the end of 1993 (Clunies-Ross and Sudar, 1998:81) and an end to price controls on domestic agricultural goods and non-essential consumer goods. By 1995, subsidies on fuel, food and household essentials had been whittled down to zero – with the last controls on bread and gas prices being removed in 1996 (ibid.). Labour market regulation covered hours of work and the minimum wage, which was pegged to a basket-of-goods inflation index in 1996. Financial markets were deregulated, and, in what was to be of greater, later interest, investment funds were started.

Privatisation saw the sale of state enterprises largely through auction. Large enterprises, such as utilities and mining, were kept in state hands, but with allowance for the formation of partnerships with private firms. Of smaller enterprises, around 55,000 small businesses existed in 1995, some half of which were new, the others having

12 The public rejected a proposed new constitution from Berisha in 1994: in response, the somewhat inappropriately named 1995 ‘Genocide Act’ was used as an instrument to weaken the opposition, preventing those who had held certain official positions during communism or in the pre-1991 Government from attaining office until 2001. The position of Party Secretary was exempted. Prime Minister Berisha had previously served as a Party Secretary under the old regime, as well as being one of the personal doctors of the Premier, Enver Hoxha. 
13 There had been major food aid relief before, but in 1992-3 Albania was the major recipient in the world (Clunies-Ross and Sudar, 1998).
14 Although a joke of the time hypothesised that Government labour market policy running along the lines of - “The motor boats in Vlorë are working to capacity to ensure full employment for our workers”. That is: to help them abroad.
been bought from the state. The largest privatisation was to be in agriculture, however, of the 75% of GDP share (EBRD, 1995:11) that the private sector enjoyed at this time, small-scale agriculture contributed greatly to the mix, with over 50% of the population engaged in it (ibid.) as a consequence of land reforms from which over 400,000 families gained ownership (Dehee, 1997) and the privatisation by sale and by gift of 270,000 units of the country’s housing stock (Hashi and Xhillari, 1997:14).

A Presentation of Economic Coherence

From 1992 through to 1996 the economic policy was geared to promoting stabilisation and growth in the face of potentially complete economic collapse (Table 5.2). The economy did rebound from the initial shock of 1992, with Dr. Sali Berisha asserting that his party ‘had carried out its historic contract’ with the Albanian people, rescuing the ‘Somalia of Europe’ (Rilindja Demokratike, 1995:1-2).

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<tr>
<th>Table 5.2: Albania: Macro-Economic Indicators during Transition</th>
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<tr>
<td>GDP Growth (%)</td>
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<td>Inflation (%)</td>
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<td>Unemployment (%)</td>
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<th>International Trade</th>
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<tr>
<td>Exports (Million $US)</td>
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<td>Imports (Million $US)</td>
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<td>Foreign Direct Investment (Million $US)</td>
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Enthused by this recovery, Albania was seen from without as the ‘model’ transition society and the ‘most obedient student of the IMF’. Epithets such as ‘the Balkan tiger’ and ‘economic miracle’, ‘the rising shining star’ and ‘the fastest transition economy’ (EIU, 1996:32) resounded in the reports of external experts and in the international media in these years (EBRD, 1995). This was a picture, however, frequently presented indicators were at a remove from reality as analysis shows and subsequent events were to prove.

15 With the effect that Albania has one of the highest rates of home ownership in the world. However, land registration and financial systems are such that the majority of the population are unable to capitalise on their major asset, with ensuing impediments to development (de Soto, 2000).

16 There is evidence that some donor organisations simply overstated the amount of economic growth that was being achieved, either wilfully or through faulty methodology (Vaughan-Whitehead, 1999).
Life Chances: Business Climate and Employment

The sale of State Owned Enterprises found a ready market among Albanians - there was a large take up of legitimate sale of state owned enterprises through auction, peaking in 1994 (Table 5.3). The cull rate was high, though, with most having legacy problems and struggling for space in small competitive, open markets. Consequently, around two-thirds of the general commercial companies of the class of 1994 did not survive beyond 1997, and of those that did, most were singleton operations or very small companies. The rebound of the economy therefore can be seen to have come from efficiency gains and not from market developments.

| Table 5.3: Number and Kind of Enterprises during Transition |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Registered Enterprises   | 17212       | 16386       | 25150       | 13165       | 8397        | 3172        | 5755        | 6458        |
| Active Enterprises       | 6607        | 7879        | 14063       | 7126        | 6224        | 2759        | 5210        | 6432        |
| With 1 Employee          | 4848        | 5750        | 10847       | 5751        | 5190        | 2324        | 4610        | 6094        |
| 2-10 Employees           | 1494        | 1891        | 2824        | 1311        | 992         | 421         | 591         | 325         |
| > 10 Employees           | 265         | 238         | 392         | 64          | 42          | 14          | 9           | 13          |
| Closed Enterprises       | 10605       | 8507        | 11087       | 6039        | 2173        | 413         | 545         | 26          |

(Source: INSTAT, 2000a, b)

The effects of this on employment have been great, with a reliance on agrarian labour characterising most recorded employment. It can be seen that the withdrawal of the state from the labour market has effectively removed people from the (underemployed) public sector, to the (underemployed) agricultural sector (Figure 5.2), which has been more of a subsistence safety net than an enterprise, since the lands are not generally conducive to the modern methods needed to enter competitive agricultural markets. Even as late

17 N.B. the decline in number of enterprises with more than 10 employees, comparable to the time of Zog.
18 Indeed, it is still the case that growth is being driven by improvements in total factor productivity (better utilisation of land, labour and capital), with concerns for how long such efficiency gains can be sustained (IMFb, 2006).
19 The contribution to GDP is only 35% from this branch (INSTAT, 2004d: 36).
20 Hence, employment figures are something of a window dressing for the true extent of economic underactivity and inactivity in the country,
as 2001, 77.2% of the active population were employed; however, 50.5% of them were employed in agriculture (INSTAT 2003a). In 1998 levels of new unemployment reached 4-5000 people per month (Table 5.4), representing an acute social problem: headline unemployment has however declined through the period of transition due to the one year limit to eligibility for the benefit and as a result of social movements, policy refinements and re-classifications. The declining labour force, an estimated 15% lower in 2001 than in 1989 (INSTAT, 2001a), has effected a reduction in gender employment equality that communism put in place, as only half of adult women were active in the labour market and the proportion of inactive women had doubled by 2001 (ibid.). Male labour participation altered in proportion more than extent (59% relative to 71% in 1989) (ibid.).

<table>
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<tr>
<th>Table 5.4: Employment and Registered Unemployment</th>
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<td>Year</td>
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<td>2001</td>
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Figures quoted in numbers of thousands. Source: INSTAT 2002c,d,e

The labour market during transition could be summarised as, what has been called in other contexts, showing ‘labour market pessimism’ (Atkinson, 1993:9), resulting from three related factors: declining workforce numbers, with a failure to mainstream informal employment and a dearth of new jobs for the unemployed or new entrants to the job market; a non-progressive business climate, with heightened job insecurity and depressed salaries providing for a low average standard of living, with high risks of unemployment and weak enforcement of limited employee rights; the drive for operational efficiency within the private sector, with workforce streamlining, tight

21 Although this is mostly characterised by families selling agricultural produce on the streets, not simply by those undertaking gainful production.
22 This has been particularly affected by the unattractiveness of the country to overseas investors in attracting FDI (Table 5.2).
wage controls, the circumvention of company regulations\textsuperscript{23} and institutional problems such as corruption,\textsuperscript{24} nepotism and cronyism.

\textit{Migration and Emigration}

If the control of inflation has been deemed central to macro-economic turnaround (Table 5.2), the part of remittances from emigration cannot be ignored. Remittances have contributed an estimated average 15\% of GDP during transition (WB, 2004), largely compensating for the negative balance of trade, and thus removing much of the credit that might otherwise be due to Government.

As previously mentioned, Albania has experienced consistent internal and large scale waves of external migration (King et al. 2003) of proportions unparalleled by other transition countries (Table 5.5). Undoubtedly driven by the labour market conditions, whether seasonal or permanent, migration has been seen as a basic means for survival and has helped people (Nikas and King, 2005). The nature of emigration has been mostly illegal and illicit\textsuperscript{25}, with the majority of Albanian emigrants having gone to Italy and Greece. The former case often sees long-term migration to the industrial north of Italy. In the latter case, Greece largely attracts migrants from the south-east of the country for seasonal work. Many arrive with no documentation, which would be necessary to guarantee their status in the hosting countries, and thus their social integration in these countries is often weak (Barjaba, 2000). The existence of certain stereotypes, or negative, emotionally charged images, invoked and promulgated by the media in these countries, for instance representing Albania as the land of Kalashnikovs and Albanians as boat-people has not helped their cause (Mai, 2002). Still, diaspora

\begin{table}[h]
\centering
\caption{International Emigration Rates}
\begin{tabular}{|l|c|c|}
\hline
Country & Total & Percentage of Population \\
\hline
Albania & 600,000 & 19 \\
Bulgaria & 710,000 & 8 \\
Romania & 300,000 & 1 \\
\hline
\end{tabular}
\label{tab:5.5}
\end{table}

\textsuperscript{23} In offering only casual, informal employment and in under-reporting turnover. As affects employees: contributions, entitlement to sickness, holidays; as affects Government: false company returns, low tax compliance and a weakened fiscal base.

\textsuperscript{24} In a 2002 survey, some 77\% of respondent businesses reported the paying of kickbacks for either easing bureaucracy or influencing court decisions (Dallago, 2006: 123). Not alone among its neighbours, Albania scores negatively for Governance, on matters such as law and order, property rights, and integrity of the judiciary (Kaufmann and Kraay, 2002). As of 2002, Albania was still only rated as 81st among 101 countries in the Corruption Perceptions Index (Transparency International, 2002).

\textsuperscript{25} But mostly the latter, since Albanian citizens face visa restrictions that only North Koreans can look upon with envy.
has increased the wealth of individuals - in this regard it can be seen as a form of entrepreneurship, and its continuance is certainly still helping reduce joblessness, especially since jobless and emigrant groups are of similar age groups. It has also been argued that due to the short term nature of most of the emigration, and the fact that much of it is clandestine, many of these emigrants have been included in the labour force figures, thus inflating the number of the employees and further reducing the rate of the unemployed compared to the employed (Mancellari et al, 1996).

Internally, there has been a general move away from the rural inland mountainous regions to the coastal regions, towns of the lowlands and the capital (Table 5.6 and Figure 5.3). At the beginning of transition the rural population represented about 70% of the total population, but internal migration to the cities started very soon after regime change as people exercised their new freedom of movement inside the country, consequentially increasing the level of urbanity to over 40% (INSTAT, 2002a).

Although active migrants account for 86% of the total, only 60% are employed, the rest being retirees, women homemakers and students (INSTAT, 2002g), revealing complex household decisions informing internal migration, rather than merely employment seeking. This has caused major problems for some local authorities, not least in the capital Tirana, who have had to deal with regional overpopulation and urbanisation. This kind of urbanisation is often earmarked by poverty, witnessing the creation of ‘shanty towns’ - peri-urban areas cut off from public services (Deda, 2004), with a
largely unemployed population, who have little income and few appreciable assets. This has led to concerns that migration is a major cause of increased unemployment, through the willingness of the marginalised class to undertake informal work\textsuperscript{26} as well as increasing social conflicts, the incidence of squatting and a general decline in the standard of urban life (USAID/ORT, 1998: 141).

\textit{Financial Institutions and Destitutions}

Events in 1997 were to show that the effects of migration were not wholly beneficial due to a huge social collapse of private investment funds, which had been operating since 1993\textsuperscript{27} and into which remittance money and savings had been poured.\textsuperscript{28} Such schemes certainly operated in other countries, but the proportionally large number of investors and the scale of their investments and the social consequences mark Albania’s experience as unique. With an underdeveloped, indeed almost totally dysfunctional, banking system\textsuperscript{29} that was, in particular, unable to operate as a reliable intermediary between increasing demands for credits from emerging private businesses and the substantial remittances coming from Albanians working abroad (Sadiraj, 1999), Albania was quickly faced with the informal market. Explicitly exempted from the level of financial, auditing and reporting regulations that the rest of the financial and banking systems operated under, they were free to operate in the realms of pure speculation, with the least generous schemes offering returns of 6-8 % a month.\textsuperscript{30}

The majority of the schemes had no important assets at wind-up and surprisingly (or not) little cash.\textsuperscript{31} Although some of the longer established schemes, such as Vefa, appeared to have an element of credibility, the motivation for many schemes possibly mirrored their nature - money allegedly being laundered from smuggling activities

\textsuperscript{26} However, the readiness of business to offer informal work is surely the driving force here. The concern would, therefore, seem to be that the new arrivals will work for less money than established residents, whether in formal employment or not.

\textsuperscript{27} For a good analysis of these funds as Ponzi schemes see Sadiraj, 1999, which argues that investors were boundedly rational, rather than merely gullible.

\textsuperscript{28} It was generally acknowledged that the schemes were a factor in the fall in official unemployment, while they were paying interest out from 1993-97. By 1998, the level had risen to pre-crisis levels.

\textsuperscript{29} Ironically, the crisis was in part precipitated by the banks who, in order to reduce the risk of runs, had (legally) set a fixed amount that could be withdrawn by investors. The realisation that they were little more than pyramid schemes followed not long after the inability of funds to withdraw enough to cover dividends was apparent.

\textsuperscript{30} Before winding-up, some schemes had offered an unimaginable 12.000% per annum (Sadiraj, 1999). Commercial interest rates were around 12% a year.

\textsuperscript{31} At least one had been emptied completely. The schemes didn’t invest, but relied on further new investment to fund interest payments.
(munitions, oil, people, drugs\textsuperscript{32}) to support the schemes, as well as remittances from legal and illicit migrant employment and life savings from legitimate sources. Their collapse had huge social consequences, in deepening poverty and in bringing near anarchy to the country again. Transition has seen two quite different periods of extreme lawlessness: the first, we have seen, in response to the anomic poverty, failure and lies of the old regime; the second was a reaction to the failure and broken promises of the present in the Pyramid Crisis. The latter part of 1996 brought the beginnings of a popular uprising in response to the failed pyramid funds. Stone throwing in Vlore in January 2006 and a protest of 3,000 in Tirana were quickly followed by rampages in other towns (Clunies-Ross and Sudar, 1998). Within two months, popular action had escalated into a general strike in the south, and clashes between police and protesters in the capital, the looting of weapons from arms depots, arson committed to state buildings, the opening of prisons, curfew and martial law was declared, with the intervention of UN troops, and an interim administration convened in order to restore order (ibid.).

Thousands of families were impoverished either directly by their ‘unwise’ investments in the schemes, in some cases having sold their dwellings to invest the proceeds, or indirectly, by the destruction of their property in the ensuing violence and the break in civil disorder. Estimates of the damage done to civic buildings, the assets of private enterprises and private dwellings are of over $2 billion - ‘comparable to a civil war’ (Vaughan-Whitehead, 1999:200). The largest proportion of destruction was in the southern region including Vlore, Fier and Gjirokaster, which had suffered greatly from the pyramid schemes and was more politically opposed to the Democratic Party\textsuperscript{33}. However, no region was untouched by the ‘troubles’ (including Librazhd and Shkodra districts). There was widespread looting of drugs and equipment and, as in 91/92, some destruction of hospitals, health centres and public health departments, reducing some to provision of emergency care only, as many medical staff abandoned their posts.

\textsuperscript{32} It is asserted (Clunies-Ross and Sudar, 1998) and widely believed that this made the schemes more attractive to investors, and that schemes advertised their clandestine nature. Aside from such stereotyping, allowing that Albanians might not be any more keen to profit from criminal activity than any other people, it would be a challenge for the most rational economic agent not to invest anything in a scheme that for so long paid regular cash dividends, 10 to 100 hundred times above commercial rates. Little surprise most Albanians believed capitalism had brought the long dreamed of economic miracle.

\textsuperscript{33} As observed in other countries, political sympathies in Albania have shown broadly regional characteristics: Berisha hails from the north, Enver Hoxha had originated from Gjirokaster in the south.
from fear. Immunization programmes were seriously disrupted, and water purification and human waste disposal stopped in many areas (WHO, 1997). The murder rate for 1997 was more than five-fold that of any previous year during transition (Table 5.1). The police investigation rate for murder fell from the previous average of 85% to only 44% during this year. For all crimes other than sexual crimes, fraud and forgery there was a much lower investigation rate, signalling an inability to cope with the general increase in crime (INSTAT, 2002a:356) and indicating a point of almost lawlessness. Looting was rife and the incidence of ‘banditry’ made travel unsafe throughout the country, affecting personal security and the transport of goods for industry.

There were also corresponding economic implications. The financial crisis deeply affected the institutions of Government, public bodies being unable to pay many benefits or salaries, in some cases for as long as two months. The loss of wealth in the failed financial schemes immediately depressed domestic demand and reduced output in construction, afterwards still not recovering to pre-crisis levels (Table 5.7), and industry. Agriculture was little affected. Remittances from abroad dropped sharply and foreign aid flows came to a halt, but, perhaps surprisingly, however, the crisis was not to ‘interrupt virtuous economic growth’ in the longer term (Vaughan-Whitehead, 1999:xix). Development was, however, affected by both the success and failure of the schemes. The legitimate banking sector was thwarted while money was diverted into the schemes, rather than into current or savings accounts, and there was a marked decrease in new business development - commercial activity being comparatively unprofitable in comparison. For those in business, there was a reported

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<th>Table 5.7: Licensed Construction Activity during Transition</th>
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<tr>
<td>Total Buildings</td>
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<td>Dwellings</td>
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<td>Other</td>
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<tr>
<td>Other</td>
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<td>Civil Engineering Works</td>
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(Source: INSTAT, 2002a)

34 How data from the Albanian experience may contribute to the application of Institutional-Anomie Theory (Messner and Rosenfeld, 1997) as describing the effect of social change on crime is a point for further research.

Poverty and Anti-Poverty Programmes in Albania 116
difficulty in attracting workers during late 1996, as many people preferred to live off the 'interest' from their investments. The main effects of pyramid schemes were on asset distribution and an increase in inequality\textsuperscript{35}. A few thousand people got richer, some of them much richer; many were made poorer, and some of them much poorer, but on aggregate the overall loss to the economy was very limited (Table 5.2). The real cost was to those, mostly lay-investors, who could least afford to lose out and to the country, in the domestic and international loss of confidence in institutions\textsuperscript{36} – particularly the Government,\textsuperscript{37} who appeared complicit in them.

5.1.3 The Fractious Sphere of the Social

Two years on, in 1999, Albania seemed to have put the pyramid scheme crisis largely behind it, other problems - political conflict during September 1998, with the assassination of a prominent Democratic Party figure, Government and public sector corruption, the conflict in Kosova and refugee influx into Albania - being enough to displace the schemes as the main concerns of the public.

Bypassing the blip of the pyramid schemes in 1997, by 1999, Albania's GDP had surpassed its 1991 level in real terms (UNDP, 2000). Over 1992–2004, the Albanian economy experienced significantly higher growth than many other transition economies, albeit from a much lower base (Figure 5.1). Real GDP increased by 112 % over this period, against an average (real, but unweighted) growth in the Baltic and CEE states of 50 and 48 % respectively. However, the greater part of the recovery of GDP during the decade was driven by the increase in agriculture, with the industrial base of the country a third as productive as at the beginning of the decade and services contributing still only a small part of the economy (Figure 5.4).

One growth industry during transition, or so it is widely considered, has been in the widespread existence and influence of organised crime. Reinforced by the news productions of the media industries and an expectation of its penetration into the

\textsuperscript{35} Popular jokes of the time were illustrative of the situation: Half of Albanians spend their time making coffee and the other half spend their time drinking coffee.

\textsuperscript{36} International trade slowed markedly (Table 5.2).

\textsuperscript{37} It was eventually to cost Berisha his Government, having to give way to the Socialist Party, which was to keep power until 2005. Still, Mr. Berisha attempted a failed political coup not long after the crisis, in 1998.
core of society, surveys have revealed around 60% of Albanians believed that their

Figure 5.4 GDP Change by Sector at constant 1990 prices
Source: INSTAT 2000a

nouveau riche have made their way through illegitimate means (USAID/ORT, 1998:127), with a belief that crime levels are greater than under communism.38

The same survey also revealed that poverty is seen as the driving force behind illegal activity – three times more so than lack of employment prospects or official corruption. Still, events showed that the perception is not just a hankering for the ‘good old days’, but a real state of affairs and has been the bread and butter of the new free media.

A Media Perspective on Poverty

The following section presents some of the most common issues encountered during the media monitoring with regard to poverty and EA. All reports presented below are selected from the daily Gazeta Shqiptare. Media monitoring very quickly turned out to generate a huge amount of material, mostly emotionally upsetting. The general view of perceived poverty was supported by frequent figures from the GoA or the World Bank (Gazeta Shqiptare, 2002h), reporting on the inefficiency of the EA (Gazeta Shqiptare, 2001a), criticising introductions of increased taxable salary (GSH, 2002b), suggesting that, in the face of increasingly difficult living standards the Government decisions are driving people to engage in the informal economy (GSH, 2002e). Other articles, stressed poverty by asking why Albania is still poor (GSH, 2001b; 2002e) and by reporting people protesting because of not having received their benefits for over a month (GSH, 2002b). Headlines focusing on the huge distresses of poverty on the Albanian family were reporting daily narratives of misery:

Two children from a family of 13, with parents mentally disabled, being badly burned, and one dying, from having fallen asleep too close to the family

38 "S'ka shtet, s'ka ligj" - 'No state. no law' is a common expression in transitional Albania.
fire, bringing ‘reminiscences of Migjeni in the year 2000’ (Gazeta Shqiptare, 2003a);

Parents committing suicide due to poverty (GSH, 2006e, f); youngsters found half-frozen on the mountain on their way to migrate to Greece illegally (GSh, 2006a); families living in miserable conditions with no help from Government (GSH, 2006b,c); people choosing dangerous and illegal migration as a solution to poverty (GSH, 2006d);

Protests by the disabled, wanting ‘to live’ (GSH, 2002d); a doctor who was highly praised in the media as a hero for saving the life of a woman who attempted suicide, sadly replied: ‘I am not sure I really did her a favour after I saw the poverty she was living in with her 8 children’ (GSH, 2003d);

The irony of the metamorphosis of the ‘May 1st’ piazza in Fier, the symbol of the workers day, having become a place where the unemployed now gather and loiter (GSH, 2002f); an article reporting a man who is determined to enter a hunger strike until he gets a job, for the sake of finding a wife, as no one would marry him since he is poor.

The still inadequate infrastructure: ‘Fier: 6 days without water’; ‘Tirana: there is no heating system in hospitals, no surgery is taking place.’ As late as 2001 an analyst asks how can a person that has no electricity for over 12 hours a day for over 10 years understand democracy? (Bejtja, 2001).

Expressing the self-reliance that people have used to cope with poverty, Bejtja (2001) challenges the GoA’s GPRS, angrily suggesting that the Government should have worked on a strategy for electricity instead, since for the last decade Albanians ‘solved the issues of poverty themselves, either by passing mountains and seas, by stealing western cars, by making fake products, or selling cigarettes in the street’.
The following excerpts are selected from daily reporting:

Gavrosh on the Tirana streets: He was only 10 years old when his mother dropped him in the street of the city, giving him a few Leks to buy a byrek, before leaving for Greece. ‘I followed the car until I lost it... then I told a policeman on the street that my mum had gone, but he said he couldn’t do anything. I didn’t know how to go back to Burrel.’ He has been at the orphanage but was beaten by other kids and also by the teacher, and then was thrown out in the street, and has spent his days sleeping on the streets or in police stations. Now he sells in the street. ‘I went to Burrel and met my dad who lives in an electrical substation, I gave him 500 Lek; met my brother in prison and gave him 500 Lek too and a pack of cigarettes. Dad went mad after mum left and burned the house. One sister lives in England, one is staying at our uncle’s-ends the little boy, who has told the story far too many times to even be emotional (Gazeta Shqiptare, 2003b).

Shkoder: She lives in a cellar, helped by her parents who are ill. She has 4 children, and has been ill for so many years after having had her kidney removed and can’t work. Her husband died accidentally on his way back from Greece. ‘The death of my husband cut my arms. The house we had started to build, was never finished. I am bringing my children up with blood. The disability pension of 6000 Lek is not enough, not even for bread... It breaks my heart that my children can not be brought up like others’. Her paralysed father appeals for help: ‘We are dying... her unfortunate fate is making our lives shorter each day’ (Gazeta Shqiptare, 2006b).

A Poor pensioner: Help me bring up my two nieces. ‘My daughter and her husband were killed 7 years ago. I take care of my nieces, whose clothes are from the Red Cross. They have been denied any benefit unless they legally separate from me... This is crazy!’ (Gazeta Shqiptare, 2003c).

A man paralysed from the polio vaccine in 1996, has been living for 10 years in hospital with his family in one room. They receive no help, just 400 Lek per month for the use of their land by another family (Gazeta Shqiptare, 2006c).

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39 A pastry.
40 His home town in the North.
5.2 Poverty in Transition

"All that had to be," replied the one-eyed doctor. "Private ills make up the general good. It therefore follows that, the more numerous the private ills, the greater the general good, in the best of all possible worlds" (Voltaire, 2003)

The discussion now turns to the development of poverty studies in Albania, leading from methods of measurement and statistics to the establishment of official poverty lines. An examination of income composition is made in order to compare the impact of public and private transfers on poverty. The profiles, routes and dynamics of poverty are examined, before passing onto non-income poverty.

5.2.1 Discovering Poverty in Albania

Income Poverty: Survey and Measurement

It is worthwhile remaking the point that the issue, if not the fact, of poverty was newly established in Albania after transition, since the communist party did not officially recognise its existence. Hence, the study of poverty in Albania set off in the 1990’s from a standing start. INSTAT, the only body that collected data on a national level, had no institutional experience in collecting, analysing or distributing data for anti-poverty policy purposes and the means and methods of measurement and analysis of poverty had to quickly be appropriated, with consequent shortcomings in continuity. Hence, before 2001, poverty measurement suffered imperfections in sampling and data acquisition, unreliable estimations and differing methodologies across surveys (WB, 2006). The extent and manner in which these problems have been addressed and remedied is due to the technical aid offered by the World Bank and European Commission. Institutionally, poverty measurement is currently integrated into the NSSED monitoring and evaluation system by means of a Poverty Centre established in MOLSA and monitoring units in line ministries (WB, 2004).

Among the first poverty studies in Albania was one undertaken by the World Bank in 1996 using data from a UNDP funded ‘Household Budget Survey’ carried out only in Tirana in 1993 and 1994. It was followed by LSMS 1996, which was conducted across the whole country, excluding Tirana, sampling about 1,500 households. This study
characterised poverty as a largely rural phenomenon, with almost 90% of the poor residing in rural areas and 60% of the heads of poor households being self-employed in agriculture (Zezza et al., 2005). Prior to 2002, the widest survey of poverty and living standards comes from the Living Conditions Survey (LCS) conducted by INSTAT in 1998 as part of the PHARE programme, based upon a representative sample of 11,523 urban and rural households. The income-based LCS was superseded in 2001 by the consumption-based Living Standards Measurement Survey (LSMS), also run by INSTAT. Poverty monitoring is done with a baseline survey LSMS, conducted every 3 years, with annual intermediary, but less extensive and less expensive surveys, between (ibid.).

The first LSMS survey was conducted in Spring 2002 on a sample of 3,600 households drawn from 450 census areas. The survey instrument has three parts: a household questionnaire of expenditure information, considered a less unstable indicator than income as it fluctuates less and, since it is less prone to be under-reported, acts as a more direct marker for standard of living; a subjective module, in which households assess their own financial situation, in terms of how high up the income ladder they think they are; and a community questionnaire which collates local price data. Recent poverty studies developments are focusing on policy outcomes, such as improved efficiency and targeting, and include poverty mapping (Bigman and Fofack, 2004).

Definitions and Poverty Lines

Poverty in Albania is defined as 'inequality in allocation of material goods' (WB, 2004) and to this end income inequity is considered the most important indicator of inequality and poverty in Albania. The headcount rate of poverty is calculated as the proportion of individuals consuming below an amount necessary to cover expenditure for basic food and non-food items. GoA operates several poverty lines (Table 5.8), to meet national needs and also to promote international comparison and satisfy donor requirements. The continuity problem, however, still persists since the 2005 LSMS uses a slightly different methodology to 2002 LSMS and results are therefore not directly comparable between surveys (IMF, 2006c:11).

41 The correlation of these subjective and objective measures of poverty may be gauged (Carletto and Zezza, 2004).
42 For full World Bank poverty definitions see Townsend (2005).
On the basis of the figures in Table 5.8, the GoA and WB consider that ‘about 235,000 people, who were poor in 2002 have been lifted out of poverty’ (INSTAT and WB, 2006a, b). It can be seen from the various measures that the extent of poverty is very sensitive to where the line is drawn, particularly between the WB absolute and 60% relative poverty lines, with obvious implications for the design and operation of Government anti-poverty programmes, in deciding level of relief and targeting those below that level.

Cautious comparison\(^{43}\) of the extent of poverty in Albania with other SEE countries experiencing high rates of poverty (Table 5.9) reveals a similar broad-base of poverty, with great sensitivity to where the poverty line is drawn. Albania’s measures are especially similar to Romania, which is equally dependant on agrarian subsistence. The figures indicate a poverty in Albania that is wider and of a more severe nature than that of its immediate neighbours, particularly with the extreme poverty level in Albania (2002, 4.7%) being significantly above that of the neighbouring countries of Croatia (0.5%), Romania (0.6%) and Bulgaria (1.4%) (WB, 2004b). And this is in spite of Albania’s better growth than some, and their troubled recent history, such as Serbia.

\(^{43}\) The results are based on varying methodologies.
5.2.2 Routes into Poverty

*Failures of the Labour Market*: Employment and Unemployment

Unemployment is urban, and underemployment rural, since land-owning rural families are defined to be self-employed.\(^{44}\) Whether from involvement in seasonal agriculture or the casualization of the employment relation, they are both main roads into poverty, as in any free labour market. Although employment status is captured through the Albanian census and the LSMS, there are differences in measure and definition of unemployed and out of work counts because people may record their status according to self-interest\(^ {46}\) and activity in the informal sector may not be considered as employment by those engaged in it (IMF, 2006c,d). The standard definition of unemployment in Albania relates active job search to the condition for receipt of unemployment benefit, while the relaxed definition counts seasonal workers\(^ {47}\) and the discouraged (ibid.), who may be considered as unemployed even though their attachment to the labour force is tenuous.

All that being said, unemployment shows gender bias, but slightly less than employment (Table 5.4): 17.5% of women being unemployed against 12% of men (IMF, 2006c:70). Employment among men seems more equitably distributed across age, with levels of 54% and 52% for 15-34 and 35-54 age groups (INSTAT, 2001a). The unemployed

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<table>
<thead>
<tr>
<th>Country</th>
<th>Year</th>
<th>National Poverty Line</th>
<th>US $4/day</th>
<th>US $2/day</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>2002</td>
<td>25.4</td>
<td>59.3</td>
<td>10.8</td>
</tr>
<tr>
<td>Croatia</td>
<td>1998</td>
<td>8.4</td>
<td>4</td>
<td>n/a</td>
</tr>
<tr>
<td>Macedonia</td>
<td>2000</td>
<td>20.7</td>
<td>n/a</td>
<td>7.5</td>
</tr>
<tr>
<td>Romania</td>
<td>1998</td>
<td>28.9</td>
<td>44.5</td>
<td>6.8</td>
</tr>
<tr>
<td>Serbia &amp; Montenegro</td>
<td>2002</td>
<td>10</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Bosnia &amp; Herzegovina</td>
<td>2001</td>
<td>19.5</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Figures are Headcount. N.A: not available. Data Source: World Bank and INSTAT 2003
and the inactive are most likely to be aged 15–34 years (36.6%) (ibid.). Long-term joblessness is the fate of most unemployed. 42% of those not discouraged, emigrated or employed are still looking for work after 2 years of unemployment (IMF, 2006c). Other indicators suggest only 5% find work or emigrate and that the average period of continuous unemployment is three years (INSTAT, 2004d), leaving a large number inactive, discouraged or working informally. Unemployment benefits themselves have declined in real terms, standing at 80% of their 1995 peak as of 2003 and an estimated 59% of recipients are under the absolute poverty line (WB, 2004:22).

Households with unemployed heads of household have poverty rates twice those of employed heads - the former having an incidence of 32% in Tirana and 51% in rural areas (WB, 2006b). There is little data on the extent and severity of poverty among those employed. However, real wages have been deemed to have recovered in real terms to their pre-crisis 1995 level only since 2001 (IMF, 2002b and 2003b), having been kept low by the cheap informal labour market and a large, dormant labour supply.

5.2.3 Patterns and Profiles of Poverty

There is a close correlation between country demographics and the incidence of poverty. This section looks at broad regional variations and groups at risk of poverty.

**Regions**

Indicators reveal strong regional variance in poverty incidence and severity (Figure 5.5), with a pronounced increase in poverty in rural areas, especially away from the coast, inland in mountainous regions. Of the extreme poor group, the rural poor account for 18.3%, six times more than urban poor. However, the real constituency of extreme poor are migrant families in peri-urban areas, who account for the rest, nearly 80% (INSTAT, 2002g).

**Groups at risk**

The identities of groups at risk of poverty in Albania are similar to those in other market economies: chiefly people who are in a dependent situation, through not being able to participate in the labour market, or from some other vulnerability - namely, but
not exhaustively, children, women, the disabled and elderly. A justification for this grouping comes from the subjective poverty assessment in the 2002 LSMS, which may be considered as self-identification by groups at risk. Hence, pensioners, especially single or widowed female pensioners, are a group to consider at risk, being disproportionately represented in the survey. The risks arise from low pensions, especially rural pensions, and chimes with feelings, and perhaps instances, resulting from assimilation, abandonment or isolation resulting from migration (King and Vullnetari, 2006).

Women's poverty in Albania during transition has been part of the familial experience. However, questioning the data, research has indicated that women feel poorer than before transition and that their experience of poverty remains hidden, their position within the household disguising their share of income and their unpaid work (Tahiraj, 2001). There is need for further research on the phenomenon, but women per se seem more likely to experience poverty than men during transition (Schnepf, 2004) and the increasing reversion to traditional family mores in rural Albania during this period places increasingly demanding, and decreasingly lucrative labour demands on women. Certainly, households headed by women form another at risk group, 35 times more likely to be poor than the average household (WB, 2002b) - for reasons such as women benefiting less from employment opportunities, allied to a dearth of available, affordable childcare outside the immediate family.

At the other end of the apron string, fully one third of children live below the absolute poverty line in Albania (INSTAT, 2002g). As a group, children are over-represented compared to the general population simply because households with more children

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48 Since the study found that among households composed of one person, the incidence of subjective poverty is highest, while the incidence of objective poverty per-capita is lowest, it concludes that participants do not appear to 'equate their poverty with income or expenditure alone; subjective measures may also be capturing factors such as risk exposure, vulnerability, and other non-monetary dimensions of deprivation (Carletto and Zezza, 2004).
tend to have lower incomes and the demand on limited resources is greater: nearly a quarter of families with 3 or more children and just shy of three quarters of families with 4 or more children have incomes below the absolute poverty line (WB, 2002b; WB and INSTAT, 2003). The fact that the ethnic division in Albania is not widely promoted as an issue is an indicator of the homogeneity of the populace and the depth of the problem. Roma are not considered at all as a group at risk of poverty in official reports, perhaps because they constitute only around 2% of the population (INSTAT, 2001a), even remaining difficult to reach in many efforts of NGO’s (Polanski and Tahiraj, 2004).

5.2.4 The Anti-Poverty Impact of Public and Private Transfers

This section examines the effect of remittances, Economic Aid and other benefits on the poverty count and poverty gap.

Income Sources & Composition

The income sources of rural and urban households are of a markedly different composition, as might be expected, revealing a pattern of greater dependency on agricultural and employment income respectively (Azzarri et al., 2006). An aggregated picture (Figure 5.6) shows remittances comprising 14% of household income, compared with 16% for pensions and 4% for social transfers, the rest of income coming from employment and agricultural involvement.

Importance of Public Income Transfers and Private Income Flows

Both private income flows and public income transfers are thus important to Albanian household incomes, with effects on poverty rates and living standards varying according to their reach and their size. Albania's receipts from workers' remittances,

49 Or poorer households tend to have more children, depending on viewpoint.
50 An under-reporting of income from social transfers/EA is possible, given that survey participants in the LSMS may have feared consequences to factual accounts.
14½% of GDP in 2005 (IMF, 2006c: 44), are proportionately among the highest in the world and considerably larger than exports (1.8 times), foreign aid (7.3 times), and FDI (4.7 times) (ibid.). They form the majority of private income flows, dominating over smaller income from families and NGOs, being received by 22% of households, and forming equivalent to 47% of the average monthly income for those in receipt (IMF, 2006c). It is estimated that 29% of poor and 44% of extremely poor households receive remittances and that 80% of all remittances go to poor households, of which 66% reach extremely poor households (ibid.).

Remittances appear to have a larger impact than public transfers in reducing poverty (Figure 5.7). While the latter have a greater impact in reducing the poverty head count, private transfers reduce the poverty gap and the severity of poverty much more than public transfers. In other words, private transfers, including remittances, have a bigger impact on income distribution than public transfers. The poverty reduction effect reflects the size of transfer, with an estimated €1300-€2600 per year per household, forming 17% of the average household income (considered across all households) (IMF, 2006a:45). Similar considerations explain the higher impact of public transfers on headcount: that fewer households receive remittances than benefits (whether pensions or social assistance).

Based on the World Bank’s calculations using 2002 LSMS data, public transfers reduce the poverty gap by 37%, while private transfers do so by 74% (WB, 2004). According to the 2002 LSMS, remittances reduced the poverty head count by about 6 percentage points and the extreme poverty head count by nearly as much. The pre-transfer poverty rate of 44%, reduces to 25% after transfers but without remittances would have been 32%, and, without public pensions (but including

Figure 5.7: Aggregated Proportions of Public and Private Transfers with their contribution to poverty alleviation and reduction. (Data Source: WB, 2004)

Based on the World Bank’s calculations using 2002 LSMS data, public transfers reduce the poverty gap by 37%, while private transfers do so by 74% (WB, 2004). According to the 2002 LSMS, remittances reduced the poverty head count by about 6 percentage points and the extreme poverty head count by nearly as much. The pre-transfer poverty rate of 44%, reduces to 25% after transfers but without remittances would have been 32%, and, without public pensions (but including

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51 Remittances are based on estimates because most, an estimated 60%, are transferred informally. For an example of the remittance estimate process used by the IMF in Albania, see (IMF, 2006c:46).
remittances), it would have been 37 %. Without any transfers, the extreme poverty rate would have been 19 %, against 4.7 %, and without remittances, it would have been 10 % (ibid).

The social safety net, meaning the entire Social Protection system, had a greater impact on the poverty headcount (26 % reduction) than that of private transfers (15 % reduction), suggesting that private transfers are not better targeted to the poor (Figure 5.7 and WB, 2004). However, private transfers (particularly remittances from abroad, when viewed as transfers, not as income), had a relatively greater impact on the distribution of income than on poverty headcount itself. These transfers helped reduce the poverty gap by 45 % and the severity by 78 % – much larger impacts than those of public transfers (ibid.).

Considering the impact of EA alone, it has contributed to a far lesser degree - forming only 3.1% of household income. The proportion of recipients in pre-transfer poverty was higher for the EA program than for any other public transfer program (ibid.) (Figure 5.8). The benefit assists only 19% of poor families, with a poverty reduction of only 2.3%.

The surprising fact about the scheme is that it is no more likely to reach extremely poor households than poor ones, and 36% of program funds go to non-poor households – more than the 28% received by the much smaller group of extremely poor households (ibid.). One qualification to these results is that participation in the EA program may have been substantially under-reported within the LSMS survey. Given that EA is Albania’s anti-poverty program, it seems to suffer from weak coverage of the poor, and a small impact on the incidence and severity of poverty.
The Impact of Growth on Poverty

The fact that economic growth is the main instrument for poverty reduction for the GoA is evident in that only about 5% of NSSED progress reports directly relate to poverty or anti-poverty programs (IMF, 2006a). It is claimed that the benefits of an average annual real GDP growth have been broadly shared (INSTAT and WB, 2006a, b). Growth therefore is believed to explain most of the poverty reduction in Table 5.8. The inverse relationship between poverty and growth is expressed in a coefficient of poverty-growth elasticity.

Because of a lack of available data, the coefficient has been estimated, not calculated. Evidence from a single study was taken to find high/low bounds, the study considering that growth has a more equitable effect on poverty reduction in transition countries, as they tend to exhibit less inequality than developing countries. Hence, a lower rate of poverty reduction is considered as applying to developing countries, and a higher one to transition countries. On this basis, in the case of Albania the coefficient was 'concluded' to be between -1.07 and -4% (IMF, 2004: 41).

However, issues remain with growth as affecting poverty reduction, such as the vulnerability of the poor in the event of 'exogenous shocks' (WB, 2006b:6), like global recession, especially given that 'workers' remittances have contributed significantly to Albania's economic development' (IMF, 2006c:3). Remittances were 20% higher between 2002 and 2005 LSMS, contributing an estimated nominal 700 million Euros. The question is how long growth can be sustained (IMF, 2006c)? Why growth has not created jobs (perhaps related to the role of remittances in growth, and the use that the monies are put to domestically) and whether this jobless growth demonstrates

In a participatory round of the NSSED the 'discussion on poverty reduction supported the assertion that economic growth was the main priority and would lead to poverty reduction. One group argued that education needed particular attention, whilst another group reminded the debate that there were disagreements on what type of skills and attitudes were required for poverty reduction' (IMF, 2006a).

The real consumption per capita of those who would have been classified as poor in 2002 grew by 11% against a 1% generally (INSTAT and WB, 2006a,b).

It should be borne in mind that the poverty rates in the Table 5.8 are after all (public and private) transfers.

This is the reduction effect of growth on poverty, the effect of 1% growth on poverty is a reduction calculated by poverty rate (%) - (elasticity x poverty rate index).


Author's estimation from data in (IMF, 2006c:47).

Although the IMF contradicts the W.B. citing research which indicates remittances are counter-cyclical and do not contribute to economic growth (IMF, 2006c:49).
growth being driven by cost-efficiencies only (WB, 2004b:1)? What could encourage export-driven growth, such as attracting more FDI, increasing public and private savings (WB, 2006b:v) and formalising remittances and the grey economy, therefore, factor heavily in anti-poverty thinking.

5.2.5 Non-Income Poverty

In closing, this chapter directs its attention to some of the more general aspects of non-income poverty, such as education, health and living conditions.

Education

Education is an issue on which there seems to be near universal agreement: that the educational attainments of communism have not been matched since the end of the regime, prominently in literacy rates. Problems include high levels of absenteeism and drop-out, greatest around 15-16 years (WB, 2005b), in line with the legal age for leaving formal education, with a widespread perception that the investment in education will not be met with later returns in the labour market, which remains low-skilled.59 Out of pocket expenses, school distances and the loss of potential wages also discourage attendance (ibid.).

<table>
<thead>
<tr>
<th>Table 5.10: Educational Enrolment across Quintiles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enrolment by Quintile %</td>
</tr>
<tr>
<td>Male</td>
</tr>
<tr>
<td>Lowest</td>
</tr>
<tr>
<td>Second</td>
</tr>
<tr>
<td>Third</td>
</tr>
<tr>
<td>Fourth</td>
</tr>
<tr>
<td>Top</td>
</tr>
<tr>
<td>Average</td>
</tr>
</tbody>
</table>

Table Source: World Bank, 2001/INSTAT 1997 data from LSMS, 1996

Indicators suggest that the poor are often excluded from the benefits of even the state education, with a level of enrolment60 significantly lower than the majority of the population (Table 5.10). There is also a geographic gulf, with rural children

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59 Although this is countered by research that shows returns are high (World Bank, 2001:41).
60 N.B. Enrolment, not educational attainment.
having considerably shorter 'school expectancy' and being eight times less likely to matriculate (INSTAT, 2000d).

Health & Living.

Poor children are highly likely to live in a large household: the characteristics of the poverty experienced by children are affected by this. The family’s poverty is assessed on an absolute measure, but their circumstances may have consequences similar to the effects of extreme poverty, due to the high demand on small resources, with a severely diminished nutritional intake among 4% of children (UNICEF 2000b). Among children under the age of 5, 14% are characterised as moderately and 4.4% significantly underweight, with boys and infants most affected.

Minor developmental shortcomings were observed in a third of children, while a fifth had significant developmental problems (ibid.). Furthermore, Albanian children are facing other dangers such as dropouts, violence, blood-feud, trafficking, exploitation, and criminality. For instance, 1450 children are at risk of vendetta in the north of the country due to their families being involved in blood-feuding (IMF, 2006a) and children have been trafficked, or emigrated without a responsible parent - 5000 estimated to have gone to Italy/Greece as a proximate destination under such circumstances (ibid.). Roma children comprise most of the street population in towns (Tahiraj, 2000).

The public health sector has experienced complete restructuring in the face of uncertain funding, while attempting to maintain the certain high achievements of the previous communist regime (EOHCS, 1999). The expenditure on public health as a proportion of public expenditure was variable throughout the 1990’s, ranging from a low of 2.5% to 7.3% in 1999 (INSTAT, 2000b: 118). A reduction in the number of primary health care units and their facilities does not necessarily indicate a decline in standards; however, the universal health system has been withdrawn to a degree, allowing a growth in private health services. There is a marked difference between rural and urban uptake in healthcare, however, with private services proving prohibitively expensive for many of the rural poor, even when they are provided regionally. In the

61 Expected length of school career.
public sector, reported corruption of medical personnel also acts against the ethos of state health provision (INSTAT, 2000b) and excludes the poor from services.

Rural poor also suffer access problems due to remoteness from treatment centres, with profound implications for the availability of emergency cover. The LSMS 2002 indicated marked differences in health status and housing conditions (INSTAT, 2002b) between urban and rural areas - the former twice as likely to report better health and also having better housing conditions than the latter, with a corresponding important differential in access to essential public utilities such as water and electricity (Table 5.11).

<table>
<thead>
<tr>
<th>Basic services</th>
<th>Non-Poor</th>
<th>Poor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of running water</td>
<td>30.4</td>
<td>43.1</td>
</tr>
<tr>
<td>Lack of internal piped sanitation</td>
<td>22.1</td>
<td>45.2</td>
</tr>
<tr>
<td>Lack of access to telephone</td>
<td>39.7</td>
<td>78.6</td>
</tr>
<tr>
<td>Electric less than 12 hours/day</td>
<td>12.5</td>
<td>16.1</td>
</tr>
<tr>
<td>3 or more persons to a room</td>
<td>20.3</td>
<td>46.6</td>
</tr>
<tr>
<td>More than 1 hour to the nearest health centre</td>
<td>7.4</td>
<td>14.7</td>
</tr>
</tbody>
</table>

Data Source: (INSTAT, 2002b)

Summary

Poverty studies have been a late developer in Albania and there remain serious gaps in knowledge about important issues, such as extreme poverty, the poverty of children and other at-risk groups, such as those in informal settlements, the rural/urban experience and the working poor.

This chapter has tried to fill some background to the country conditions and experiences that characterise poverty in contemporary Albania. In order to inform the coming chapters of empirical research with the complex social, economic and political issues that have been the respondents’ milieu. In daily life this means a depleted and non-functioning infrastructure and a poverty of wide prevalence and often great severity, with roots in lack of income due to unemployment and underemployment, and

62 Attending only on receipt of gifts. The low pay of medical staff, given the length of their training and level of expertise, is considered a factor in this. (IMF, 2002).
outcomes in health, education, and widespread migration. This is poverty that has been exacerbated by, and itself has aggravated, social problems of deep import, threatening the new state with anarchy, and whose extent and severity places equal pressure and difficulty on Government efforts to tackle it.
CHAPTER 6 SOCIAL ASSISTANCE AND ECONOMIC AID

Introduction

Poverty-focused social policy was newly established in transitional Albania. This chapter explores the Economic Aid programme, which has been the core of social assistance during this time. Developing, transition and western liberal countries offer different and still evolving models of social assistance, reflecting the vagaries of their cultural and historical development. The process of selection, adaptation and development in the Albanian model is explored through an exposition of Albania's policy framework in basis, purpose and practice – including the establishment of the administration, the legal framework and the policy's operation and delivery.

Economic Aid is explored within two historical contexts: its place within the Social Assistance programme, from whence it was introduced during the early stages of transition, and the National Strategy for Socio-Economic Development, within which it was later subsumed. The chapter ends with an evaluation of the scheme in terms of welfare effort, operational issues, reach and coverage.

It has been variously argued that social policy acts as a brake on economic progress (Ksiezopolski, 1993) and that it is crucial to the success and consolidation of the transformation process (Centeno and Rands, 1996). This examination of Economic Aid, including official and expert evaluations, provides a basis for later consideration of Government attempts to find solutions to poverty in the heat of transition, given the active dual constraints of reform and the need for economic growth.
6.1 **Social Assistance and Targeted Cash Transfers**

6.1.1 Models and Programmes of Social Assistance

Social Assistance (SA) is the 'last resort' (Ditch, 1999a: 116) - a set of Government programmes which come into effect when some or all other means fail, such as income from assets or work and help from family or from charity (ibid.) Such failures may occur for many reasons: labour market failures, a breakdown in family relations or geographical displacement. A useful taxonomy of SA schemes runs:

- Universal, categorical or contingency (short term needs) benefits. These are not determined against income or employment.

- Social Insurance benefits based on employment status and a record of contributions to the scheme.

- Means-tested and asset or income related benefits, of three kinds: General Assistance - the delivery of cash benefits to those below a Government determined minimum income. Categorical Assistance - for social groups such as families or those affected by disability. Tied Assistance - income based benefit intended to meet other non-consumption needs, such as housing (ibid.).

Models of Social Assistance have found much use in social policy, whether in trying to establish minimum income standards (Veit-Wilson, 1998), or where there may be the vision to harmonise disparate regimes, as perhaps the European Community (Leibfried, 1991). Although their bounds of applicability have rightly been questioned, such models can still aid as shorthand and abstraction, as long, that is, as the model is not mistaken for the reality. That said, two contrasting, high level and, therefore, very general models of state welfare provision are the Bismarckian and Beveridgean. The first is based around the importance of work, with national insurance schemes funded by complementary contributions from employer, employee and state. Beveridge's idea

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1 To avoid possible confusion over terms, as is described in part 5.2, 'Social Assistance' is also the name (or translation of the name) of a GoA scheme of cash and care programs. The learned use of the term here applies to section 5.1 only.
of a 'welfare state' has been called a 'maximalist universalist' vision (Finer, 1999a:20), that was intended to aid citizens 'from the cradle to the grave' (Beveridge, 1942) with welfare services provided free at the point of delivery and poverty prevention through income assistance. Although some steps were taken towards that Nirvana in the UK and continental Europe post-1945, the principle of universality in benefits has gradually eroded chiefly because of affordability concerns and perceived negative behavioural consequences, to be replaced by greater means-testing and tighter eligibility criteria, conditions attached to the receipt of benefit to reduce parasitism and targeting of resources to those identified most in need (Atkinson, 1999). Hence, different welfare regimes are identified based on perceived different characteristics or due to their different developmental paths.

Of the programme types, the most pertinent to this thesis is General Assistance, as part of a residual safety-net system of welfare. Residual schemes are characterised as typically experiencing low levels of take up, low dependency among beneficiaries, tight means-testing, strict eligibility criteria and, consequently, 'witnessing few significant policy innovations' (Ditch et al., 1997:6) except as regards more selectivity, i.e. increased targeting.

6.1.2 Social Assistance in Post-Communist Countries

It may seem passé simple now, but the question posed in the early years of post-communism was 'whether one or other of the western worlds of welfare capitalism is built in Eastern Europe or whether less democratic and more authoritarian regimes will emerge to manage the initial stages of capitalist development' (Deacon, 1992a:12). With few exceptions, the former has so far proven to be the case. This time has seen various types of welfare regime implemented, either through planned application or as a result of 'a combination of ad hoc responses to specific crises and conflicting objectives' (Standing, 1997:225). Given their communist heritage, where the state was the only provider of services, citizens of transition countries could be forgiven for having a cultural hangover of expectation: rooted in initial unrealistic hopes2 that capitalism and democracy together would bring a bounty of affluence and

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2 Enthusiastically shared, and somewhat prematurely voiced, by some economists too at the time.
opportunity. The failure of these hopes was charged to the state. In what is either an indicator of the ability of the old regime to meet old needs, a legacy of dependency, or both, people looked to leaders for answers to problems that had always been in the state’s preserve, at a time when government had given up the greater part of its control over such outcomes, causing them to look to people to find their own way forward. Definitively, neither had many resources to improve the situation, to which there were many answers, but not a solution; with the outcome being the pursuit of wealth by the nomenklatura (Deacon, 1993) and unambitious levels of social protection for an increasingly sceptical populace (Marklund, 1993).

**The South-East European Mix**

The countries of the former Soviet Union (CIS) and Central Europe (CE) exhibit much of interest as regards welfare regimes, such as the interaction of decentralisation with traditional social structures of the Mahallas in Uzbekistan (Coudouel et al., 1998). We narrow the geopolitical context here with a focus on the Balkan region. South Eastern European countries (SEE) are mostly classed as lower-middle income countries (WB, Country Briefs), with GDP clustering around $2500 per capita p.a. and employment ratios around 50% (ILO, 2005). They show quite some heterogeneity in both welfare regime and in allocations of social expenditure (Figure 6.1).

![Figure 6.1: Government Social Expenditure in SEE countries (% of GDP, 2003); disaggregated by Education, Health and Social Security. (Total Expenditure data unavailable for Macedonia. Data Source ILO, 2005: 19)](image)

There is little allegiance to universal benefits, such as for children, with all countries adopting selective benefits: a targeted general assistance scheme, mostly on a household basis and administered at local authority level; and pay-as-you-go pensions insurance and contributory unemployment benefit (Ditch et al., 1999c, 1999d).

3 Here comprising only: Albania, Bulgaria, Croatia, Moldova, Macedonia, Romania, Serbia and Montenegro.
For instance, Bulgaria separates the administration of social insurance, employment services and social assistance. The scheme for the latter is composed of non-contributory benefits delivered as social services or as means-tested monthly family benefit, targeted assistance for the disabled, and family-based child benefits (ILO, 2005). Various individual categorical benefits are in operation throughout the region, which deeply reflect social conditions and recent history, notably with a wide range of benefits coverage for refugees, disability and war veterans, particularly in Serbia and Montenegro.4

The limiting condition for the social budget is established by the level of government spending as a percentage of GDP, which ranges from 27% in Albania to just shy of 50% in Croatia; but of more significance here is the share of that expenditure that goes toward non-health social protection. Government spending on education and health can be seen to have consumed less public resources than assistance5. Of the latter, Albania and Romania direct 25% and Bulgaria and Croatia 35% and 39% of their social budget to this, with a regional mean of 31%. Schemes demonstrate varied degrees of targeting: means-tests covering 48-59% of the budget for non-contributory benefits, excepting Moldova and Albania, which cover 15% and 33% respectively (ibid.).

In terms of adequacy, benefits offer generally low replacement rates for new entrants in pensions, and unemployment rates are 17-36% of a national average and limited to one year of payment (ibid.). The question of adequacy of social assistance is plagued with difficulties, when estimation is even possible. Levels of population coverage in the case of cash transfers diverge from 7-25% of households - whether due to the vagaries of demand or supply is not ascertainable from analysis at this level. Informed reasoning and surveys have provided best guesses of a fall of one third in general poverty and of half in extreme poverty in Romania (World Bank, 2003b) and Serbia (World Bank, 2003c), which inclines one to see some success in poverty alleviation from SA in these countries.

4 Since June 2006, Montenegro gained its independence, and as such it is expected that establishment of a new Montenegrin Government will reflect new data and perhaps a new approach to social protection.

5 N.B. these aggregated figures do not account for private expenditure on healthcare, education or other public services.
Where Do We Come From? What Are We? Where Are We Going?

'Philosophy is perfectly right in saying that life must be understood backwards. But then it forgets the other side – that it must be lived forwards.' (Kierkegaard, 1969)

The establishment of social policies in post-communist countries has not been much less incisive than the transition to market economy or democracy, perhaps due to its emergency nature, but it has perhaps not enjoyed the same level of political will and coordination of agency as other reforms. In predominantly agricultural economies, including many CE, SEE and CIS countries, the formal safety net has played an important role in regard to poverty alleviation, but has been ineffective in preventing increases in levels of poverty and social deprivation (Standing, 1997), for which people have turned to private transfers and other mechanisms.

The legacy of history has allowed many Governments to ignore the social costs of economic restructuring, since there is no going back; and going forward, there has been little to work with. What has been clear is that most countries were already experiencing insecurity and inequality by the time the need for social policy was recognised. Social expenditure was often simply geared against those in western regimes, for economies without the same level of maturity and facing huge challenges - hence these regimes have been characterised as 'premature welfare states' (Kornai, in Lendvai, 2005). The systems of welfare adopted in transition may be only transitory, as some regimes have needed to reform tout-suite under economic pressure (Subbarao, et al., 1997) or to accommodate a changing international environment, whether from globalization (Waters, 1999) or seeking EU membership (Lendvai, 2005). The price has been high and paid by the losers in these changes. Could it be any higher when it seems that failure to face the social challenges could either result in a generation being written off (Standing, 1997) or risk the hopes of liberal democracy in these countries (Offe, 1993)?

6.2 Social Policy in Transitional Albania

Social policy in Albania is examined here through a presentation of the Economic Aid scheme in the relation to its parent Social Assistance framework. The origins and
need for EA are examined before its legal basis, operational and funding structure, qualifying criteria, application process and grants mechanism are described.

6.2.1 Social Protection and the Social Assistance Scheme

The welfare system in Albania is called the system of Social Protection. It comprises contributory state insurance and the scheme of Social Assistance. The programmes of social insurance are run by the Social Insurance Institute (SII), which offers benefits, on the basis of the contribution, in respect of: temporary inability to work due to illness, pregnancy or childbirth; family pensions, retirement pensions, disability pension, and benefits in case of accidents and certain diseases. The SII is an independent public institution that administers the entire social insurance system, with responsibility for the collection of data, in particular for the preparation of the budget. Control of payments, procedures, system design and implementation are entrusted to a division within SII headquarters (SII, 2001). Supervisory and operational tasks below the high managerial level are carried out by special units located in regional offices. The specificity of the Social Insurance Institute stands in its independence from the political process - it is one of the few institutions that has not been buffeted by changes in political leadership - simply because the domain the SII operates within has been of marginal reach to the political arena and, because it reports directly to Parliament, is less affected by changes in the Government.

The Albanian system has adopted the German model based on individual contributions in regard to old age pensions (Tomes, 1997). The socialist pension system was brought wholesale into the Social Security scheme. It is run on a pay-as-you-go basis. In 1999, Albania legislated for mandatory PAYE with voluntary elements to social insurance and a voluntary supplementary pensions scheme, in spite of problems of an underdeveloped banking sector and financial markets, a weak regulatory framework and insufficient supervisory powers (Ditch et. al, 1999c, d). Replacement rates have run around 33% of gross average wages - lower for agriculturally dependent families. Albania has been known for its low retirement pension age (ibid.; Shalari 1999) compared to other

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6 There have been arguments (Tomesh, 1997) that the Albanian translation of Social Protection (Mbrojtje Sociale) or sometimes Social Security/Insurance (Sigurimi Social) have been wrongly adopted with no equivalent meaning in Albanian. Sigurimi was in the past associated with the secret police.
countries in the region. There have been pressures on the system however, due to an increasing dependency ratio and a weak fiscal base, leading to an increase in the age of pension entitlement over five years, by six months every year starting from 2003. As of 2003, the scheme accounted for 62.9% of social security spending; the GoA provided 19% of fund revenues; and 18.5% of the population were recipients (ILO, 2005; SII, 2002; 2005).

The Social Assistance scheme is composed of benefits in cash and care. Of the former, the most prominent are Unemployment Benefit and Economic Aid. The former is administered by the National Employment Service (NES) and provides income replacement to unemployed people for one year. The implementation of Unemployment Benefit is based on a flat-rate percentage of a national average wage, around one-third of average gross income (MOLSA, 1995b), 30.5% as of 2003 (ILO, 2005: 45). Legislation has brought a slight increase in real terms (from a nominal 1920 Lek/month in 1996 to 3100 Lek/month in 2001 - WB, 2004). The amount of benefit given is reduced by half if a spouse is working or receiving a pension allowance (Shalari, 1999). There are small supplements to cover electricity outages and dependent minors. The NES also offers limited employment and vocational training and educational services.

6.2.2 Economic Aid: The Government’s Response to Poverty

Origins, Needs and Models
The origins and necessity for Economic Aid were to an extent coincident. The former lie in conditions attached to much needed foreign aid, the latter from the coverage limitations of the existing Social Protection programmes as they pertained to country conditions. It was a concern of donor organisations (DO) that aid money to post-communist countries would not be used to simply free up resources that would then be used in subsidising state welfare. This led to the granting of aid on condition of the implementation or development of targeted social protection schemes in the country, as ‘a comprehensive approach to poverty reduction [that] calls for a programme of well-targeted transfers and safety nets’ (Atkinson, 1999:1). The need for EA came as a result of a foreseen possible welfare vacuum created by the incomplete needs coverage
of SA programs, most pertinently unemployment benefit. With UB entitlement rights extending to only one year, the long-term unemployed would be left without income assistance upon benefit termination. Therefore, a programme was needed to act as a direct exit scheme for the unemployed. Based on estimates of a third of unemployed taking up the scheme, predicted inflows into the scheme were 3,257 households in January 1993, rising to 80,000 households participating by December (Kolberg, et al., 2003:18).

The Administrative and Legal Framework

Economic Aid is based on three principles: the subsidiary principle, whereby insured persons are excluded from coverage because of entitlements to other benefits; the maintenance of living standards; and the provision of non-contributive benefits.

The legal basis of the Albanian Social Assistance and welfare scheme was established by a package of Parliamentary Acts, Government decisions and regulations. The main legislation was passed in the years 1993-96, including the founding Act on ‘The Social Assistance and Welfare’, No. 7710, dated 18.05.1993 (MOLSA, 1994). There were subsequent ancillary laws establishing the status of invalids, concerning mental health and affecting public works. Supplements to the laws for the award of the economic support were passed, determining assessment criteria and special criteria on the amount of support awarded to households engaged in agriculture. On July 1, 1993, a date that coincided with the end of the first year of unemployment benefit, the programme of Economic Aid was brought online (ibid.).

The law on Social Assistance and Welfare applies to all Albanians resident in the country. It does not apply to Albanian citizens residing abroad, immigrants and refugees in Albania or those in need of emergency systems due to natural disasters and wars. Groups which have been deemed to have problems but can not profit by the actual (existing) legislation include drug users, alcoholics, abused women, and adolescent mothers (Ymeraj, 1996). Refugees are not dealt with by GACSS, except

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8 Estimated on the household basis of EA and that the average family size is four persons. The level at end of 1993 was 155.038.
9 For this study, this period will be taken as defining EA in its legislative basis. Subsequent laws contain only minor modifications and are classed as later developments.
10 See Appendix IV for the full list of legislation over this period.
after a residence period of more than ten years. Other benefits in the Social Assistance scheme are delivered as social services, such as for orphans and abandoned children, abandoned elderly people and fully or partially mentally handicapped individuals. Social care is provided in people's homes, residential institutions and day centres, with a benefit period as long as there is need of the services offered by the system and valid documentary evidence (ibid.).

EA is implemented through the Social Assistance system, under the direction of the General Administrative of Care and Social Services (GACSS), a division within the Ministry of Labour and Social Protection (MOLSA, 1994). A Council of Ministers Decision in 1993 oversaw the creation of the Local Administration of Help and Social Protection and the establishment of the Social Assistance and the Welfare Regional Inspectorate (WRI). Both are instrumental in the delivery of support to local authorities and in the monitoring of EA. The WRI's responsibilities in this extend to ensuring procedures and activities in local offices abide by the legislation; maintaining and collating documentation relating to funds granted to local authorities and verifying and communicating violations, proposing administrative and financial measures to avoid their recurrence (ibid.).

At the local level of communes/municipalities, special 'Economic Aid' sections within established offices receive, process and deliver EA applications. Staff are nominated by the mayors or heads of communes, on terms of employment laid down by MOLSA, which oversees their training and qualification (Molsa, 1995c). These sections maintain a reciprocal relationship with MOLSA, while remaining executively and administratively under the direction of the local authority.¹¹

**Operation of the Scheme: Financing & Decentralisation**

The operating principle of the scheme is one of decentralisation, whereby authority over entitlement decisions is made near or at the point of delivery of welfare, rather than being centralised (MOLSA, 1995c). The reasoning for this is that local agencies are believed to have access to certain kinds of information, not easily captured in household surveys, which they can use to allocate benefits more deservingly than is

¹¹ The 36 Communal offices have 342 employees in total; the 44 Municipal offices 214 employees in total, comprising 44 heads; 35 finance and statistical staff; 42 inspectors and 93 administrators (MOLSA, 1995c: 34).
achievable by central government (Alderman, 1998). This decision was made in the interest of cost-saving through reduced leakage of benefits to fraudulent applications and greater service efficiency. EA is however completely financed from the state budget, through the block-grant allocation mechanism. In theory, the allocation of block grant funds is determined by a Council of Ministers decision dating from 1999 and is based on 8 indicators which are deemed to relate to local living conditions. However, no explicit formula links the indicators with the level of the grants. In practice, the block grant calculation is based on requests and is therefore influenced strongly by previous allocations (IMF, 2006a). A fixed yearly master budget is issued by the Ministry of Finance in line with the policy directives of Central Government. The amount of state grant to each municipality and commune is decided by GACSS, under the auspices of MOLSA, factoring in:

- Local Authority declarations of their yearly requirement based on the number of household applications received; the previous years budget information for each local unit; the extent of verified violations of the terms of provision of EA by applicants;

- The structure of the population by age, health, sex and family composition; family income structure, including capital assets and other private property; possible incomes from agricultural land ownership, quality of land; animal husbandry and other possible sources of agricultural incomes;

- The meso-economic performance of the region such as the business environment; the ratio of employment, self-employment, unemployment, pensioners, and proportion of private and public sectors;

- Malnutritional data obtained from NGO’s conducting humanitarian relief. (MOLSA, 1995c)

These data are sent to the regional offices of GACSS every four months and are correlated with data from INSTAT, the SII, tax offices, the land registry and other Government departments. The amount of block grant is then calculated as a percentage
of the total fund. Recognising that there will be a shortfall in coverage, between what is asked for and what is available, with for example, an average of 60% of local budgetary requirement granted in 2001 (APNSHS\textsuperscript{12}, 2002), a preferential weighting is given to large urban centres, such as Tirana or Shkodra in order to better cover needs there. According to the legislation, municipal or communal budgets and donations could be brought online to part finance the scheme. So far, these extra sources have not been implemented, mostly because of under-resourced and overstretched local budgets and a lack of willingness on the part of donor agencies (ibid.).

The budget for the block-grant is made to cover the fiscal year. It is delivered, however, in instalments that cover two months operation at a time (MOLSA, 1994). There is no capability for the local office to overspend its budget. To promote active policies, the law allows for local councils to channel up to 50% of the total fund received from Government into a development fund for use later in public works and capital projects. These projects include those that act for the betterment of the living conditions of the populace in general or of identified groups in special need (MOLSA, 1999). Project approval is at the discretion of the local council. The remainder, therefore, comprises a yearly budget limit, that a new monthly budget is drawn against, sometimes keeping an amount aside for contingency, in case of new applications (ibid.).

\textit{Delivery}

Because of the underdeveloped banking system\textsuperscript{13} in Albania, the Government has had to deliver, and still delivers, the benefit to be given in cash, in arrears and in person at municipality or communal offices (MOLSA, 1994).

\textit{Qualifying Conditions for Economic Aid}

The law has determined that the system of the Social Assistance and welfare will offer support to Albanian households and to citizens that are totally lacking or in possession of insufficient incomes and means for living (APNSHS, 1998). Hence, the Economic Aid programme is, therefore, the only direct poverty relief programme in the Social Assistance scheme, since one may still receive Unemployment Benefit or Pension if one has savings or a certain standard of living, so they are not solely directed at poverty.

\textsuperscript{12} An abbreviation of the Albanian name for GACSS.

\textsuperscript{13} It was as recently as 2004 that the system reached enough maturity for the Government to pay its own staff by BACS (Personal Note).
The legal document for EA declares that an award is to be made on a household basis to all families that prove they are without income or in receipt of insufficient income (MOLSA, 1994). The basis for claims is made upon the household, which is assumed to be composed of one family who share the same economy. The definition of family is made on the basis of the civil status of the members (ibid.). Thus a single person is classed as a one member family; other typologies include childless married adults; parents with children or an extended family. A household headed by two siblings (whether married or unmarried) does not constitute one family. The only basis other than composition on which families are assessed is in the division of households into agricultural/rural and urban type (ibid.). The former is classified as a family who has the ownership or use of land which may be used for agricultural purposes. The land may or may not be the location of their place of residence, that is, the family may reside in a town but own such land elsewhere.

'Income' is defined as receipt of money as payment through employment, whether undertaken within or outside Albania; remittances from abroad, money from capital such as rents, as returns on investments or savings, and from state or individual insurance (MOLSA, 1996). Supplemental definitions to income extend the assessment criteria for agricultural families, including any income from land, livestock or horticulture.

The following documents and conditions are necessary to be presented to support an application: a personal statement of application, signed by all the adult members of the family, on the lack of family income or its insufficiency and the 'unchangeable (sic) economic circumstances of the family' (MOLSA, 1995c: 55); proof of a lack of or insufficiency in agricultural land and a statement of unemployment. Documentary evidence must be produced at interview by the applicant for official verification of circumstances\(^\text{14}\), such as family certificate, and attestations from the Tax Office, Vehicle Registration and Land Registry. In 1995 to meet changes in the social situation, the rules for assessing the Economic Aid allowances were refined. The Council of Ministers decision No. 605 introduced more specific exclusive definitions that exempt a family from entitlement, the most important being (MOLSA, 1996):

\(^{14}\) Against lists given to the local office by the authorities. The system is paper based and did not benefit from computerisation at the time of this research.
The possession of assets above a determined value, including property not used for permanent residence, vehicles and inheritances;

Having emigrated; having migrated and refused land that was offered in one's previous district as part of the land reform.

Not being registered as unemployed with the labour office; being in self-employment other than in agriculture; undertaking employment by another; not having paid contributions when employed;

Failure to collect the award during a period of entitlement; or the improper use of the award, i.e. for purposes other than living needs, or as donations or gifts; lack of use of the award - i.e. used as savings;

Purposely putting oneself in such a position so as to benefit from Economic Aid. Such purposeful actions include: any act of a person aimed to avoid employment for a wage or training for employment; false declaration or misinformation on actual living conditions; speculative investment of the award; the speculative separation of any family member provided they retain the same place of residence and common ownership and economy.15

Fraud is punishable by fines of up to 3 times the amount of EA that a family has received during the life of their claim. It is levied against the signatory, or in their absence the next responsible adult.

The Award of Economic Aid

The award of EA is made on a monthly basis, commensurate with the period of entitlement. Hence, the application expires after that month unless renewed, which is usually done when the award is collected at the office and as long as circumstances have not changed. In cases where the 'poverty status' (MOLSA, 1995c: 8) is unlikely to change - such as cases of disability, poor landowners or the over 70's - the period of

15 That is, family breakdown is not taken into account, unless a new family is created. This broaches the issue of splitting a family in civil status, but remaining under one roof; i.e. it is possible to have two claiming families in one dwelling, considering them as two households.

Poverty and Anti-Poverty Programmes in Albania
entitlement may be extended up to one year. In the event of no award being granted, there is an obligation to explain the disqualifying factors. The municipal and communal offices are obliged to accept all requests for EA and to process them on merit. In the event of no award being granted, there is an obligation to explain the disqualifying factors. Claimants’ rights to contest the decision extend to 15 days from the initial rejection of the application, with appeal presented to the administrative office for final judgement in court. Grievance procedures were defined so as ‘to give priority to the empowerment of APNSSH’ (MOLSA, 1999:36).

The size of award is determined by the Council of Communes and Municipalities, in accordance with the decision of the Council of Minister No. 620 on 06.11.1996. The decision defines only the maximum level of Economic Aid per family on the basis of its composition. ‘Insufficiency’ of income was defined as an income below one times unemployment benefit for a single person family, and twice the level of the unemployment benefit for a two member household or greater.

There are two broad levels of support: either full or partial Economic Aid (ibid.). The former is granted in the absence of any other income, whereby the family therefore must be classed as urban. It has a maximum award set at 100 percent of UB and a minimum award at 70 percent of UB. The size of award was originally set on a scale\textsuperscript{16} that increases with household size (Table 6.1), to a maximum amount of twice an individual unemployment benefit, for a family with absolutely no other determined income. That is, any family with 8 or more members in receipt of full EA will therefore receive no higher than 200 percent of one individual unemployment benefit. Partial EA is granted to families, such as all agricultural families, who have a determined income - consisting of income they declare and income that is imputed to them - below the insufficiency level. The assumption is made that, even if no other source of income exists, other incomes or the opportunity for subsistence from agriculture are - or should be - being exploited by agricultural families and that the family has no other income other than that obtained by such means. Ownership of assets, such as vehicles,

\textsuperscript{16} The scaling factors here, from 1995, are quite increased over the original Law of 1993 and were maintained into 2002. The new scale is presented in section 5.3.1.
may also be used to impute income that would be necessary to enjoy that asset, for instance.

<table>
<thead>
<tr>
<th>Household Composition</th>
<th>Maximum Benefit with Full EA</th>
<th>Maximum Benefit with Partial EA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Member</td>
<td>70 % of 1x UB</td>
<td>50 % of 1x UB</td>
</tr>
<tr>
<td>2 Members</td>
<td>70 % of 2x UB</td>
<td>50 % of 2x UB</td>
</tr>
<tr>
<td>3 Members</td>
<td>78 % of 2x UB</td>
<td>52 % of 2x UB</td>
</tr>
<tr>
<td>4 Members</td>
<td>88 % of 2x UB</td>
<td>53 % of 2x UB</td>
</tr>
<tr>
<td>5 Members</td>
<td>91 % of 2x UB</td>
<td>60 % of 2x UB</td>
</tr>
<tr>
<td>6 Members</td>
<td>94 % of 2x UB</td>
<td>62 % of 2x UB</td>
</tr>
<tr>
<td>7 Members</td>
<td>98 % of 2x UB</td>
<td>64 % of 2x UB</td>
</tr>
<tr>
<td>8 Members</td>
<td>100 % of 2x UB</td>
<td>66 % of 2x UB</td>
</tr>
<tr>
<td>15+ Members</td>
<td>100 % of 2x UB</td>
<td>100 % of 2x UB</td>
</tr>
</tbody>
</table>

Data Source: MOLSA, 1995c

The size of award is determined by the difference between the amount of EA that would be granted on the basis of a full award and the assessed income of the household, with the full amount established on a scale that ends at 15 member households, and is similar to, but less generous than, full EA (Table 6.1), with maximum and minimum benefits set at 100 and 50 percent respectively. Benefit allowances are withdrawn at a 100% rate - that is, for every Lek declared or deemed as earned, a Lek is removed off benefit entitlement. Unlike full EA, which is always awarded where the case merits, partial EA will not be awarded if the amount determined to be granted is less than 10% of the minimal level for the size of the household (MOLSA, 1999).

In actuality, the allocation of awards balances benefit entitlement decisions with the monthly budget available, seasonal conditions - with more money available for winter - and an officially drafted family profile (ibid.). This profile is made within each local office: it indexes levels of need according to concerns such as the length of time the family has been claiming and their manner of entry into the scheme, such as exiting from unemployment benefit or straight from redundancy. There are five classifications (World Bank, 2004): families with no means of income or resources at all, who are long-term dependent; those with limited capabilities to secure their livelihood, but who transit quickly through the scheme on finding work; those with
more established living standards, who require income assistance for a period, and are also quite transitory in the scheme; families who enjoy a median standard of living, who should not benefit from EA and get excluded if caught; and finally those who have already been permanently excluded from the scheme (ibid.).

**Outlier Cases: The Nexus of Cash and Services**

In practice, the Council of Communes or Municipalities also take into account so-called specific criteria, which is termed ‘local knowledge’, including the social situation of the family, the presence of many dependent children, health and disability problems and households headed by women (Molsa, 1996). In cases in which the award of Economic Aid in cash is impossible or ineffectual, the councils of local administrative units have the right to offer food aid to families in need, with the proviso that a family cannot benefit from both this and cash (MOLSA, 1995c). Food aid is employed in three circumstances: when due to isolation of mountainous and remote areas during wintertime, it is more suitable to provide food instead of cash; for reasons of poor health and malnutrition; or when the head of the family is not able to manage or misuses the sum provided by Social Assistance (ibid.). The aid is delivered as a fixed set of food items, from government sources or NGO’s, in the form of humanitarian aid, but always under internal agency.

As a matter of principle, cash benefits are provided rather than social welfare services (ibid.). Only in cases where it proves absolutely necessary are public social welfare services provided instead of the Economic Aid or as its supplement, but this is exceptional. Hence, those who are committed within institutions, such as pensioners or hospitalised persons, are not eligible for cash support from EA. In the case of a person with a recognised disability living in a family household, an extra individual payment is made to cover the costs of living and the services of a carer, who may also be a family member. There is allowance for ‘lump-sum’ support to cover unexpected needs essential to life in special circumstances, according to Decision of the Council of Ministers No 620 (November 6, 1996). In this case, the amount is intended to cover household needs for a period greater than one month. Although these special needs have to be recognized by, and are at the discretion of, the municipal or commune councils, the administration, financing and criteria for eligibility are the same as for the cash
programme. The high level of home ownership in Albania is a simplifying factor in welfare considerations. There is no general housing benefit, but a household awarded EA may apply for a housing supplement to be used for assistance in maintaining a home, at the discretion of the Council of Ministers (MOLSA, 1999). Otherwise, there are no disregards in considering total household income, and the grant does not tie in with other categorical benefits.

6.3 SOCIAL POLICY DEVELOPMENTS

Developments in social policy, as far as they have had any affect on the direct relief of poverty, have historically been limited to refinements in EA. These are described, bringing the policy study up to date as of 2006. The section closes with a presentation on the integrated strategy for the country, the Growth and Poverty Reduction Strategy or National Strategy for Socio-Economic Development, which Social Assistance and EA has been subsumed within.

6.3.1 New Policy Directives in Economic Aid

*Change to the Award Scale*

In 1996, the award scales for EA were recast, increasing the maximum level for a household of any size to not above 250 percent of the level of individual unemployment benefit. The household allowance is now calculated using the following criteria: a household head can receive no more than 95 percent of one unemployment benefit. A family member, who is above either the working age or disabled, receives no more than 95 percent of one unemployment benefit (World Bank, 2004). A family member of working age receives no more than 20 percent of householder allowance. A family member under working age of 14 receives 25 percent of a householders' allowance.

*Migration Penalty*

This legislation was introduced as an ‘explicit disentitlement’ in 2002 (Standing, 1997:246). Its aim is to exclude households with family members abroad from benefiting from EA (World Bank, 2004). It takes the position that emigration is a family employment strategy and that, as a result, the family will benefit from a new source of income from remittances. It, therefore, assumes the émigré is successful.
in finding employment abroad. The law is indifferent to the means of emigration, considering both legal and illegal means to have the same outcome.

**Activising Aid**

At various times since the inception of EA, there have been efforts to link the scheme to compulsory active programs of public works. An aim in this was to improve infrastructure and the local economy by these works, as well as to exclude informal workers and to identify families who did not essentially rely on EA (MOLSA, 1999). These have never gone beyond the pilot stage, however, failing before they could be nationalised with the programs funding being withdrawn in 2000.

In 2003, the GoA again resurrected pilots to increase EA for families that undertook public works (World Bank, 2004), again with the condition that benefit would be withdrawn upon refusal to participate. The proposed legislation states that ‘different family members’ may be called upon at ‘different times and for various lengths of time’ (ibid.), to undertake such works, which include road infrastructure, environment, and the delivery of social services.

By means of these criteria and local discretion, present policy for the medium term (as of 2004) is committed to reducing by 3000 per annum the number of families benefiting from the scheme, by removing undeserving cases (IMF, 2006a).

### 6.3.2 Growth and Poverty Reduction in Albania

At the end of a decade of transition, a report recounting those years was published which raised very public concerns to avoid another similarly troubled 10 years (IBRD/WB, 2002). In 2000, the GoA had conducted preliminary research for what they considered the first step in supporting the country’s development with a longer term vision than had previously been apparent: the Growth and Poverty Reduction strategy (GPRS).  

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17 Issues such as corruption, non-compliance and lack of capacity and experience in such schemes have been cited as reasons (MOLSA, 1999).

The strategy was officially launched, in November 2001, under another name - the National Strategy for Socio-Economic Development (NSSED).

The Origins of GPRS
While the strategy is nationally owned - responsibility for it lies with the government - it should not be thought of as having been natively inspired or independently designed. GPRS had been implemented in other poor or developing countries before it arrived in Albania (McGee and Norton, 2000). It was conceived as a means of ensuring that resources freed by debt relief were spent on poverty reduction among countries applying for IMF poverty reduction and growth facility loans. For this reason countries were required to produce a Poverty Reduction Strategy Paper (PRSP), which was expected to set policy frameworks and agendas for tackling poverty, integrating economic, social and environmental issues in pursuit of effective poverty reduction. An ancillary requirement is that the strategy be developed in a participatory way, drawing on consultations with people living in poverty and involving a range of organisations actively engaged in poverty reduction, welfare and development programmes.

NSSED: Principles and Objectives
Hence, the principles underlying the preparation and implementation of the strategy were established by the IMF. They can be summarised as i) prioritisation of policy actions; ii) the dynamic character of the NSSED: it is an evolving strategy document; iii) national ownership of the strategy and cooperation with partners involved in the development of the country. The objectives were similarly framed by the context of IMF debt relief. However, the stated objectives, of uncertain provenance, cast a novel interpretation on the aims attached as conditions. The Albanian NSSED, IMF endorsed, has twin stated objectives: the improvement of governance and economic development (Republic of Albania, 2001; IMF, 2004). From a social policy viewpoint, these would not be considered as directly addressing the issue of poverty.

Economic growth, measured by macro-economic indicators such as GDP, is considered an important indicator of the development and modernization of the country and it is in this way regarded as linked to poverty reduction, with the poor benefiting from the

19 Thus removing the explicit reference to poverty.
increased wealth of the country. The strategy therefore focuses on poverty reduction through sustainable and inclusive economic growth. Other long-term objectives specify that policy measures and priority areas for 2004-2015 must harmonise with the requirements brought by plans for integration into the EU and co-ordinate with the existing commitment to the Millennium Development Goals (UNSA and HDPC, 2002a).

Development of the Strategy

The strategy development is on the basis of a procession of planned stages. The first stage of the Albanian strategy started with an independent international study and an interim report (IMF, 2001b), which researched issues relating to poverty reduction and the country’s economic development, while identifying priorities for a second phase of the strategy. Research involved the participation of groups considered to be major stakeholders, sometimes including representatives of poor communities. The second phase consisted of a report of the GoA, produced by a national research institute, which called for a so-called holistic approach to evidence poverty according to available statistics, and highlighted the major areas that were considered to be of particular importance in the process. This report, for the first time, spoke not only openly about the subject of poverty in Albania, but heralded an approach to poverty as a multidimensional phenomenon, more complex than simply a lack of income. Such an approach seemed to be the catchword in the GPR strategies worldwide.

The Participatory Process of the Strategy

The success of a participatory process is often determined by its reach into its target constituency; hence, awareness campaigns were conducted in the media to launch the strategy. The strategy also received lots of media coverage and attention from local and international institutions, to a great extent stimulating expectations for tangible action, with the qualification that no specific vision of how to effect positive change was being promoted.

Stakeholders from various sectors were formed into Sector Technical Groups, often with mixed membership from relevant Ministries and civil society, to identify the

20 It is not clear whether the view is that progressive aspects of growth are achieved through the market mechanism, without the need for specific policies on poverty. For more on this, see Republic of Albania, 2001.
21 Whose identification and attendance was facilitated in some cases by the local NGO’s.
strategic sector objectives, indicators and relevant public measures. The participatory contribution of these sectors includes: INGO’s - assisting with strategy preparation, the participatory process, and financial support; local government - reinforcing the NSSED with data, suggestions, and solutions regarding poverty and its reduction, local development opportunities and institutional commitments from local and regional angles; the National Civil Society Advisory Group - composed of representatives of different civil society organizations and groups, involved experts in technical groups drawing upon grassroot opinions and suggestions by the organisation of regional and local meetings and exploiting the existing local capacities of NGO’s; business community leaders - consulted about private sector development policies, fiscal and labour market policies and instruments for involvement of the business community in social support policies; direct participation as far as ‘the poor’ were concerned occurred at a preliminary conference on the strategy, where a couple of people\textsuperscript{22}, who were beneficiaries of NGO programmes, were invited to promote their perspective. Otherwise, those concerned with poverty issues would be able to participate only indirectly, by raising their concerns with NGO’s who they were in contact with, or with the Member of Parliament in their constituency, who would be able to pass on their contribution.

Participation has extended to the involvement of (Government) stakeholders in the continuous monitoring of the strategy’s implementation, the results of which will feed, via MOLSA, into the process of updating of objectives and priority policy measures, encompassing review of the collection of data, analysis of the effects of past policies and measures, analysis and identification of objectives, selection of priority measures and evaluation of their financial effects, the responsibilities of relevant institutions and the coordination of their activities.

\textit{Social Protection and Social Care under NSSED}

It is emphasised in the NSSED that the strategy is not to be considered a rigid framework but an instrument to achieve a higher level of development, which encourages active participation of all stakeholders in its implementation. We have seen that the essence of

\textsuperscript{22} Personal recollection: I was an attendee of the conference which took place in Tirana and I remember one of the participants, an old man from the north, becoming very emotional at having the chance to see the capital for the first time in his life.
the strategy suggests that poverty reduction will be achieved primarily by stimulating inclusive growth and sustainable development.

However, social measures in support of poor and socially marginalised groups have been identified as necessary to alleviate existing poverty, create adequate conditions for the poor and obtain the necessary social support for a high rate of growth and development. These measures have a marked active character, aiming to involve the existing poor, or groups at risk of falling into poverty, in economic activities, thereby improving their social integration. Priority areas emphasised in all yearly reports 2001-2006, such as health, education and infrastructure, feed into efforts to tackle exclusion and reduce poverty. The main directions of the government’s social support policies are:

- The promotion of employment and support for training of the unemployed, so that they are able to meet the needs of the labour market, by means of specific measures, like public and community work programmes, extension of microcredits, fiscal incentives and other measures to stimulate investments and growth.

- More comprehensive coverage in social care, improvements to quality and a more active character in service, achieved by the reform of social service legislation and decentralization; social re-integration of at-risk categories through their participation in business activities.

- The social insurance programmes in the framework aim to improve the ratio between contributors and beneficiaries and reduce the state budget subsidies for the pension scheme, by the adoption of legal and fiscal measures to reduce the size of the informal economy and stimulating participation of the rural population in social insurance contributions.

- Within social protection and Economic Aid it is sought to improve the coverage rate of the poor compared to non-poor in EA through more effective targeting, as well as to increase the needs coverage through profiling of the economic and social situation of different social groups. Other aims are: the harmonization of
economic assistance with other mechanisms of social care, such as social services, with the aim of delivering assistance in compliance with actual needs; and pegging the system to a minimum living standard. Active re-integration programmes are to be implemented, founded on the creation of the legal and institutional conditions for the promotion of new models in EA delivery, such as participation in profitable social business activities.

**Implementation, Monitoring and Evaluation**

Monitoring and evaluation are key elements of the Strategy, to continuously measure the level at which its objectives are reached, and to identify the need and determine the directions of relevant adjustments. Monitoring and evaluation are to be a continuous process, supported by the establishment of an adequate institutional system and the enhancement of the capacities for the collection, processing, analysis and use of the data, with results communicated to all stakeholders in the form of yearly reports.

| Table 6.2 Institutional Scheme for NSSED: Data, Sources and Monitoring |
|--------------------------|--------------------------|--------------------------|
| DATA | SOURCE | AGENCY |
| GDP, Consumption, Investments, Export/Import etc. | National Account System; Trade Statistics | INSTAT, Bank of Albania |
| Public Finances | Budget | Ministry of Finance |
| Consumer and Producer Price Index | Questionnaires of Prices and Wages | INSTAT, Bank of Albania |
| Poverty Level in Albania, living conditions, social indicators | Living Standards Measurement Surveys: Family Budget, Expenditures and Income | INSTAT |
| Poverty Incidence, Dimensions, Priorities (Health, Education, etc) | Administrative Poverty Map | Monitoring Unit, Sector Ministries, Research Institutes |

Source: IMF, 2004 - NSSED, GoA

The institutional monitoring scheme (Table 6.2) is geared to the production and evaluation of key objectives, expressed and quantified through indicators and targets. The indicators are divided into intermediary (employment and social protection; credit; infrastructure; human, rural and urban development and the environment) and final, which encapsulate long-term objectives and include: an increase in real GDP of 22-25 percent in any three-year period and of 200-300% by 2015; infant mortality rate
is envisaged to be reduced from 21/1,000 living births in 2000 to 10/1,000 living births in 2015; the level of engagement of children in 8 full years of education to increase from about 90% in 2000 to 100% in 2015 (IMF, 2004).

As directly concerns poverty and the social safety net, DFID\textsuperscript{23} has been engaged by the WB as partners in giving social policy advice to MOLSA for social care services and monitoring and support for LSMS, while the WB supports in social safety net reviews and poverty assessments. The WB and GoA have set performance targets which include that:

The share of the population living in poverty according to the absolute poverty line (under $2 per capita a day) will be reduced from 46.6 percent in 2000 to 25 percent in 2015. The share of the population living in extreme poverty (under $1 per capita a day) will be reduced from 17.4 percent in 2000 to 9 percent in 2015.

A strategy to make the financing of community-based services sustainable; a satisfactory strategy for reducing and ameliorating poverty, which specifies how community-based services, pension schemes and EA can be co-ordinated within an environment of increasing decentralisation (ibid.).

Extensive distribution of the monitoring results is intended to enable users of this information to measure and assess the progress in poverty reduction as well as to inform necessary policy adjustments. Thus, the NSSED prescription for poverty is reduction from inclusive economic growth, and EA as the residual poverty alleviation scheme, operating in a welfare regime with strengthened insurance and social service provisions.

\textsuperscript{23} The Department for International Development, UK.
6.4 Economic Aid: Evaluations and Issues

In this evaluation, literature and publications relating to EA are examined in order to paint detail into the picture of EA, from the national and regional level to its finest granularity, the household unit. The section opens with wider budgetary matters, looking at funding and use, welfare effort and the composition of government spending and targeting. Aid allocation and coverage is addressed across different dimensions: the number of families in receipt of benefit, estimated recipient headcount and household composition; also broad regional comparisons are made and refined to commune and municipality level.

6.4.1 Administration, Funding and Targeting

The national budget for EA shows similar controlled spending characteristics to total GoA spending, maintaining small government, only up to 30% of GDP (IMF, 2006c). The EA fund size (Figure 6.2) as a percentage of GDP, a first approximation to its redistributive impact, has maintained around 1.0-1.2% equivalent to around 5% of total Government revenues. As part of the PRS, it is budgeted to remain around that level (ibid.). A surge in demand since 1997 (Figure 6.3) has since been assuaged by increased selectivity in award, accompanied by fixed budgeting, and is not in itself an indicator of falling need. At around 5% of GDP, pensions have taken the lion’s share of social expenditure, which has itself declined by around 5 percent since 1999 (Figure 6.4). The continuous decline in funds for unemployment benefit and EA (Figure 6.4) regresses disproportionately with the demands on these sectors.

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24 Some data have been obtained from INSTAT through personal contacts, not published reports. In these instances, the source is noted as INSTAT: unpublished.
25 Data for the figures in this chapter can be found in Appendix V.
26 Given the pre-1997 decline this was surely due to the events of that year.
The percentage of social expenditure that is delivered as benefits under means-test, a prime indicator of the extent of targeting of welfare resources, was 33% as of 2003 (ILO, 2005). This is low, considering that policy changes seem to have been driven by the need to constrain spending and target the poor, but is explained as due to the fact that EA is the only cash benefit means-tested and the very low provision of care services. No information has been made available as to the amounts of EA fund diverted by local offices for use in public works, when the program ran, nor what proportion was realised in actual works, what kinds of works were undertaken, what happened to the assets created, or the eventual destination of funds that weren’t used. The need to develop the legal framework on the use of the fund for public works programs has been recognised (World Bank, 2004), given the resurrection of that scheme.
6.4.2 The Reach of Economic Aid

In contrast to an earlier study, which found that some local authorities received disproportionately low allocations (Alderman, 1998) recent research found little evidence of systematic bias in the block-grant mechanism (World Bank, 2004). There are, however, important regional differences in the incidence of Economic Aid payment. The 5 regions that comprise the north/north-east of the country, share 43%, central regions 39.3%, and the southern region shares 16.4% of the total budget of Economic Aid (IMF 2006a). Half of all beneficiaries are found in the regions of Shkodra, Kukes, Diber and Elbasan, receiving 45% of the total resources, between 45-95% of the local population in these areas under the scheme. The beneficiaries in these areas are rural families to the greater degree, who therefore are in receipt of partial aid. These regional differences may reflect the way criteria fit with the migration pattern in the country. Resources have been split

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Table 6.3 Regional Groups by EA take up

<table>
<thead>
<tr>
<th>Group</th>
<th>Percentage of Families covered by the scheme</th>
<th>Number of Municipalities</th>
<th>Number of Communes</th>
<th>Number of Families</th>
<th>Percentage of Families on the Scheme</th>
<th>Percentage of Administrative Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group 1</td>
<td>0.1 - 10%</td>
<td>25</td>
<td>144</td>
<td>25,997</td>
<td>18</td>
<td>45</td>
</tr>
<tr>
<td>Group 2</td>
<td>10 - 20%</td>
<td>26</td>
<td>43</td>
<td>28,908</td>
<td>20.4</td>
<td>18.3</td>
</tr>
<tr>
<td>Group 3</td>
<td>20 - 40%</td>
<td>13</td>
<td>56</td>
<td>46,157</td>
<td>32.5</td>
<td>18.5</td>
</tr>
<tr>
<td>Group 4</td>
<td>&gt; 40%</td>
<td>-</td>
<td>70</td>
<td>25,997</td>
<td>18</td>
<td>18.2</td>
</tr>
</tbody>
</table>

Source: (APNSHS, 2002: 15)

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27 Preferring to recommend increased targeting, rather than addressing the question of the causes of regional inequity in the scheme.
28 The communes of Shkodra, where empirical research was conducted, Mnel, Vig and Shale have between 62%-95% of families receiving (mostly partial) EA.

Poverty and Anti-Poverty Programmes in Albania
around a 60/40 ratio between Municipalities and Communes (Figure 6.5). The reason for this is that most urban beneficiaries of Economic Aid were drawing full payment on the basis of no other sources of income, whereas most rural beneficiaries were offered only partial payment to supplement their farm income (Shalari 1999). Urban areas experience lower recipient rates than communes, with no municipality having above 40% penetration (Table 6.3). Regions with the lowest incidence (Group 1) of EA claims account for a similar percentage of families in the scheme as regions with the highest incidence (Group 4).

**Families:**

The degree of coverage - the number of people benefiting from the system – is relatively high for such a poor country, with about 20 percent of population benefiting from the Social Assistance system (Shalari, 1999). Estimated head coverage of EA, for the years between 1994-2004 (Figure, 6.3) shows a decline, which politicians have been quick to claim as a sign of diminishing poverty, but studies have shown to be a result of new criteria and increased discretion (De Soto et. al, 2002).

Early studies have argued that EA has been effective in partially identifying groups in need (Galliano, 2001). Alderman, (1998) evaluating the EA scheme only from the aspect of normative need, concluded that EA is well targeted to the poor compared to the situation in other developing countries, but with only modest gains in targeting efficiency and cost effectiveness from the decentralisation of the management of the EA programme, perhaps due to the country's small geography and population. To improve targeting so that benefits go to those most in need, MOLSA has tried to tackle fraudulent claims by removing undeserving families. A noted problem has been of large rural families artificially cleaving, changing household size to maximise the amount of benefit according to household numbers (MOLSA, 1999: 35). This may account for the increase in families of size four. The strong correlation between number of households and headcount, combined with the absolute decline in the number of small families between 1994 and 2004 (INSTAT, unpublished), either negates this as a widespread phenomenon, or indicates that such cases are being effectively screened.

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29 That is changing civil status, but retaining a single household economy.
30 Correlation of 0.85.
Ratio of household size and benefit scales was not well established until after the first 5 years from the start of the scheme, before which it seems to have disfavoured large families with 7 members and to have been disproportionately beneficial to one member families (INSTAT, unpublished). The allocations of EA per household show a decrease over the years for families with 2 and 3 members, while there are considerable increases for families with 4 and 5 members (Figure 6.6). Comparison of mean fund allocation per family across rural and urban areas shows strong correlation (Figure 6.7). According to the 2001 Census data, the average number of people in a family is 4.2 with 3.9 in urban areas and 4.5 in the rural areas. There is a tendency that the probability of a family becoming poor and, subsequently, becoming an Economic Aid recipient increases in direct proportion with the increase in the numbers of the family members. Among beneficiaries, the number of one-person families has decreased from 12194 in 1994 to 9605 in 1999 and they make now 6.3 percent of the total. Of families with two and three members, around a third are families of single parents, with one or more children (INSTAT, 2002b). According to the categorisation provided by MOLSA, the largest percentage of benefits goes to big families with 23% of the total, followed by families with old or sick people receiving 13%, single parent families 8%, families with disabled children getting 6% (World Bank, 2004). Studies have evidenced low take-up of means-tested schemes in other countries (Van Orschot,
1995) with varied causes, such as fear of intrusiveness and the stigma of classification. It has been estimated that only half of the families in the poorest decile in Albania receive some assistance from the EA programme (Shalari, 1999). It can be surmised that the rest of the poor are either discouraged from applying or ineligible. The effect of inaccessibility and lack of dissemination of information about the legislation may have been a factor.

**Needs Coverage: EA as a Minimum Subsistence Level**

The maximum level of EA can be considered as an official subsistence minimum income for families. This level is intended to avoid giving disincentives to REA to take up work (MOLSA, 1995a, c). This income level is geared to unemployment benefit, which itself is not index linked and has therefore been declining in real terms since 1994 (World Bank, 2004). It has been noted that local authorities do not make a special effort to protect the poorest households when faced with budgetary limitations - that is, they don't increase targeting, they lower everyone’s awards proportionally (Alderman, 1998). This can result in sizeable income variability for households. The quarterly variability in the mean amount of EA received for households ranged from 10-20%, with an annual swing of 15-44% between highest and lowest - with, in the same year, payments in December being 44% higher than in January for rural families and 15% higher for urban (MOLSA, 1999:35), reflecting lower imputed income for rural families at this time. Variability in the individual case may be reasoned to fluctuate at least accordingly.

**Summary**

This chapter has presented Economic Aid through its life cycle, from birth to its recent status. It offers a subsistence level of income to families to assist with immediate monthly consumption needs and is administered locally and with an element of discretion. EA has been seen to be characterised by a high take-up of families, on a long-term basis. Coverage patterns, as would be expected, reflect the eligibility criteria and demographics of the country, with the highest incidence of REA being families with 4-5 members, which is around the average household size in Albania. There is
a high rural incidence, particularly in the north of the country and the mountainous regions, of families on partial EA.

The NSSED subsumed the EA scheme into a development strategy, aiming for poverty reduction from economic growth, and, thereby, of making EA a truly residual programme for immediate poverty alleviation. Policy developments for EA are, therefore, guided by a concern to reduce the leakage of benefit to non-poor families. Hence, criteria are being developed to reduce the number of recipients, and compulsory workfare is the latest strategy to achieve this.
CHAPTER 7  PERSPECTIVES OF THE STATE

Introduction

This chapter presents and discusses the findings from empirical research carried out with the first study group: Government officials and civil servants. It is presented in the form of a narrative interspersed with direct reporting of the respondents. The intention here is to gather the subjective perspectives of the architects of the Economic Aid scheme and those within the institutional framework who deal directly with the poor: it tries to give voice and a human dimension to the bureaucratic system, to see beyond the so-called official view.

Opening with an investigation into the context and process of establishing the policies aimed at responding to poverty as part of the social protection framework, the chapter covers the official understanding of poverty and the conceptualisation of need, alongside other factors that have influenced policy making. The discussion moves on to analyse the implementation and delivery of Economic Aid. In this way, it aims to establish an informal evaluation of anti-poverty programmes from governmental actors. It ends with an outline of the main findings from the research with the Government officials and civil servants, and a presentation of notes from the field work with this group.

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1 In a slight play on words, "Perspektive" in Albanian has a similarity to the dual usage of "prospect" in English: a view, or a future.
2 To ensure anonymity, interviewee names are replaced by pseudonyms.
7.1 THE INSTITUTIONAL FRAMEWORK

7.1.1 Establishment of the Ministry of Labour

The establishment of the Ministry of Labour was a result of an emergency call to respond politically to what was seen as the cost of transition, from a centrally planned economy, with full employment and universal welfare, to new policies for an aspiring market economy undergoing rapid privatisation and deregulation. The deepening economic crisis, exacerbated by the difficulty of the system in coping with the rapid transformations that were taking place, resulted in increasing social problems. Government gave precedence at that time to economic and industrial reform, but as early as 1992, the need for an institutional response, in the form of architected social policies, became readily apparent.

 Massive unemployment, a combined result of the already bankrupt small industrial sector and the rapid privatisation of the state sector, posed a huge problem. At a time of great pressure, the Government of Albania called for help from international institutions, such as the World Bank, the IMF, and the EU, which were advising and guiding the path of post-communist transformation across CEE. The first consultants arriving in the country had a clear remit:

'The aim was to quickly develop welfare programmes - to get people out of paid employment at 80% of their wages, when there was no economic activity. We had to deal with 350,000 workers in artificial employment for which the Government had no funds... It was an emergency and it needed urgent measures.' (Tomek)

Hence, institutions were faced with huge problems to deal with, and an oppressing need for solutions, before even the phenomenon could be fully apprehended and the administration fully qualified. As some of the key advisers involved in setting up one of the largest programmes at the Ministry said:
'I have to say, the Ministry was a result of economic policies which ensued from political changes that Albania was going through. The change in political system, the move to an open market economy, meant all those factories that were not productive couldn’t survive without further massive Government subsidies and as a result they were closed. This meant that all workers were out in the street. And there were far too many.' (Ana)

'I was offered to lead one of the major institutions in the Government. Well, yes, first because I was a member of the Democratic Party, but I also deserved it; it was a compensation for what had been taken away from me during the communist regime. My family was persecuted, and at the time I wasn’t allowed the right to a university education because of my family’s political past.' (Roza)

In 1992, the Ministry of Labour, Emigration, Social Issues and Former Political Prisoners was established. The Ministry’s name has been subjected to many changes during the last decade. For example, it was initially thought that the Ministry would deal with the unemployed and ex-political prisoners. It was named accordingly, but later Governments made name changes as they saw fit:

‘For each name change a new directorate was created and an old one closed. It reflected the priorities of the Government and what they saw as groups in need. For example in 1993 the former political prisoners were a priority for the Government, whereas now (2002) almost a decade into transition, they have their own association, and are not considered a group in need to be dealt with by our Ministry.’ (Dona)

It may be thought that the name changes reflected a re-purposing of the institution with each handover of power in the Government. But there were sometimes only superficial changes, entailing seemingly little effect on organisational structure, but, simultaneously, acting as a cover for, and a signal of, nepotism and political interference in the Ministry. Henceforth, the Ministry was to be successively known as the Ministry of Labour, Emigration, Social Protection and Former Political Prisoners.
(1995) and some time later with the added term ‘and of Women and Family’. Then
the Ministry of Labour and Social Issues (1999) was renamed later the Ministry of
Labour and Social Protection (MOLSP) and, finally, in 2005 it was renamed again
as the Ministry of Labour, Social Affairs and Equal Opportunities, reflecting the new
political force in power, after the Socialist Party lost the elections and the Democratic
Party became a majority again after a long time in opposition. For simplicity, the
institution will be referred to herein as the Ministry or MOLSA.

'The name itself shows what the Ministry was about, labour policies or, let
us say, programmes to support those not working due to reform; policies for
regulating legal migration abroad, the former political prisoners which were
considered a vulnerable group and needed immediate support. All other social
issues would fall into that. Basically whatever was not political or economic, I
suppose.' (Luiz)

At this time, the mass exodus had already started to take place and, in an effort to
regulate the move, the Ministry would act as a negotiator with other governments for
securing the rights of Albanian citizens to emigrate to find work. However, legalising
migration would require long multilateral negotiations before agreements could be
reached. It was a time of great change and accompanying confusion. Some of the
respondents who were formerly involved in leading the institution reflect on the
pressures and the sense of emergency that had gripped the country at the time.

'I felt honoured to be part of this initiative. I was asked to direct the most
important sector, which for me was an achievement. What I didn’t realise at the
time was that they really meant the most difficult sector! We had to come up
with answers for a new problem (massive unemployment), in a new institution,
and it was not easy; (pauses, shaking head) - not easy at all; those who worked
to make this institution were heroes.’ (Linda)

The translation in English of the name of the Ministry has been different when referring to the word:
'Çeshije' – which has been sometimes referred to as 'Issues'; and at other times as 'Affairs' or 'Protection' hence
it has in the literature been referred as either of the following: MOLSA, MOLSP.
The Problems of a New Institution

The creation of a new institution and new staff meant that knowledge of the local staff on policy making for the unemployed was based on literature only. Unemployment was part of the studies of political economy, but not an issue for the past communist government. Hence, advice on how to deal with massive unemployment was offered from developed countries.

'To be honest, we had no idea what to do. We were given a job, and it was a time of great transformation. We were told that we would be trained and so we were. We have travelled the world to get training and experience, almost all western Europe as well as America. There was so much money spent on training those days.' (Luiz)

During the research, several documents were made available for me to see the vast investment in technical training made in public administration throughout the years. The language of the training project proposals was quite technical and specific. Projects were diverse and varied from knowledge gathering study trips, examination of the administration of the Unemployment Benefit scheme in the Republic of Ireland, technical training on Social Assistance in Denmark, social policy making and knowledge transfer in Norway, as well as the management of home care in the UK. Expertise from Central European countries that were performing well during transition, such as the Czech Republic, was also considered valuable.

Institutional Instability

The best way to measure the success of the training would be to gauge its impact on policy, assuming there would be continuity in thought and process. Yet, the institutional name was not the only aspect subject to the vagaries of politics. Each change in Government led to the firing of political and even non-political staff, causing a breakdown in the process of institutional learning, knowledge transfer and application. One of the possible explanations of these wholesale personnel changes, informally known as 'operation broom', was the strong influence of politics in the

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4 In Albanian—‘Operationi T’besa’—this term originated from frequent wholesale forceful returns of Albanian illegal migrants from Greek authorities.
daily lives of Albanians during transition, with powermongers considering, to an extent undemocratically, that any position of influence needed to be taken out of the reach of their political enemies - they simply couldn’t afford not to be involved.

Thus, the pervasiveness and penetration of transitional politics into the fabric of daily life, and its polarising effect on opinions and people, were to the ultimate detriment of the institutions. Investment in training and technical assistance by institutions, such as the World Bank and the EU, was lost after each election, and so was the knowledge and expertise gained through such a process. As one of the interviewees describes, political instability had as large an impact on institutional responsibility as it had on individual loyalty.

‘We were losing human capital because they went and worked outside the Government or even left the country. Institutions had no stability; jobs were not secure in the public administration. Even worse, this led to lack of respect for the work and the institution. I remember a case: when one of the leading specialists was fired, she took the computer and all documents with her and left the office completely empty, just the table and the chair. She then fled the country; the Ministry never got those assets back. Just think of the lost resources, wasted investment and the lack of individual responsibility and institutional failure to enforce the rule of law. They were times of extremes.’

(Fatos)

The civil servants code

Thus, such an atmosphere of individual insecurity, institutional lack of orientation and dependency on politics, opened the door to institutional nepotism and ‘kleptoklaturas’ (Frydman 1998).

‘It is sad to say, but civil servants hardly saw a vision or felt related in the long term with the institutions where they were employed, even after the code of work was passed in Parliament. The change of the political leadership of the institutions led to the immediate replacement of high-level civil servants as well.

Institutional corruption.
The expertise gained was lost and it took time before the new administration was trained again. Therefore, institutional capacity was being lost again and again. Subsequently, policies were lacking human and institutional commitment. I am sure this is reflected in the programmes that have affected the poor as well.’ (Group Respondents 2)

While the above interview took place in 2002, not much seemed to have changed by 2005. In a group discussion with around a dozen leading specialists and lower level civil servants, while on yet another training visit on social service delivery in the UK, there was a prevalent expectation of another round of changes after the forthcoming national elections of that summer. A few of them had managed to ride the changes for some years. Yet, in their words, ‘no one is safe’, and the code for the protection of civil servants is ineffectual in such circumstances, as the following excerpts from group discussions show:

‘We are always looking over our shoulder. We are trying to make alliances with militants from both parties so whoever wins can keep us employed (in a half-joking way).

‘You must be joking... What Civil Service code? You know how things are in Albania. There is nothing that can protect us. If they want to fire you, they will. One day you are five minutes late you get a warning, the second time you are fired, and there is not even an explanation. We are all humans; it’s so easy to be 5 minutes late. If they are after you, you’ve had it! And with our legal system, who can afford to waste their time, as money they don’t have, in the courts, when they know they will lose the case.’

‘We had better get trained well on the unemployment scheme as we might be the next claimants very soon’ (half-jokingly, to each other).

6 The exact answer in Albanian was: ‘Jetojme me lepurin ne bark’ – which translated verbatim would be: ‘We live with the rabbit in our stomachs’ – an expression used to describe a situation of constant fear.

7 The exact answer in Albanian – ‘po tu qepen, e pate.’
7.1.2 The Conceptualisation of Social Policy and of Poverty

As all respondents emphasise, the concept of Social Policy per se was not clear at the time. The terminology used in new policies was as novel to most staff employed in the Ministry as it was to the public.

'I don't think we understood the concept of Social Policy at the time. For example, I thought for a long time it would mean dealing with social work problems and with national insurance benefits only, because that was the aspect I was trained on.' (Sokol)

Not only did the Government officials and civil servants show a very narrow understanding of Social Policy as a concept, but the idea that Social Policy may contribute to debates about resource allocation, rights and responsibilities was considered to be only a matter for the Ministry of Labour. Half of the respondents thought there is no such a thing as Social Policy in Albania, while one third of them considered it a matter for high officials, not civil servants who carry out day-to-day programmes. Even at the university level, social policy was being taught as a single two-term subject, in the social work department at the university of Tirana. Its teaching involved mainly social insurance schemes, and it was taken by civil servants also.

In a group discussion with four civil servants, about the individual and institutional conceptualisation of Social Policy in Albania during the last decade, Social Policy was considered a political term applying to the work of the Ministry of Labour. When they were asked about policies in health and education by respective institutions, they said they did not think they are social policies.

'To be honest, at the very beginning the term social policy was almost non-existent. We were told we had to do something for the unemployed people, and later for the poor. Only later we started building concepts of what Social Policy is and the legal framework it operates in. Even today, I think we do not have a proper Social Policy as other countries do, I mean in the broad concept, theoretically and practically. We were not clear on legal imperatives...'

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and I suppose it was a work in progress - as issues evolved so did the legal framework'.

'What social policy? (Laughs) This Government does not have a social policy. All they do is run some programmes for Social Assistance - the same old ones since 1993.'

'I think we established an institution based on a few very specific targets. Only later did we start to add more programmes and slowly build the puzzle-frame for social protection and social policies'.

These answers might have been fuelled by political affiliation. Yet, the narrow understanding of Social Policy presented in them appears not to have been an isolated case, extending even to the leaders of the institutions. At the same time, the wave of new policies, and the emergency with which they were needed, perhaps did not afford those involved enough time for reflection on the work and its applications. As one of the respondents openly said: 'there was no time to think, we had to act' (Dona).

Policies introduced by the Ministry of Labour were known as transition policies, and were generally perceived as new and novel, constituting a radical break from the past. Reflecting the general immediate post-communist eagerness to abandon the past, and the feeling that everything even remotely similar to the past was bad, no attention was paid to exploring the mechanisms of communist welfare programmes and whether there were positive aspects that could have benefited the establishment of the post-communist welfare institutions.

'Since leaving my Government job, I have been researching and have come across a huge literature on social policy. Only now can I see why civil servants, including myself at that time, were accepting as new the social protection platform, when it was in fact merely an updated extension of the welfare policies that the communist government had extensively developed in the past. I now think the mania of ignoring the past was a mistake, and still is. Social policies are what they (the communist regime) had - just with different names.
They (the communist regime) didn’t have Unemployment Benefit because they had full employment, but they had child care, education and health policies in place.’ (Group discussion 2)

Indeed, policies during the communist regime were described almost euphemistically, referring to ‘welfare for our people’ or ‘we work for a better future for our children’, whereas policies during transition were called, rather dolorously, ‘targeting unemployment and poverty’, the descriptive difference hiding many structural and conceptual similarities. It sets a clear distinction between the ideal of working for the common good and the benefit of all, and that of the stigma associated with those in hardship accompanied by the sense of ‘working for others to benefit’.

7.1.3 Cooperation and Coordination

The prevalence of such narrow conceptions of Social Policy is reflected also in the coordination and cooperation between institutions responsible for policy making. In a group interview at an office of the Ministry, all respondents concurred openly that horizontal inter-ministerial cooperation until then (2002) was almost non-existent.

‘Cooperation? – Not that I know of. The Ministries work with their local offices. The Ministry of Health deals with health issues and the Ministry of Education with education issues, as the names themselves suggested. I suppose the Governmental meetings where each Minister reports on their institution could be considered as cooperation. I mean, can you see the Minister of Education or his staff spending time getting involved with health policies? They would be too preoccupied with issues in their own sector, especially when they don’t know for how long they will be there.’ (chuckles)(Group discussion 1)

The Institute of Statistics was acutely aware of the lack of cooperation. As the only institution in Albania that collects and publishes national statistics, they were the first to express a need for coordinated data.
There used to be a policy during the communist Government whereby each Ministry was ordered to send their monthly reports and data to the National Institute of Statistics; INSTAT would then put together all the data and feed it back to the Government. It was a very good policy: notwithstanding any control and manipulation of data, it still provided a framework. Whereas today, tell them (the officials in Ministries) as many times as you like, they don’t care to send anything. And it is sad, because they fail to understand that it is for their benefit. I think it’s the syndrome of ‘abandonment’ of everything that was ‘past’, of the old regime, coupled with a bit of institutional instability.’ (Agim)

‘So many times we have tried to emphasise the role of coordination in producing reliable data and effective policies, but the answer has been that they can not afford it. I think they will eventually see that they can not afford not to cooperate instead’ (Dije).

7.2 Economic Aid

7.2.1 Establishment of the Scheme

With the new institution in place and freshly trained staff, the real work started on the legal framework. Groundwork began on implementing new government legislation on Unemployment Benefit. This had been available for one year for all those who became unemployed due to the economic reform. However, the situation in the country had not improved - unemployment levels had not dropped and the number of low-income families had become an apparent problem. The unemployed were being left without any help when their Unemployment Benefit terminated, therefore, a new scheme was considered necessary.

‘The scheme (Economic Aid) was established in 1993, so the period from 1992 to June 1993 involved the preparation of the law, articles, administrative design and qualification of the administration. In July 1, 1993, a date that coincided with the end of the Unemployment Benefit, the new scheme was enacted. The first attempts to improve the scheme came in 1994 and through
that to complete a proper model of social assistance, such as the ones we had seen in other countries.’ (Ana)

**The Model**

The EA scheme was drawn from different models, whose elements were adapted to what was called the Albanian context. During the training period, the administration was introduced to British, German and Nordic models as well as those of more advanced post-communist Central and Eastern European countries. Participants in group discussions reflect on their experience of being trained to shape the Albanian model of social assistance.

‘It was agreed that it was almost impossible to just copy one model, for the simple reasons that Albania had very different preconditions in comparison to all countries. Therefore, different elements were taken from different schemes to be adopted according to the Albanian situation, and examples of good practice from other countries were put together. Each of us (members in the group interview) has been to quite a few countries to see how other models operate.’

‘The social insurance was reconstructed according to the German model of contribution. We were advised that this would be appropriate for Albania and we started training to this end. The Unemployment Benefit scheme also took into consideration elements from the German scheme, while that of social care homes took elements of the British scheme. And of course this means the consultants were from the respective countries.’ (Group discussion 1)

The poverty alleviation programme is implemented through the Social Assistance scheme. The basis of the system is the Act of Parliament called ‘The Social Assistance and Welfare’. Legislation enacted with effect from the beginning of July 1993, introduced a programme of Social Assistance known as Ndihma Ekonomike (NE). Respondents that were involved in the design of the scheme, emphasised that the programme was designed to provide an income transfer to families that had non-
existent or insufficient income from market and non-market sources in order to meet minimal subsistence requirements. Economic Aid was directly targeting low-income families, with income being the prime determinant of need. However, many constraints seemed to be in the way of its design and implementation. In the light of limited administrative experience, the difficulty in determining real and average incomes, the absence of expertise and studies on poverty and needs, and the lack of information on living standards, the insufficiency level for income could not be established against either evidence or ‘norms’ (Ditch, 1997:50). Hence, income poverty was the target. The definition of poverty and the classification criteria for poor families were largely drawn ‘from a mathematical equation’ (Lori). According to the law, Economic Aid is a means-tested cash benefit granted on a familial basis. Members of a family that have no incomes and no means of living from either economic activity, social insurance or other social security scheme and assets, are awarded full or partial Economic Aid.

‘Who defines who is poor and at what level the poverty line is determined has been debatable, and not openly discussed by Government. So far Governments (referring to all Governments in Albania from 1992) have refused to talk about poverty and as a result not much has been done until recently.’ (Agim)

Problems in the transfer and adaptation of external policies were very clear to all respondents, chief among which was an awareness of the fact that there were limited resources available to work with in Albania. Constraints such as country conditions, government allocations to the scheme, the structure and buy-in of the Government and its hierarchical dependency, were among factors all respondents highlighted as being issues affecting the design and implementation of the scheme. The following passages reflect some of the issues that were mostly mentioned during interviews.

‘The model for EA was taken from the Nordic countries, but adapted according to Albanian conditions, because it was unthinkable that the same model could be successfully implemented here the same way as it was in Norway due to obvious reasons. I mean, where is Norway and where are we?’

In Albanian the exact answer was – ‘Ku ata e ku ne!’ – Which is a saying used when the two subjects discussed cannot even be compared, equivalent to the English colloquialism ‘comparing chalk and cheese’.
‘The first problem was budgeting. How could we put pressure on governmental decision making when budgeting was being done, at a time when no industry was functioning in the country? Where could the money come from? We knew this! We also knew that the budget allocated to the Ministry of Labour was nowhere near what was needed. That was the flour; we had to make the bread!’ (Group interviews 3)

‘The first element against us was the local government, because Norway had quite a different history of development of local government as compared to that in Albania.’ (Linda)

7.2.2 Operation and Delivery

Targeting

The familial basis on which Economic Aid has been distributed was considered by respondents to be valid for many reasons, but chiefly as an effective factor in targeting benefits, given the importance of family in Albanian life. Also there was concern for the possible social impact of policy if other methods of targeting were implemented, which might act to undermine the basis of family by promoting individualism. Respondents recognise that the culture of strong family and social networks had been used by Government to justify limited generosity in welfare provision. However, such policies did not acknowledge the transformation that the Albanian traditional family underwent during transition, with survival strategies differing between urban and rural, bringing an increase in the number of nuclear families in the former and a prevalence of large extended families in the latter regions.

‘At that time, our local Government was not aware of its role and it was unable to take over responsibilities and other functions in the sphere of welfare. Furthermore, the terms ‘social welfare’ and ‘social care’ were new terms in the Albanian legislation and in the Albanian reality. In the Albanian legislation, the family is the main unit classified for assistance due to its historical role of the in the Albanian tradition.’ (Dona)
Of course a factor was also the limited ability of the state to provide economic support for the individual, and on the other hand its tradition: the family being such an important institution, it is impossible to think that one person who leads a happy and wealthy life would not support his parents or siblings. This makes Albania different from other countries. A feature that has not been solved till today is the fact that the scheme acts equally the same in all administrative units, communes or municipalities, whether those are small or large cities. On the one hand, this was a key element that the Government benefited from, but on the other hand, it was a limitation. If more resources were in place better programmes would have been implemented.’ (Group interviews)

Criteria

Eligibility for Economic Aid was based on official determinants; families that fall below the set level of income are classified as eligible to receive the benefit, including initially an evaluation of the household assets. Mandatory home visits to claiming families were a feature of the scheme when it was introduced, in order to undertake an asset test. Officials were provided with lists of assets - such as cars, household items and consumer durables - possession of which would negate the claim. Visits were later dropped for reasons of cost-benefit and the administrative burden. The scheme did not enjoy widespread acceptance at the time, with many respondents expressing criticisms, such as its failure to recognise the massive impact emigration had on the Albanian family. As the paragraph below shows, those involved directly with the implementation stage of verifying claims expressed deep dissatisfaction with the scheme. Other respondents involved in this or other stages considered that the process was humiliating and stigmatising for families, but felt there was no other option for delivery.

‘At the very beginning we had to make a register of everything the claimants had in the house, even the TV or the radio, and the sum value of every item in the house was calculated in order to evaluate their standard of living. Possession of some of these could preclude them from the right to receive Economic Aid. We felt like we were becoming the police, and we were ourselves opposed to the scheme, which we increasingly thought to be unworkable. Albania has a large
migrant community and a TV could have been a present from a relative abroad; it should not simply comprise a tick in the exclusion list. These were some of the difficulties in the beginning. These kinds of mistakes were a combination of our lack of experience and of the foreign consultants' limited knowledge of the new land called Albania, and the result was an almost artificial scheme.’ (Group discussion 5)

Central Government had responsibility for the total budget, and also decided on its allocation to each district. This was calculated with consideration of the amount requested by each district. Entitlement decisions were left to local Government for whom it was thought to be:

‘very easy to obtain information about the standard of living for the whole community in a certain area, therefore local authorities, such as the Commune leaders would provide the lists of those most in need.’ (Tomek)

The Problems of Decentralisation: Center-Local Strains

Central Government (CG) officials have gone as far as to apportion blame to local Government (LG) ‘for frauds and for not being able to spot and stop corruption’ – an accusation that has been reciprocated from within some LG authorities.

‘They up there (referring to CG) have no idea in what situation people live here. They never see them. They keep cutting down our allocations; keep asking us to reduce the number of claimants by spotting undeserving families. If you were to spend some time here, to see the number of people that come to my door asking for help, you would understand. They see things from there, we see things from here, and we are hardly satisfied with each other.’ (Pranvera)

There was a clear dissatisfaction between the respondents from the central and local Government when it came to budget allocations, especially in the cases where there was political difference. Among interviewees from a discussion group composed of officials from CG and LG, where the ratio of a different political affiliation was 6/3, with one respondent saying in a joking way ‘I am with the winner’, respondents
blamed members of the opposite party with comments like: 'He over there doesn’t give us money because we are with the Democratic Party'. The atmosphere was very friendly though, and it seemed to some extent that outside their respective political affiliations they were able to exercise independent judgement. Perhaps, this was due to the lack of distinct ideologies between parties, certainly as regards welfare. It may be said that the partisan nature of political involvement is an important element for civil servants in surviving in the institutions.

Incomplete Data
At a time of urgent policy responses, meaningful and reliable statistical data are of crucial importance. In Albania, the collection and availability of such data was hindered for many reasons. Such was the drastic transformation in all spheres of society, rapid internal and external illegal migration and the flourishing of the informal economy that these prevailing conditions led to a lack of investment in collating data. Faced with a lack of reliable data about the nature and level of poverty in the country, institutional perceptions of poverty became vaguely based on such indicators as were to hand, irrespective of fitness for purpose, like the numbers of claimants for Economic Aid.

'It was impossible to have accurate national data to reflect poverty in the country. We had to set some criteria based on what were considered as good practices from other countries and evaluate the claimants’ eligibility. At the same time, we had to count on the existence of the informal economy and the influence of strong family ties. We were aware that Economic Aid would not solve the problem of the poor, but it would just be sufficient for survival, although sometimes not even for that, with what I have seen over the years.'

(Guri)

The Burden of Application
The path to eligibility is not an easy one for the poor though. All respondents in this study apart from one civil servant, who categorically defended the criteria, recognised the problems in drawing the line of eligibility. The applicant family representative is asked to fill in forms claiming their need for benefit. People have to subjectively claim that they are poor in terms of income. Then, the claim is appraised against the concept
of objective need, as defined and decided by the officers at the Economic Aid office. Within the limited budget, the claimants receive an amount of cash benefit from what is available for the commune or municipality. The procedure is repeated monthly and is subject to revision by Economic Aid officers. Whether a family will receive the benefits month after month depends on many factors, such as the budget allocated to that office, the number of claimants for each month, changes in the family composition, and quite essentially on the content and completion of the claim forms. If the number of claimants dropped in one area for a certain period, the official interpretation would be that living standards were getting better. As interviews revealed, there are many factors that might influence people's decision to stop claiming.

'It is a hugely bureaucratic scheme; there are many forms to fill in. The claimants have to prove their entitlement and we have to perform our checks. I wish there was a better way.' (Group interview 4)

'They have to fill in forms, to get certificates. It is an exhausting procedure, but we need to ensure accuracy in our assessments and if they really need money they will comply with the rules.' (Group Interview 3)

All respondents, except one, could appreciate the claimants' perspectives that it added extra strain to the poor while they are in a position of need. In the opposing case, the respondent took a view that claimants were parasitic, saying:

'I think it is necessary to have so many requirements. At the end of the day, it is not meant to be an easy way to get cash, it is meant to be for those really in need, those who are desperate. People are tempted to claim for cash they do not deserve, and we should stop them. Anyone who is able to work should struggle to find a job instead of waiting for the cash allocation from us. The scheme should act as a filter for potential abuse - that is why it should have many requirements and forms to fill in regularly.' (Bardha)
Refinements to the Scheme

The above respondent, who at the time of the interview was working at an Economic Aid office, strongly supported the migration criterion that was introduced in 2002. According to this, if one member of the claimant family migrates abroad, then the family is automatically considered to have an income, hence the Economic Aid benefit is suspended. Whether any income is generated by emigration or what happens to the migrant who has attempted to leave - whether the migrant does manage to settle abroad or is being returned by the host country authorities, was not considered at all. This policy change had a great effect in areas near the borders, where seasonal migration is a frequent phenomenon.

‘Families are trying to keep quiet about this and not declare if their spouse has migrated, but in small local communities it is not very difficult to notice as word spreads around. So the following month the allocation for such a family is suspended.’ (Pranvera)

All other respondents in some degree ridiculed this attempt of the Government as a ‘desperate effort to improve the efficiency of the scheme at a time when the budget is being restricted and the scheme is facing constraints.’ When asked about the influence that local officials have in the decision making of the policies they themselves implement, all of the respondents were hesitant to define their role, but emphasised that they are asked for ideas ‘every now and then’ when called to meetings in Tirana, but mostly ‘decisions are coming from above’. Two of the respondents in a local Economic Aid office considered decision making ‘a matter of the Government and the Ministry to deal with’, while they were there to carry out the implementation.

All respondents from this study group acknowledged that it was impossible for the central Government to satisfy the needs of the local Government when it came to dealing with poor families. The level of Economic Aid and the Unemployment Benefit is very low - as the respondents agree, it is purposefully low, to stimulate the claimants to retrain and find a job in order to improve their income.
'It is very difficult to satisfy varying needs with respect to budgeting. We were aware of the necessity to find a way to get these people out of poverty, and we had to do it within the limits of the budget. I don't think there is any budget in any country that would satisfy all needs.' (Lori)

When asked, none of the respondents was able to demonstrate awareness of the situations, positive or otherwise, of clients who had stopped claiming, since other departments dealt with these issues, and the job office, part of MOLSA, even though located within the same building, did not share information with the EA office. Whether this was a symptom of the heritage of the secretive communist society where knowledge was withheld and controlled, or simply a symptom of the disorganised and dysfunctional institutional cooperation during transition, it certainly impedes attempts to evaluate the policy.

'The job office is part of the Ministry and is meant to put in touch potential employers with job seekers from our lists. I think its impact has been minimal. For one reason or another, it didn't really kick off. It was like the community work scheme. It was introduced on the condition that people would receive their benefits if they were involved in community works, such as in construction industry. While claimants felt, if they would be able to get a job with proper salary informally, why would they bother to go through all the trouble of filling in so many forms for a minimal benefit? However, we don't have available data, because it is not our job.' (Roza)

All respondents agreed that the phenomenon of informal economy is operative in Albania, but so far they have not yet managed to quantify to what degree, or have any idea of how to develop a mechanism to deal with it. Literature suggests that in order to reduce the scale of the informal economy and make citizens register and participate in society, a strong safety net should be functional and accessible to help those that will become vulnerable due to change (De Soto, 2002). Respondents, however, did not see this as a role for the safety net, and such an argument had not been debated in their respective institutions. Exploring issues regarding the role of the safety net, respondents were asked about provisions for potential vulnerable groups such as
returned migrants. Due to the nature of migration being mostly illegal, short term and seasonal, and therefore quite often insecure, upon return, especially when it is done forcibly, migrants may very likely become involved in informal work, since neither they nor their families can benefit from EA. Equally, the number of workers who were not making social insurance contributions posed the question of a large new at-risk group of future pensioners. Did the Government foresee any long term policy to tackle such future challenges? Respondents recognised the current and potential threat of such issues, yet, there was no awareness of them being discussed institutionally and the general opinion was that Government didn’t really care to look too far beyond their four year reign.

7.2.3 Informal Evaluations of the Scheme

For respondents involved in setting up the scheme, EA was described as ‘our baby, that you hope will grow to be successful’. As most respondents said, the scheme is remedial in effect and certainly not enough to eradicate poverty. It was established as an emergency programme ‘and has moved little since then’. The following response shows that government officials and civil servants, in spite of their involvement at different stages of policy making, considered that the policy is far from responding to the real needs of the poor families.

‘These programmes were adapted to conditions applied to Albania, and even today these schemes are in their initial stages; nothing has changed since then. I think it was a solid scheme, but the current officials are failing to develop and update it. They are just using what we left ready for them, but the country conditions have changed over the years, while the scheme is the same.’ (Luiz)

When asked about geographical equities, respondents from CG recognised the differences as presented in official reports, emphasising the urban/rural divide and the north/south disparities. Local officials could only discuss the regional differences. Poverty, most agreed, is geographical as much as it is structural and, subsequently, the needs of the people in various areas are different. The Economic Aid scheme recognises only small differences between urban and the rural living standards. The

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following statements extracted from group discussions reflect the positions of the respondents on the impact of the EA scheme on the poor families.

'This is the nature of the Albanian family: seasonal legal and illegal migration, as well as hidden employment that have enabled families to cope with poverty. It is obvious that Economic Aid is not enough. If they had only relied on the scheme, they would have barely survived.'

'What is enough in Albania? In my family, with two teenage children, my wife and I are both employed, and we still struggle to meet our most essential needs. She earns more than me as she works for an NGO. It is difficult even if you work. The scheme is little more than a few crumbs from the table to say that there is a programme.'

'We have families that have been in the scheme forever. The benefit just gives them some money, then, they go into debt, and they buy food by list. It does not help them to get out of poverty. Let's say it keeps them alive for some time.'

'There have been efforts to reach Governmental agreements between Albania and other countries for legal migration schemes for skilled workers, such as with Malta and Italy for nurses. That does not solve poverty as the numbers of people taking up this scheme is minimal to the number of the poor, but it is an effort.'

'It is a difficult position to be in. What can I tell to that man? (Indicating to one of the claimants that had just left the office). He has three small children. The eldest one has quit school because he has no money to buy clothes, and he feels ashamed to be among friends. The man himself is physically impaired, his wife has abandoned them and none of the kids can work as they are underage. I have given him money from my own pocket sometimes to have a coffee or a

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10 Rhetorical question to emphasise the difficult living standards for a family with both partners employed, versus a family relying on Economic Aid.
11 In Albanian - 'ca therrime sa per te lare gojen, te themi qe kemi nje program' - is an expression that is used in a situation of an action which is no more than a shadow play.
raki or even a meal, because I know he really is hopeless, he is getting poorer and poorer. He has been allocated the maximum he can get, but I know very well it is not enough, not enough to feed them.’

‘I cannot think of anyone from GACSS being bothered to ask the poor what they really need. This is a practice exercised by the non-governmental organizations (NGO’s) and GACSS is trying to cooperate with them. I see this as a deficiency of the Economic Aid, and it needs to change. It might not be possible for another decade. Who knows?’

When asked about how they would, in a few words, evaluate the scheme, responses varied from ‘the best we could have come up with in an emergency’ to ‘far from being completed; it needs updated qualification, decentralisation and awareness’, and ‘an old skeleton that no one can be bothered to change because of lack of political will, and as long as politics are such, the poor will remain poor’. Only one respondent strongly argued that the principal means of poverty alleviation stand strictly with the poor themselves, not with anti-poverty programmes such as Economic Aid.

‘The problem with cash benefits is that it gave people the impression that they can get away without working, while they get the benefits and maybe do hidden work. It was perhaps necessary at the very beginning of the transition, when jobs were lost and no directions were given, but it should have been integrated with increase of job-opportunities. I think there is nowhere to point the finger. People have to find their ways for coping in the market economy, and should not rely on the Government. People have to learn to work, communism made them lazy.’ (Shqiponja)

In trying to understand the difference in the evaluations of the institutional framework, it could be argued that answers vary depending on political, hence ‘positional’ affiliation. Respondents are seemingly more positive in their assessments when referring to the time that they were part of the institution, hence under the reign of a political party. Rarely did any of the current civil service respondents hold a good opinion of the efforts of previous incumbents or policies. Reference to the periods of rule by...
previous governments as the 'other time' shows the extent to which political belonging is affecting even civil servants, who are meant to be able to operate independently of political convictions and influence. The following response was given from a group of civil servants a few months before the 2005 elections.

'The Ministry is in chaos. Not much different from the rest of society. Individuals don’t know where they are going, the Government even less; what can you expect from institutions? All employees are called (meaning ordered) to participate in pre-election activities. From now until election time (over two months) there will be no work done in the Ministry, only chaos and insecurity.'

In terms of service delivery, the staff had been inexperienced, under-resourced and few in number compared to the high and dynamic demands for their service. It took almost a decade for the social administration to take the form it has today, due to lack of institutional stability.

7.3 NSSED: OBSERVATIONS FROM THE RESPONDENTS

At the time of the first wave of empirical research, in 2002, the strategy was newly launched. Perspectives on it varied among participants. While Governmental officials were aware of the existence of the strategy, at this time, none of them knew exactly what it meant or what their role would be on the strategy, even though some of them had been involved in the participatory meetings via their line Ministries.

'I know that I should provide some reports, but I don’t find anything specific written there anywhere. I don’t find a process in it, only a heavy jargon, like all other externally funded initiatives' (Mara).

Respondents felt that the strategy was not clear and not understood, and actors were still confused on what they needed to implement, how to implement them, or what the policy implications were. They also felt that there were no costs revealed in this strategy. This encouraged the belief that the Government was presenting a document produced by donors, without researching first the real necessities of the country and
the implications of these choices. To respondents it was yet another document, and more ‘annoyingly, yet another task’ added to them without any increase in their salaries (ibid.). Being overloaded with work, while receiving low salaries, respondents felt reluctant to commit to the strategy. Even as late as 2005, respondents interviewed said that they expect the strategy to share the same fate as other programmes before-to become victim of institutional instability.

‘It would be better to ask how many of us will still be working on the strategy after the elections of 2005.’ (Gezim)

Indeed, some of those interviewed for this research, by 2006 were no longer in their positions when I tried to contact them for further updates on policies. Yet another loss in human capital and policies, with institutions remaining prisoners of the values of the political system.

7.4 Reflections

7.4.1 Researching the Government Officials

The usual prejudice one might have prior to researching public administration would be that of a lazy, inertial bureaucracy, highly resistant to change. This research found there to be many professionals who had hoped their work could really make a difference; they take pride in their contribution, are able to reflect on the situation and articulate without hasty generalisation and posturing. To a certain degree, the institution they operate in and the conditions for survival limit their knowledge and contribution. Most of them fear losing their jobs; hence, their commitment to the institution is underdeveloped.

The critical approaches to policy varied in character according to the role and position of the respondent. At the higher levels of the Ministry, it was characterised more as disapproval with the policy concepts than with the operational issues arising from them, which were more of a concern to low-level civil servants. Attitudes toward claimants varied also. Certainly, there was sympathy for the plight of the claimants.
Civil servants at the delivery end, who dealt daily with claimants, displayed a generally less sympathetic and held a distanced position. The burden of everyday routine had made them immune to poverty. Attitudes to colleagues reflected hierarchical power relations which had an impact at the service delivery. Local Economic Aid officers observed in this study seemed more eager to please the high-up bureaucracy than to cater for the needs of the poor, who were, as one of them said, ‘so demanding- you have to have iron nerves to put up with them each and every day’.

Problems in regard to EA identified by respondents within this study group can be rooted in the country conditions, the emergency nature of the programmes, lack of institutional cooperation, lack of reliable data, limited policy understanding and development, lack of combined policies with employment opportunities, a constrained budget, lack of a voice in the process, and the great impact of politics in the social and structural capital. These issues have meant that EA has only marginally, remediably and temporarily contributed to improving the living standards of the poor. The scheme was initially aimed at resolving an emergency situation and it was not meant to be a scheme to last over a decade. The efficiency and efficacy of these programmes is closely related to the political momentum of the time, and the overall political, social and economic situation in the country. Officials accept that the scheme is no solution to poverty in terms of affecting poverty reduction.

When it comes to the understanding of poverty, civil servants rely on the official version. They all considered the scheme to be limited and a qualified success, yet, felt improvement of the scheme to fall outside their area of responsibility. The insecurity of their position in the system has influenced their commitment and their contribution to the process of policy making. Hence, what they have observed and learned by contacts with the poor and the operation of the scheme has not been transferred to those in a position to inform policy making. Instead, their role at all levels has mainly been functional and managerial. No one, on any level, feels that they can change any aspect of the policy. The fundamental problem that has not been addressed is that institutional problems run very deep, affected by political complexities. There is no formula for developing good institutions, but everyone knows they are necessary. Respondents at
all levels felt powerless to address institutional and schematic shortcomings, which impact the consolidation of social policy.

7.4.2 A Day in the Life: Snapshots of a day at the office

This section presents some of the notes taken during the empirical research with Government officials. During the first wave of interviews with this study group, I was told that I had chosen the wrong time to carry out empirical work. From May, they were starting to prepare for holidays, and throughout the summer one could hardly find a person available to interview. The cafe, part of the Ministry, proved to be a good place to find and approach some of the respondents who were at work. All interviews were calm, with the exception of the odd phone ring and the call for an urgent meeting. The fact that I had previous acquaintance with some of the respondents, and I was from Albania, made the context more relaxed, and informal. In one of the institutions, it's leader made it clear that no interviews would be given by him or any of his staff; 'none of my employees can give an interview without my permission, and I do not intend to allow them! Just read our publications.'

While waiting for the interviews to take place, or trying to arrange for them, I was observing the day of a civil servant. The day starts with the morning coffee and news headlines of the day, then reading of the latest directives from the Minister, then a meeting is called in the Ministry. Hence, they have to drop everything and leave, and they have no idea when they are finishing the meeting with the Minister (there are gossips that there will be some changes at a high level). While I try to talk to other employees who are still in their offices, it's about lunch time and everyone is heading out. After the lunch break, there are a few phone calls, the odd chat in the office next door, and then a meeting scheduled to take place at the café, and enjoy an afternoon coffee. The phone rings quite often, with calls for a coffee, and the employees next door are getting edgy waiting for the interview to finish, even jokingly (perhaps) suggesting that interviews should not be given free of charge. They leave saying that they will be at the cafe in case anybody asks.
The day of a lower civil servant was not that much different. The only difference was that, behind their door, there were many people waiting for a minute to talk. In one of my field trips while I was interviewing recipients of Economic Aid, I knocked on the door of a civil servant. Since I had no prior appointment, I asked whether they could spare me a few minutes to talk, sometime before they finished their shift. I did not intend to have the meeting at that moment, but, since I was coming from another city I was respected and given time to interview. However, it was uncomfortable, as all those poor people who had been queueing before me, for hours maybe, were made to wait until the interview finished. While I was grateful for the interview, I felt guilty as the poor people's time was deemed not important. While interviewing, several interruptions were made with visits by employees next door discussing private matters such as 'shopping'.

Most of the offices were physically old, poor, with the open paper registries on the tables, and not in the best condition, with the exception of the newly renovated offices in GACSS and the Ministry. There were computers at each desk but most of the time they were off, either because the person was not there, or because of electricity cuts or perhaps they were simply not being used. The office for publications in the Ministry was poorer than a barren second-hand bookshop that has just been ransacked.
**CHAPTER 8 PERSPECTIVES OF THE POOR**

**Introduction**

'Then (during communism) I was persecuted by the regime, they (the Government) called me kulak. Today they promise me compensation and call me 'former political prisoner'. I have my pockets full of documents from then and from now, but they are not worth the paper they are written on. I was poor then, I am poor now, but I have different names!' (Shefqet).

The heart of this chapter lies in the views, feelings and assessments of those that have been recipients of Government welfare programmes - the poor whose stories are usually buried in the statistics. It investigates experiences of and perspectives on poverty, coping strategies and the role of formal and informal institutions in people's lives. In bringing their subjective evaluations on Economic Aid, the intention is to introduce the 'voices of the poor', as far as possible in an unadulterated way, as a crucial perspective in the study of poverty and the anti-poverty framework in Albania since reform.

The chapter begins with an investigation and the narration of the REA’s understanding and experiences of poverty, in order to identify the dimensions of felt and expressed need and thereby throw light on the dimensions of poverty in Albania. It then deconstructs contemporary poverty, according to age, gender and location, with the aim of investigating variance within households. This is followed by an investigation into the coping mechanisms and the role of helping institutions outside the Government remit.

The chapter moves on to an evaluation of the EA scheme, especially in its delivery and impact on recipient families. A summary of perspectives on NSSED is presented, concluding with personal reflections on the experience of research with this study group.
8.1 EXPRESSIONS OF POVERTY

Information gathered from the research with low-income families, in this study all of whom are in receipt of Economic Aid, shows that poverty manifests itself in many interrelated dimensions in both cause and effect. When asked to describe whether they felt poor, one hundred per cent of them answered affirmatively: 'We feel poor because we are poor'. They routinely described poverty as lack of the assets necessary to lead 'a normal life', thus perceiving it as deprivation. For instance, inadequate housing and agriculturally poor land for subsistence were concerns, as well as long-term unemployment. In the course of transition, the size of the Albanian family has declined to just over 4 persons per house (INSTAT, 1998: 34). However, there are still many large families, and these are among the poorest groups. Poor housing stock in such circumstances generally leads to miserable living conditions. This was expressed by many respondents in despairing terms – defining their poverty by what they have in ‘assets’ instead of merely what they are missing. Their lives seem confined with their poor living environment:

‘What is poverty for me? Poverty is this (gesturing to the house). Just look around, this is my house, this is my life. Do you need me to say what I lack? I lack everything because what I have is nothing. You tell me, can a human being live like this? In this room, with no proper roof, the rains come in during the winter. We sleep on the ground, here my husband and me and there [a few steps away] sleep my children. Here we eat, we sleep and we stay. This is our life.’ (Tana)

Maliq, 57 years old, head of a family of six, has been classified as homeless since 1997, when an earthquake demolished most of his house. Yet, he was still living in the shell that remained at the time of interview in 2002 – at great risk to his and his family’s lives.

‘My house was badly damaged during the earthquake of 1997. The Municipality gave me this document (showing the document he always carried with him)
proving my family status as homeless. I have spent years asking for a solution, but so far, they have not given us any. If there is another earthquake the remains of the house will collapse on us.’

Most of the respondents said that they live in very crowded conditions, sometimes 6-8 people in one-bedroom flats.

‘Our life is poverty, one bed, one broken table, two stalls, five people. My daughters are women now, and we all sleep in the same room, separated by this old piece of curtain that I bought with money given to us by a charity. I was living in Korçë before, in an empty kindergarten, but the property owner kicked us out, so we moved here [a space adopted as a room in the hallway joining two buildings].’ (Hane)

8.1.1 Victims of Poverty and Unemployment

Others who sold their houses to put money in the pyramid schemes lost everything and were among the greatest casualties of the transition. Such people fill the lists of the homeless in municipalities. One respondent, Kico, had previously worked as an army officer. As a consequence of cutbacks and reform he lost his job in 1990. He was 47 years old at the time. His wife was a schoolteacher on a moderate income. However, that was not enough to cope with the considerable inflation of the time. They had three children all of school age.

Leaving his shock, disappointment, pride and psychological pain aside, Kico took to doing any work he could find – work he would have never thought would have been equal to his and his wife’s skills and experience, both being university educated. After many failed attempts to migrate to the US, they tried a last resort, selling their house to invest the money in a pyramid scheme. Being risk averse, it had taken them a long time to make this decision. Considering that the reported returns were so great, they could not afford not to invest their money as so many had already done. They were struck by misfortune – only two months after, the pyramid schemes collapsed and

1 Homelessness in the Albanian context refers more to overcrowded households, rather than people living in the streets.
they lost the whole of their investment. Since then, they have been renting one room, which houses all five of them – and even with this frugality, the family income is hardly enough to cover the rent, let alone to afford rebuilding assets. While telling his story, Kico, sadly added: ‘You could write a book based on my unlucky life story.’

Even among the low income families, there were those that could not even afford the above necessities. Plain bread was the staple diet of many families, while others could get enough calorific intake, but not necessarily afford a balanced nutritional diet.

‘I am poor, I am sad. I do not know how to explain it. Look at us, nobody works. We live off food-lists that we don’t even know how we are going to pay back. There are no jobs, there is no money.’ (Enver)

Unemployment
All respondents saw unemployment as a main cause of poverty. In Librazhd, the unemployment rate was high and was perceived as caused by de-industrialisation from the collapse of the economy and the opening of markets to foreign competition. The city had originally mushroomed with the development of heavy industry under the communist regime. Prefabricated apartments were built to accommodate workers and their families. By 1990, most of the population became unemployed, which respondents unanimously saw as the main cause of their poverty: ‘There are no jobs, no investment, and no money’.

‘Here in the city if you don’t have money you are dead. You need money for everything, to buy food, to pay for water, electricity, to take kids to school, to pay at the hospitals. Here people don’t even dare to die, thinking how much it will cost to the family. We can’t afford to live, can’t afford to die. How can we get money when nobody works here? At least in the villages they have some land to feed themselves!’ (Group discussion 1)

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2 Sadly, they may have got some return on the investment if they had invested a good deal earlier, while the funds could afford to pay their reportedly enormous dividends.

3 Informal credit agreement with vendors. The equivalent in English is ‘on the slate’ or ‘on tick’.

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Lack of land and non-productive lands were considered one of the reasons that made people feel poor. In northern villages of Albania, the land is mostly mountainous, split into small and often uneconomic areas that are considered generally inadequate for family subsistence. For the rural population, who comprise over 50% of the country, their only asset is the land they work on. They are ineligible for unemployment benefit and do not figure in the unemployment data, being considered as self-employed in agriculture. Their EA benefits are calculated by deductions made according to the amount of land and its quality. Respondents from the rural areas, however, said that such an evaluation did not reflect their needs and the reality of their income.

‘My land is split in three pieces, far from each other. Each piece is so small that the production is not enough to feed my family and the cow, and because they are far it is exhausting to manage them. We grow products to feed the cow, and the cow will feed us. What do we do when the cow is gone?’ (Lume)

8.1.2 Isolation and Exclusion

As the Albanian analyst, Fatos Lubonja, wrote a few years ago, ‘Every Albanian has been denied the fundamental right to light continuously for fifteen years’ (Lubonja, 2005). The infrastructure is in poor shape, with contemporary policy doing little to remedy previous decades of underinvestment. Furthermore, this failure is perceived as a contributing factor in the persistence of poverty in Albania. The effects of poverty are aggravated in the face of the inability of the state owned utilities to provide water, electricity and gas - considered in much of Europe to be essential and universally available services.

However, road infrastructure was considered the most problematic issue for the poor especially in the rural areas. The villages visited during the research were very remote and inaccessible without a reliable car. No resident of Mnele e Vogel owned a car: so when a driver from another village passed by, which was quite rarely, they would stop to take or deliver required items for a fee. Ownership of private transport is far too expensive for some families to contemplate, and there is no public transport to most
areas. Understandable feelings of isolation lend the air of being a rural ghetto to these otherwise picturesque villages.

‘We are very isolated here. The city is far and you can only go by car. In fact, to go anywhere you need a car - even to get to the next village. But the roads are bad. You came by car; otherwise, you wouldn’t have been able to find us. When winter comes we are blocked in by snow anyway.’ (Drane)

Indeed the experience of travelling in the northern pre-selection areas gave a first hand experience of the difficulties in getting around. The roads to villages in Malesi e Madhe were frighteningly improbable, even with an off-road vehicle: indeed, prayers were said while the car danced sideways on the edge of a steep ravine. In another village, a perilous cane bridge connected two hillsides over a river, to make a shortcut for the village children’s school journey.

‘Women work all day, carrying water, making food. It takes us three hours daily to carry drinking water from the spring. It doesn’t last all day, in the evening we need to have a second trip.’ (Vjolca)

Isolation makes people feel excluded and deprived from traditional, cultural and important local events.

‘I can’t attend any family festivity or visit my relatives. I haven’t seen my daughter who is married in another village since last year. I have no money to go there. In our village we pray that no one dies during winter, as the road to here is not accessible, even during the summer it’s quite dangerous.’ (Rrema)

Infrastructure

In urban areas, people’s standard of living depends on the existence and quality of basic infrastructure. They felt totally deprived of basic services, since there is a shortage of running water and electricity.
‘It has now become a routine; we would be surprised if we had electricity or running water more than a few hours a day. Twelve hours yesterday without electricity, sometimes we don’t get water for days, and they (the Government) don’t care. We are going back to how we were before 1945. How many years now has it been like this?’ (Rrapì)

Respondents in Librazhd considered themselves lucky, compared to the rest of Albania, when it came to water access, thanks to the natural water resources that their area enjoys. In the villages, shortages of water were a problem not only for households but also for irrigation, since the system had not been maintained during transition. While the wealthy have wells in their gardens, the poor are still left out and in this case it is only due to the inability or failure of the Government to invest.

Access to Health Care

Respondents felt unable to lead a healthy life for at least two reasons. First, the health clinics and hospitals were located far from the poor areas and this was especially the case for rural families. Before the 1990’s, health and education was present in villages and towns, even in the most remote areas. Doctors practiced where the Government told them. Health care was free and accessible to all. After 1990, health practitioners refused to work in remote villages. University graduates either remained in the capital or towns, or migrated abroad.

There was one nurse in Ura e Shtrenjtë, covering three villages. Her surgery was in a ruined room. When interviewed she said that she was considering migrating with her family to join her brothers in Italy, as she felt their life in the village was hopeless. She said that she didn’t know what would happen after that, ‘people would have to rely on God!’ Due to the problems with the road infrastructure, her services were as good as inaccessible to many anyway. This was also the case for the respondents from the urban areas, who had to travel to another city to get specialised treatment.

‘If I become ill, I can’t look for jobs, I can’t feed my family. To get cured I have to travel to Elbasan. but it costs money to get there, what can I do? (Kosta)
A second reason that deprives people leading and maintaining a healthy life is the increasing cost of health services. State investments in health care have decreased and most health care centres rely on foreign aid (Gjonca, 2001: 163). From being a free and universal service during the communist regime, today, despite the existence of public health institutions, such as clinics and hospitals, people felt they would not be treated unless they paid bribes:

'I went to Elbasan to have my routine examination as I have been physically disabled for fifteen years now, and they asked me for 2000 Lek[^1], which is more than I receive for my EA benefit. I showed them my physical disability card and reminded them that this is a public hospital, and I should not be asked to pay. They showed me the door telling me they also need to live, they have to earn their money, and if I had gone private, I would have been charged 10 times more. I left crying!' (His eyes well-up while speaking)

....there is a pause while I ask if he wants to stop the interview, but he continues:

Believe me! Where can I go to complain? I went to Tirana, and asked to see a woman doctor that has been on TV talking about disabilities like mine. I waited there for most of the day, but eventually I managed to see her. She carried out my examination and I was so happy that I myself wanted to give her something. I handed her 100 Lek saying that I know it's nothing to her, but that was to show my gratitude, but she replied: 'I get paid by the Government, and I know people's problems. I am here to help you not to rip you off!' I was lucky this time, but what about next time, if I don't have the money to pay my trip to Tirana? They will let me die!' (Qemal)

*The Need for Education*

Poverty and education are seen as related phenomena, generally considered as having an inverse relationship. On the one hand, the difficulty of access to education is in most cases due to poverty, being related to low incomes and access to resources; correspondingly, shortcomings in education can lead to higher risk of exposure to

[^1]: Equivalent of £1.1.
poverty in life. Respondents reported experiencing the issue of education as pressing, but one in which they felt so constrained as to be almost helpless.

'Schools are very far away now [since the village school closed] and it is not safe to send children on their own. We don’t have time to accompany them and we don’t have money to pay for private transport, so they have to stay at home; their fate will be as ours.’ (Rina)

In the urban areas, access to education is extremely dependent on family income. Going to school has become expensive, as books are not free any more, and decent clothes are needed to avoid social embarrassment. In some cases schools are very far from home. In the peri-urban areas, people have settled illegally, on land with no infrastructure in place: no school or doctor is anywhere near. To take children to school requires a family member to accompany them, with consequent absenteeism when no one is available.

As presented in chapter 2, Adam Smith (1776) argued that necessities are whatever the custom of a country renders it indecent for people to live without. One of the respondents sadly said that she could not take her daughter to complete her studies in the last year of the obligatory eighth grade, as the girl felt ashamed among other pupils.

'I noticed she was the worst dressed and other children were making fun of her. My heart just broke!’ (Trendafile)

While her daughter said:

'We don’t have money to buy the books, and to buy fancy clothes like my friends have. They all have cousins in Greece and Italy who send them clothes, and they don’t want to stay with me. I don’t have friends: I sit on the classroom bench on my own. They told me I smell.’ (Flutra)
Absconding from school, most boys end up working to contribute to the family income by selling cigarettes in the city or working on land in the village, while girls stay at home and do housework. Gjin, a 12 year old boy from a Roma family, spent his days between school in the morning and selling cigarettes in the afternoon. His mother begged in the street, whereas their father had abandoned them. He said he preferred to sell cigarettes than go to school, because he could get money and eat better food, while there was ‘no point in going to school.’ Studies (De Soto et al., 2002) have identified Roma families as among those most at risk of falling into poverty, which in this case was seen as being related also to poor school attendance.

‘I want my kids to get proper educated (sic), I always dreamt about seeing my son become a medical doctor, but now I see I will never see that dream come true. The nearest school is about two hours walk from here, and it is not safe to let kids go that far.’ (Rita)

8.1.3 The Psychological Effects of Poverty

One of the criminal problems associated with transition, human trafficking, was perceived to be an example of wretchedness rather than desperation, and representative of a wholesale breakdown in contemporary morals. Respondents across focus groups expressed their regret at the extent to which poverty has seemingly broken important moral values which they have been proud of. While there seems to exist a stigma about certain families ‘with no moral values’, all respondents acknowledged that poverty can force people into doing the unthinkable, even for a traditional family where honour is the most important principle. Foreign and local organisations working with street children, the majority of whom happen to be from Roma families (Tahiraj, 2000; Polansky and Tahiraj, 2004), have identified phenomena, such as trafficking of human beings, as one of the worst effects of poverty.

A newspaper interview shows the impact poverty has had on the system of values; one girl who had been repatriated after being rescued from forced prostitution to which she had been trafficked into, was trying to leave the country again illegally, saying -
‘If I stayed in my lost village I would have ended up eating stone, at least there I can eat food!’ (Gazeta Shqiptare, 2001c)

Respondents from group discussions expressed despair at the contemporary malaise.

‘What is happening to this country? We have been cursed. Who had ever thought that parents would sell their daughters for $500 to prostitute abroad? God save us! There is no moral, no honour, and no values!’ (Ndreu)

‘I do not agree with them, but I understand what poverty can lead to. They have absolutely nothing, no one to rely on, no hope, they are desperate, otherwise no parent in their right mind would ever do that. I think they have gone crazy because of poverty; maybe they have lost their ability to be human.’ (Gjon)

Respondents also remarked upon the need for physical security related to the events of 1997, which led people into carrying arms to protect the household in the face of general lawlessness; it was however felt that the situation was getting better.

Shame, distress and feelings of worthlessness due to the inability to provide for the family were mentioned by respondents as affecting their emotional and psychological state. The transformations of 1990 and the crisis of 1997 were associated with a societal breakdown of established value systems and norms. Monitoring of the media reports from 2000-2006 portray most of suicide and crime cases within households as due to small and infrequent incomes and poverty.

Associated with poverty are also feelings of powerlessness. While interviewing one of the local officials in the city study site, a recipient of Economic Aid, whom I had previously interviewed outside the building, having waited two hours behind the door, knocked, intimidated, querying his claim. The response from the person in charge with a sharp and annoyed tone was:
‘Do you want to get that or do you want us to expel you from the programme completely? Take what we have given you, shut up and leave, and don’t disturb me any more, don’t come here again to waste my time, I am busy. And close the door!’

While the man quietly closed the door, one question became important to me. It is perhaps naïve, but is it not the poor that officials should be busy with? Trying to cope with the mix of feelings between the ethics of the research and the human reaction to that conversation made me feel equally humiliated, and as powerless as the poor man who received such abuse. With the dilemma of continuing the interview or not, I chose to continue exploring the views of the officials and hoping to find out what they were busy with! ‘It was a first hand experience of what it means to be in need but not in control! The situation was disturbing and emotional; it was a new and shocking experience for me to see how the behaviour of individuals can affect perception of institutions, and of the power of discretion embodied and exercised by officials’ (fieldwork notes, June 10, 2002). I just happened to be there in one instance, while they face this behaviour perhaps more frequently.

8.2 EXPERIENCES OF POVERTY

8.2.1 The Urban-Rural Divide

Experience of poverty varied between respondents from the urban areas and those from the rural areas.

On the way from Tirana, while driving up on the hill near Elbasan, a big dark grey industrial cloud was shadowing over the city. Entering Librazhd, one couldn’t but feel saddened by the view. Buildings were corroded to the point of collapse. A few people, mostly young, were ambling on the sun and dust blasted streets. A couple of bars were open, but empty. There was no electricity. The water had been running twice a day for one hour. The air hung with the spectre of depression; it was as if time had stopped in some dark moment. At the end of the stairs of the local government building an old woman was selling bananas placed on top of a box not high from the ground. Had
she ever imagined that, instead of enjoying her pension as she would have had under communism, she would be out in the street?

In the café opposite the office building, the noise of a generator couldn’t have been more aggravating; yet, it didn’t seem to bother anyone. It was a ‘music’ that, although I had lived with it myself before, seemed far forgotten. There was a time after 1990 in Albania when almost every building and every shop used to have a noise-making generator either for electricity or for water. Even the building of the Prime Minister had one. It felt like life itself needed one to keep it going! That, I felt was the Albanian leitmotif - dust and generator’s music.

Geography matters! Respondents felt that they were poor because of limited resources, exacerbated by where they lived. For example, in the villages, people said that the nearer they were to the city the better life would be. The same applied to the country’s borders. Opportunities for those living near the border of, and able to migrate to, Greece (or near the coast for passage to Italy) were felt to be better than the chances of those bordering Montenegro to the north. Chances for prosperity in northern mountainous villages were felt to be less compared to the southern rural areas by all groups.

Poverty of place! Librazhd seems to illustrate place poverty. Here people felt their poverty to be higher in comparison to the rural areas, citing high taxes, high living costs and a deficiency of assets, such as land, of which to take advantage. At the same time they felt disadvantaged compared to bigger cities such as Tirana or Elbasan, which experienced more positive development in hospitals, schools and other services.

8.2.2 Gendered Poverty

Perceptions and experiences of poverty varied within households. When in a participatory exercise people were asked to prioritise their needs, their ranking varied between members of the family. Their priorities reflected their most important needs, which again emphasised the multidimensional nature of poverty. While women in the village study sites ranked drinking water facilities in the house, men ranked employment, while young people ranked migration.
Women in rural areas felt they worked extremely hard and were as a result 'exhausted'. To some extent this was seen as due to the patriarchal nature of Albanian society. They worked the land, gathered herbs in the mountain, took care of the animals, worked in the house, fetched water, took care of the children and the elderly in the house and did all the cooking, while men were 'looking for day jobs' in the city. During focus groups in Mnele e Vogel, men recognised that rural women worked more than them, humorously mentioning the old anecdote: 'Men under the shade, play and chat, ashamed they should be as they live due to women.\(^5\)

The unequal share of work is mirrored by the unequal perception of its value; a woman's work not being perceived as being as vital as the work of a man who brings money home. Yet, most of the women in interviews accepted their traditional role to a large degree. Women from urban areas mentioned their total dependence on their husbands' income, especially when unemployed. In urban areas the dearth of childcare facilities, and the coupled high and rising costs of such services where they do exist, made women stay at home.

There was a distinctive difference between the way poverty was experienced by men and women. Men were ashamed of not being able to provide for the family - hence their greatest expressed need was for employment, while women expressed more worries on being unable to feed the family or take children to school without feeling left out from their communities.

'A man would be called humiliated\(^6\) if he doesn't provide for his family, at least he has to keep trying.' (Toma)

Respondents, mostly women, felt that gender can be a factor that leads to different allocation of resources or distribution of income, especially as it is 'the head of the family' who is often the 'husband' who has the right to claim and receive the benefit on behalf of the family. Women's sacrifice was obviously not equalled by the perceptions of men. One of the respondents, for example, recognised that her husband 'likes to have a tipple', even borrowing money to do so. Feeling powerless to change 'her fate',

\(^5\) The Albanian proverb goes: 'Burrat nen hype, lezin kuvendojne, pika qe s’u bic se nga gratie trojne'.

\(^6\) "I koritun"—is a powerful northern Albanian word for humiliation.
she blamed stress and poverty as a factor on her husband’s behaviour - ‘otherwise he wouldn’t be like that. He feels ashamed going out with his friends and not having some money for a drink; I mean, he is a man, he needs to go out with his friends, he needs his money. It is different for us women, we don’t go out’. It was felt that people have nothing to do, have no work, have no hope or faith that things can change, hence are driven to desperation under the stress of poverty and humiliation. ‘If I knew my life would be like this, and if I had a choice, I would wish I wasn’t born!’ (Group Discussion 2). In one of the interviews, a woman said she didn’t know how much the salary of her husband was, who being head of the village and living in obviously better conditions, did not need EA.

8.2.3 Age and Poverty

Within households, experiences of poverty varied according to age. For example, children felt poor when not wearing enough clothes or not getting enough food. Toni was one of them. It was a happy day at his house. He was sitting, grabbing food with bare hands from a frying pan on the ground. His father had been lucky. He had found a day job and with the money, he had bought bread and eggs. Toni kept eating as if he had never seen food before in his life. The little boy – his father said, had not eaten bread with eggs for a long time. Toni sold cigarettes by day, going from one shop to another, his money being a contribution to the family income. It seemed his father relied on him, since jobs were few in the city. He rushed to finish the meal and get back to selling cigarettes. He didn’t like school, particularly mathematics, but he knew very well the value of money. He was only 10 years old. (Fieldwork notes, 2002). Most young respondents felt hopeless about their future. They felt they couldn’t have a vision about life, nor did they have an aspiration. Their only hope was to migrate.

‘I don’t know what to do here. There are no jobs, no future. We are wasting ours days in the hope that something can change after each election. I will go abroad like all my friends.’ (Ylli)

Young couples with small children were identified by respondents from this study group as being more at risk of poverty than others. They are not given any help as
new families; hence, they tend to live in big families of three generations. In such a way, both young families and their pensioner parents can rely on joint income and support. In the villages, that was one of the main reasons people live together. In that way, land was not split in smaller parts. They used one living room to keep expenses low. Respondents in Librazhd expressed fear about the future of their children, who, due to unemployment, end up in the streets, making them prone to criminal elements, who seem able to offer other, brighter horizons.

'I worry about my sons; they are young, real gentlemen, good looking and strong like oaks. But they are spending their days wandering the boulevard, they end up in the arcades and gaming shops. I fear I will lose them and all because there is nothing here for them.' (Maliq)

In contrast, there are those groups that are considered too old for the labour market, such as those near pension age, or those that have retired but do not have enough to live on. Both groups, however, eagerly seek work.

'I have worked all my life, and the pension I get now is not enough even for buying medication. I feel like a burden to my son and his family.' (Petrit)

Poverty for old people seemed especially acute in the villages, and affects each generation of the family. Tradition dictates, once married, girls move to their husband’s house, inheriting no assets from their family. On the other hand, parents are left with lessening support and are less able to make use of their assets, such as land, increasing their vulnerability to poverty. The same applies to families whose children have migrated abroad. The burden of poverty is considerable on the elderly, who then survive by exercising thrift on an already tight budget.

8.2.4 Social Networks: Investigating Coping Mechanisms

Informal Institutions

While poverty is perceived as detrimental to people’s lives, many coping mechanisms have been developed, most of which fall outside the remit of Governmental support.
All respondents pointed to the importance of social networks. In rural areas, the key to survival was considered to be the clan nature of village life. Such bonds are not so readily apparent in the city; the urban life being less static, kinship and extended families are maintained with more difficulty. Still, even here, the extended family has been the strongest and most faithful institution in Albania. The following statements, extracted from group discussions, show that the traditional extended family has been the first source of safety net against the burden of poverty.

'We tend to stay together, as it is easier; we spend less in housing or electricity and, we work together. I have shared my home with my two other brothers. The three families have always worked and stayed together. If any of our sons or us wants to go away, he will take with him his portion of everything, the land, the house, the money, the livelihoods, but it won't be easy for a young family, once they have children.' (Group discussion 3)

'Gjon and Trina have been married since when they were 16, it was an arranged marriage. They are now around their seventies; unfortunately, they could not have a son. They are too old to work on their land and their land is not fertile. We have helped them grow some onions, but can they live on onions? We all give them something. I cooked some beans today, so will save a portion for them. Ah! Life is so cruel.'

'Thank God I have good relations with my extended family. I borrow money from my Mom and my brothers to feed my children. It is such a shame, because my Mom is a pensioner, but what can I do? I keep telling them I will pay back one day...' (Group discussion 1)

It is, indeed, because of the strong family ties that the Albanian migration is of a special nature and impact. Remittances from migrants seemed to have helped people cope with poverty much more than cash benefits offered by the Government. However, it cannot be considered a stable or long-term source of income, migration being contingent upon the vagaries of the performance of foreign economies and policies on immigration, or
being illegal. Most people had used their income from remittances in either day to day survival, or restoration of their houses, such as for example, building an inside toilet in village houses, or adding a small room to existing flats in urban areas.

Formal Institutions

Respondents were asked what institutions have played a role in their lives and helped them cope with poverty. All of them identified help given by NGO’s as playing an important role, although their perspectives varied. In the rural study sites, the impact of community organisations such Oxfam was pronounced, notably in the help given in establishing herb associations, bee cultivation and permaculture production. In the urban study sites people could not name individual NGO’s, though they were aware of their existence. This is perhaps because help had consisted in receiving aid food from the Government, delivered by NGO’s.

'We get some help from some organisation that is on the other street (pointing in a general direction). They give us flour, 2 bottles of cooking oil and 6 kilos of beans. Every two months. Not bad.' (Hane)

Sometimes even the help provided is of such poor quality that people cannot even make use of it.

'I got flour this month and it was horrible, it smelled of petrol. I still have it, we couldn’t eat it, we were vomiting every time we tried to eat bread made out of it, but what can we do, we can’t complain, as they say don’t look a gift horse in the mouth.' (Kozeta)

'I was given some five hundred breeze blocks to build a room because I live almost in the open air. But how can I build it? It needs cement, steel joists - it needs materials. Where can I find them? It is a waste because I can’t make a house. I live with my four children.' (Trendafile)

In other areas aid provided by NGO’s or DO’s was not even directed at the poor. In one of the villages visited during the preliminary selection of study sites, a school was
built in the village by an influential organisation. Yet, after a few months nothing had been handed to the commune. The building had remained closed and no one in the village knew what was going to happen to it.

NGO’s seemed to be working on a relief basis and on a small scale. The impact of their work varied - sometimes even leaving people vulnerable and disappointed. This was reflected, especially, in the urban respondents, who, initially, were reluctant to talk about them, commenting that so many organisations come and go, ask them about poverty and then disappear. Immediately, after the fall of the communist system several international organisations entered the country on short term projects and, once their funding ran out, people felt they were left worse than before, because their hopes and expectations had been raised. Respondents expressed an ‘NGO fatigue’ and felt they were the ‘guinea pig’ to organisations, which came with their own agenda and version of reality, using people ‘for their studies, asking us what we wanted and then leaving saying they didn’t have money for what we had identified as priorities’ (Tana).

The following section will investigate the evaluation of Government institutions and their policies.

8.3 Evaluating the State Response to Poverty

There are always people outside the Economic Aid office in Librazhd. Those that in common parlance are called ‘hallexhinj’ – a word for those experiencing so many problems that it moves one to pity. It was true that it would not be a problem to find recipients of Economic Aid. As one of the local officials had reassured me, ‘they are always hanging around here.’ Faced with a lack of jobs, lack of ‘a reason to wake up in the mornings’, people desperately were hanging out in small groups, perhaps to share their worries and feel that they were not the only ones struggling to survive. Given the scale of the problem in the country, there was hope that their plight would not be overlooked, ‘something will get done, they can’t ignore us forever’.

Such statements posed ethical issues to the researcher.
8.3.1 Kept in the Dark - The Power of Information

The amount of money that people received as economic aid varied enormously between families and from month to month. Payments varied from 400 Lek (£2) to 3000 Lek (£15) per month. Yet, none of the respondents knew how the scheme operated or how their benefits were calculated. One of the respondents in Librazhd, Fetah, a 42 year old man, expressed his confusion about the amount of cash he receives every month, while another man asks for help:

‘My family is made of five members, but I am separated from my wife and I live with my son who is 18. I am given Economic Aid, one month 2100 Lek, another month 2500 Lek, this month 1700 Lek. I don’t understand why they change; I don’t understand how it works.’

‘I don’t know how the Government decides. Maybe you should ask them, and if they tell you, you can then tell us!’ (Pajtim intervenes smiling).

Head of a family of six, Shaban, 57 years old, finds it equally frustrating. He lives with his wife and four children, three sons and a daughter of school age, while his two eldest daughters who are married help them every now and then.

‘I think Economic Aid is decided as it suits those Madams; some are given full aid, some are given partial aid, some get 30 percent, some 40 percent, some get 50 percent of something. What do we know? As they say, some are of the mother, some are of the father and some are of the stepmother; they decide over there (pointing at the window of the office), and only they know why!’

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8 When respondents were asked to evaluate Government policies, they always referred to the Government as ‘the state’ making no difference between the two.
9 ‘Madame’ - the term here is used sarcastically to show deep dissatisfaction with the person in charge – the women in charge of the cash allocation.
10 The proverb in Albanian is used to illustrate differentiation in treatment: the mother would favour her child the most while the stepmother the least.
When asked whether they had tried to ask the officer in charge at the Economic Aid office about how the allocation of money was done and how it varied every month, all of the interviewees hit back, as much with sarcasm as with fury.

'Young lady, if you have time to waste go and ask them, and you will see with your own eyes. I have asked, because I need to plan for each month - how much I can borrow and how much I can pay back. But nobody gives me any explanation. Absolutely nothing! Absolutely! If you don't have other work to do go and ask! All I have heard so far is that they don't know themselves. Who knows then? Does the Prime Minister know?' (Pajtim)

'Have you asked why? (repeating the question sarcastically) – Of course I have done in the past, and it was a mistake and you know why, because they told me: Go or I will make sure you don't even get this! That is their attitude! Who is that brave to face them?' (Shefqet)

Other respondents from both rural and urban areas added more to their confusion in trying to second-guess what the formula for benefit might be, finally giving up hope that perhaps they could be told one day. When asked to explain why they thought they were kept in dark about their own benefits, over half of the interviewees, mostly from the urban areas, hinted at corruption.

'Who knows, maybe they get the money for themselves, maybe they give it to those who don't need it, their cousins or friends.' (Maliq)

One of the respondents from the rural areas said that the village head prepares all the lists of the families in need, but 'It has never been enough for all the families.'

'We were told there is no money. but as for how it is done don't ask me. I don't know what to say. I get what they give me and I don't ask questions. It is their work. I don't dare to ask, when I have four children to feed.' (Drita)
A Little Something For Them...

The appearance of corruption is fostered by the highly bureaucratic nature of the scheme and its restructuring, which pile confusion on to the applicants.

'We have to prove constantly that we don’t have enough income, we have to fill in self-declaration forms every month. Before it used to be decided here in the city, now they have centralised the procedures again. For example, I get disability benefit and Economic Aid. In September, I will be tested again to prove my disability.' (Ylli)

'As if there were not enough bureaucrats here, they have transferred the decision to Elbasan. So we submit the documents here, they (local officers) send them to Elbasan to fix them (sarcastic remark), then Elbasani officers send them back. In a word, first these here (officials) will have a bite, and then the ones in Elbasan too. Whereas for us, it doesn’t matter that we will have to pay more people now, not just one like before, and will spend our time following them like dogs asking when our documents will be back, so that we can get some aid.' (Enver)

Intrigued by the statements that people had to pay bribes to get what they are entitled to, respondents were asked if they had paid, and if yes, why did they pay and would they pay given the need to in the future? In the city, all respondents said that they had paid at least once to secure what should have been given to them as a right, at either the Economic Aid office or other local government offices. They all said they would pay again if they were pressured because there was no other choice; but they refused to be exact on the amount of money they had paid in the past. Instead, they used the term 'something'.

'There have been cases when people have had to wait eight months for their documents to arrive. During this time entitlement is stopped. I know some families from the villages around like Zdrava have been waiting for their

Of course, these corruption allegations shouldn’t be taken solely at face value and one must consider other possibilities, such as collusion, with applicants offering money to pass ineligible or false claims.
documents for two years now. The first month one is not even allowed to complain by law. After that, we end up spending our days here waiting for an answer, like you found us now.' (Qemal)

Quite a few respondents reported that they were told there was no right to appeal decisions or to complain about officials; the legislation however does give these rights, suggesting there may be all or any of idiosyncratic local interpretations of the law, a weak declaration, monitoring and implementation of national standards, or misinformation of claimants, for whatever reason.

'What else can we do, where could we find our rights? In this system, our rights don’t count. Yes, I would pay to feed my children; you have to give them something - if not here, then the next office.' (Kosta)

While in urban areas people expressed their views very emotionally, in the rural areas these issues were seen more as favours and taken with a bit of humour, which perhaps explains the desperate situation in which the poor people are in a de-industrialised city like Librazhd, not having social structures to fall back on.

'If you happen to be a good friend of the village leader, you will not suffer.' (Rrema)

Such comments were made when interviewed not in the presence of the village chief, as the tone was noticed to be different when the kryeplak\(^\text{12}\) was present. Of course, when the kryeplak was interviewed at his home, people around him were likely to be his friends, hence no negative comments were received. The language used was slightly different when no village leaders were around. In one of the villages there was a clear difference between the houses of the poor and the wealthy house of the kryeplak, which, as I was told, was thanks to his sons’ migration to Greece.

\(^\text{12}\) ‘Kryeplak’ - the village chief - which translates the chief of the elderly, is traditionally a respected member of the village, whose reputation is either due to high education, wise actions, old age which in the Albanian culture is associated with maturity, or a combination of all.
Institutional Bureaucracy

People felt at a loss when trying to make sense of why they are unable to resolve claim issues locally. Decisions had been re-centralised at the time of this research, to give power to Prefectures at a time when the Government has an espoused strategy of decentralisation. This has been seen as a political move when power in local Government was in the hands of a different political party than that of the CG. Introducing the Prefectures, and collating the information from rural and urban areas in one regional office had created other barriers for the poor, who were in desperate need and now located far from the decision makers. Marina, 42, felt it was frustrating that institutions were becoming even more inaccessible due to new regulations introduced.

"For every problem you have to go to Elbasan: social insurance, economic aid, permission to do any activity. I have two little daughters, I need to travel there, and it costs money and there is no guarantee I can find the person in charge, most likely not. Then either I have to stay there for the night which is expensive or come back and go again another day. They seem to make it so difficult it's almost not worth the money!"

Centralising and decentralising processes have been quite common in Albanian modes of governance, always affected by the change in the political power. It was felt that people were pushed into choosing tactical voting. To avoid being cut out of the lists of benefits, people were aware that voting for the same party in the local elections as the one that is leading the central Government would in return keep their benefits going. Respondents claimed to be aware of previous cases when local budgets had shrunk due to party politics.

On the other hand, this information is likely to have been used by the political parties to exercise their power over the vulnerable and poor regions in the country. Even with the process of decentralisation, it was felt that nothing much had changed since the power was yet again in 'officials hands' but the novelty was that now the 'officials' could be local also.
Responsibility for the lack of transparency and introduction of new rules on the delivery of the scheme seemed to be directed as much to the people in charge as it was to the design of the scheme. Some of the problems identified with the scheme were what one of the respondents called crazy rules.

8.3.2 Crazy Rules

Unhappiness with the scheme starts from the early stages of needs assessment. The scheme according to people's perspectives started on the wrong foot, creating tensions and making them feel stigmatised. Many families were automatically excluded from the scheme because they had 'assets' that a poor family was not meant to be able to afford and whose 'value' disqualified them from the scheme. Such items included a TV, fridge, radio and washing machine. The purpose of the asset test was to carefully target those most in need, and exclude the undeserving.

'They were coming home and asking me: so you had money to buy a satellite, how come you don't have money to feed your family? Every time I had to try to convince that it was a gift and I could not have refused or asked for money instead. And then, why don't we have a right to entertain our children on something that for others is taken for granted? You know, a satellite dish, everybody had one. It was our first connection to the outside world.' (Enver)

'I felt ashamed and humiliated by those interrogative sessions. I had rather preferred not to be given that bloody aid, but, kids, when you have kids you end up doing things you would have never imagined you could do, even accept humiliation. You know our elders used to say: What a child can do to you, not even God can do.' (Maliq)

'There was a saying before (under communism) that the Party knows the state of the teeth in your mouth. But I think for this current Government even that isn't enough.' (Shefqet)

13 A non depreciated book value.
14 The Albanian proverb - C'ye ben femija sta ben as perendial - is a very common saying to illustrate things people would go through just because of or for their children.
As respondents pointed out, even though the local data were collected and the programmes were delivered by local officials it did not reflect the local standard of life. Household items should not have counted towards the elimination criteria for the scheme, as it did not correlate subsequently to people’s ability to purchase.

You Can’t Stay and You Can’t Go

Respondents felt that another bad regulation was the requirement that eligible recipients needed to have been living in the same area since 1993. At a time when internal migration has affected on average one in three households, leading to a massive population shift from rural to urban areas and from small towns to big cities, people felt such regulations limited their right to move freely and to be entitled to EA based on need:

‘They keep introducing nuisances like this everyday. If we stay here, both my wife and I are unemployed and poor, and the money they give us is not enough for our family of five. If we leave to move somewhere, elsewhere that there might be hope to find a job, they exclude my family from the Economic Aid. So we are stuck here, living on the crumbs they give us.’ (Group discussion)

Bearing in mind the high rate of informal settlements, such a rule might have a two-sided effect. On one hand, people do not register in the new settlements, rightly fearing they would lose their benefits because the system is set up in such a way. On the other hand, by not registering they automatically are excluded from the services that, instead, should be accessible to them, to help them in the new settlements and establish themselves in the new community of residence. Instead, they live a go-between life, from the old to the new place, chained by schemes that are meant to help them.

Typical examples of the existence of such phenomena could be found in the outskirts of Tirana. Bathore was one of the new settlements completely populated by informal settlers that migrated mainly from northeast and rural areas of Albania. It is now part of the greater Tirana. Bathore was not inhabited before; hence, public services were completely absent. Having previously established links with local residents during a workshop held in 2000 on behalf of Oxfam, I went back to visit a few families during
the empirical research. While walking through the long road of endless new settlements under the burning sun and the dust raised by the steps, a few children, badly dressed and covered in road dust were playing near a bunker. Not much had changed there since my last visit. From both sides of the road a web of cables informally connected a few houses to the electricity pylon. In 2002, the situation was disturbingly the same as it had been during an energy crisis of 1993. In Bathore, Pjeter’s and Hajrije’s house was on the right hand side of the road. A very modest, unfinished building, built very cheaply by Pjeter himself. There was no electricity most of the time and they carried water from the other side of the road. There were no pipelines near their house. The family had moved from the mountainous rural areas of Malesi e Madhe, after 1994. They lived there with their two daughters; the eldest one, 12 years old, was not sent to school due to its long distance and the route being unsafe. Their son, just 16, was the eternal would-be emigrant, counting the days until he could escape.

Pjeter spent the days in the city looking for jobs. Partizani I panjohur - the square next to the statue of the Unknown Partisan - has been, ever since transition, the domain of day workers. Men of all ages, all under-or-unemployed, hang around praying that some rich businessman will stop their expensive car and call for them, the builder, the technician, the tile worker. So did Pjeter, everyday. While before he used to spend his days working the land and facing the top of the mountain, in the city he prayed for a job facing everyday the tall buildings of the dusty noisy city, competing with 200 other men who were also desperate. Most of the days this turned out to be a waste of time.

His wife, Hajrije, was unemployed. She did the housework. They moved to Bathore from the fear of being forgotten far in the north and hoping to be nearer where opportunities were, but it hadn’t been easy. The rest of the family, Pjeter’s parents and his second son, were left on their own in the village, where at least they could keep a cow and a few chickens. The elderly were artificially formally separated from their family, to enable Pjeter’s family to move to Tirana. This way, Pjeter’s parents could still receive partial EA on which the migrant family could rely, as after they moved to Bathore, their Economic Aid was suspended. Seeing the minimal EA on

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One of Hoxha’s legacy of bunkers.

Poverty and Anti-Poverty Programmes in Europe
offer and the hassle his parents had to go through to receive it, Pjeter's family tried to register in Bathore, but the process of registration, they said, was complicated and the bureaucracy impenetrable. They hoped to start a family business, but no institution would give them a loan, as they had nothing to put as a guarantee. Their house was illegal anyway.

Not only had the family not found any support from Government, but also they lost their support network, as nobody else could help them, unlike back in the village. Every family was in almost the same condition, struggling to cope with no help. As Hajrije, sadly stated:

'There is nothing worse than this. We were forgotten up north. We are ignored here. The state has closed all doors for us. What can we do? We tried to make a life, for ourselves, for our children, but they punished us by cutting our benefits, they don't register us here, they don't want us. I go everyday to the municipality, pleading for help, they say they will see what they can do. Do they want us to die before they start to notice us? Maybe these organisations (NGOs) will do something. For now, the only hope we have is to move again, this time to Italy. My husband has cousins there, they will help us.'

The Migration Penalty

While the research was taking place, the Government of Albania introduced new criteria for benefit eligibility. Over the years successive Governments have tried to update their policies so that they reflect changes in the society, but respondents expressed disbelief at the continuation of introducing even more crazy rules. Such an example was the migrating member criterion, whereby families that have at least one member abroad would immediately be excluded from the benefit scheme. The rule didn't apply to student migrants or those that were sent for hospitalisation by the Government.

People's responses ridiculed the new criteria, even when they themselves did not have a family member abroad. They gave examples of the risks related to external...
migrations, emphasising the lack of security, the illegal nature of such desperate attempts, and other issues related to short-term seasonal migration.

'It makes no sense. My sons have tried to emigrate 4-5 times now, to Greece during harvesting time. Each time they have been captured, tortured by the police there, and sent back. They are only 16 years old. Not only have they not managed to bring any money home, but I have got into more debts to give them some cash for the road.' (Rrapi)

'I don't agree with this rule, I have migrated many times to Greece, always, always from the mountains, illegally, with my brother. The worst was in 1994, my third time. It was winter, and while climbing the mountain from our side of the border, I slipped and fell in a hole and broke my leg, and couldn't move. It was snowing and freezing cold. We decided to continue, but, only I know at what cost, I washed the mountain with blood...!' (Group discussion 2)

'I still cannot believe that I survived... After two months the Greek police caught us and we were sent back like a postal package. I could have died there, so many people have. Is a person's life equal to some rules? How can a family be excluded on that basis?' (ibid.)

'I don't have any family member abroad and I don't mind. I think maybe they are trying to give more money to those most in need. But, I think it is not reflecting the reality here; migration is not secure. Nothing is secure here. This criterion is one of those things that has been decided up there, from people who have no idea what it means to live here.' (Group discussion 3)

Some of the urban respondents even mentioned that maybe they will go on demonstrations to have this principle ruled out. While mass migration seems to be as much a source of income as it is a life risk, due to its mostly illegal nature, the poor families are the ones most at risk. They can't afford to buy visas to travel; hence, they try the cheapest ways via the mountains to Greece. Others borrow and pay for illegal speed boats that in many cases have led to tragedies in the Otranto Strait. Government
policies are perceived as working against promotion of the benefits of migration and served as a punishment to the poor for trying to get out of their situation.

As much as migration seems to be a mechanism that has helped people cope with poverty, it is not guaranteed and it is quite often a dream not come true.

‘When I thought of migrating to the USA, I was told the roads were paved in gold... when I went there, I discovered three main things: First, roads were not paved in gold, second, they were not paved at all and third, I was expected to pave them.’ (Anglo-Albanian Association, 2003)

**All Parties, Guilty as Charged**

The procedure of validating the claims from the families to receive Economic Aid involves a thorough cross checking of data from local offices in all institutions that hold information that might relate to any form of income generation from individuals. This includes the tax office for private business or other incomes, the car registration office, the national insurance office. Once the claimant has been cleared then Economic Aid is approved.

Few of the respondents stated that they had at different times either engaged themselves, or knew of people, in undeclared day or even seasonal jobs, based on mutual agreements with employers. In the short run, both parties benefit in cash. The employer is interested because they don’t have to pay social insurance contributions, which is obligatory by law. The employee, usually underpaid, receives cash that is not taxed and at the same time, Economic Aid continues.

‘You will think that we are being greedy, but I tell you, even when I worked at this shoe company, the money I would get didn’t allow me to pay all the debts, I was still poor, how could I have come open and clean and throw away that money, everybody does that, why should I be stupid? It is not a long term guarantee. They only kept me two months. If I am expelled from the Economic Aid, they will never let me back. If I had a proper job, or enough cash I wouldn’t lie. and I would rather want a job more than anything else, but
there is no security in this country.’ (Group discussion 1)

It is indisputable that some, perhaps many, Economic Aid recipients do work – with the risk of losing their right to it. From the perspective of the poor, the Government is displaying double standards: wanting to promote growth, and raise tax and social insurance revenues through increased employment, all of which would decrease the Social Assistance and Unemployment bill. However, rather than clamping down on the many evasive businesses that offer mostly informal work, they have concentrated on enforcing powers solely against SA offenders, as yet the most vulnerable. Such an approach has been limited to exclusion measures, rather than coordinating efforts with the business community to create employment opportunities for people and give them incentives to work and register. Hence penalising instead of motivating has been the driving force behind the conceptualisation and implementation of social policies in Albania.

From the perspective of the respondents officially considered poor, interviews revealed that the EA set an ‘informal minimum wage’ in urban areas: that is, respondents would not undertake cash-in-hand informal work that was not better paid than the full amount of EA they received. For formal work, they expected to earn considerably higher again.

*The Deserving Poor*

There had been attempts by MOLSA to introduce public works to those eligible for benefits. If they wanted to receive assistance, they had to be engaged in community works. Otherwise all their benefits would be stopped. This attempt did not succeed and was criticised on many counts. First, because gains from such initiatives did not contribute enormously to a considerable increase of incomes for the families, enough to make them want to undertake such works. Secondly, there were no provisions such as help for childcare. Yet while it seemed it became history, pilot projects were attempted. Even though part of the Government policies before 2004, the Democratic Party after winning the national elections in 2005 introduced the concept as a novelty, part of its new social platform. It keeps being introduced as a measure to cut down on abuse, on the belief that those really in need will take up public works, while others
who have other sources of income will leave. Respondents felt those works did not benefit them.

'Those programmes were ridiculous; they asked us to work all day, for almost the same amount of benefit as when we were not working. We tried that for some time, but it was frustrating. If I was working, I wanted to be paid fairly, why did I have to be forced to spend my time and energy on a work that does not provide me the necessary income that I deserve and for the skills that I have.' (Group discussions 6)

People chose not to participate in community works, feeling that their contribution was unfairly recompensed. Respondents said that they were asked to work on things that were provided to others as a basic service; ultimately they preferred to place family over community.

'We villagers are asked to participate in community works, to bring the water close to the centre of the village, so that everyone can benefit. Yes, we would want that, but we have been conditioned to work on that if we want to receive EA. Why can't we have these services as they have them in the cities? They have running water in every home, and the state provides that, without asking them to work. Why are we treated differently? Those better off than us here have bought private wells for their homes and are not interested in joint work. I want to think of my family.' (Group discussions 5)

8.3.3 Is Economic Aid Adequate?

Respondents were asked whether the benefit was enough for them to cover essential needs. One hundred percent of respondents said that it was absolutely not enough. While life had become expensive year by year, the economic benefit allocations had gone down, making it difficult for families to live on.

'What's enough? See where I live, do you think if it was enough I would live

\[\text{In a very different spirit to the massive programme of public works undertaken from 1945. cf Chapter 4.}\]
like this? I get 400 Lek a month, and I have to pay 1200 Lek for the electricity connection (a year), when all I have in this hovel is a lamp, no TV, no fridge, nothing else. I can not even feed myself.’ (rural family visit)

‘Absolutely not enough! After three days it is gone. I borrow where I can, to pay bills and to feed myself. It is a miserable life, not being able to feed your family. We are grateful even for that, 3 days, 3 days, but it is not enough to live, it’s not enough even to die.’ (urban family visit)

Myrto’s house is on top of a hill. While the beauty of the mountains and rivers is captivating, the small four-wall home represents a sad picture. He is 66 years old, his wife Naje, 65, but they looked much older and tired. They have three daughters, all married. What they use as a house has no ceiling; instead it is covered by webbed canes that let light in to break on the dirt floor. There is only one room lit by one small bulb, on the left there is an old hand-made cupboard and on top of that a radio that has never been used, a present from their migrant nephew. On the right, bedding was rounded up to allow space for people to sit. While interviews were taking place, a rooster accompanied the conversations with its regular crowing.

Myrto, sat next to the wall, and with slow motions and trembling hands took his metallic tobacco box, opened it and started rolling a cigarette. His face has the deepest lines I have ever seen and his hands were rough. Flies danced around his motioning hands, but he patiently continued rolling like nothing else mattered, nodding his head with the deepest and saddest look: a man carrying the worries of the world. He finished rolling the cigarette and offered it to the guest next to him, and immediately started making another one. He did not say a word! He listened to the people that were sitting around, and kept nodding.

Naje, offered everybody the traditional drink, raki, and insisted that everybody take two sweets not just one, because everybody has two feet that enabled them to visit their modest house. She spoke about their life, how she buys the sweets with the cents from Economic Aid the very first day they receive it, because she doesn’t want her
house to ever be without them. At least she felt sweets wouldn’t fail her: ‘It is very sad our life, we try to sweeten it up a bit.’

At her age and with no sons, they still had to work the land and survive on the little milk and eggs they could get – ‘but it is never enough.’ Other families in the village often gave them food, clothes or soaps because they felt pity for an ‘old couple that God and man fated with such a bad life’; as they said, they ‘work a lot and eat a little’. They had never been outside their village; they had never seen the capital. As Naje said, they will ‘work till their last breath’ as that was their fate. Outside their room, a small two-sided blanket covers the toilet. While we leave, they happily pose for us. They still have a smile in their eyes, the sad smile of poverty! 17

Among all respondents, despite acknowledging the value of any kind of assistance, people express unhappiness and consider EA as being of minimal impact:

‘I have two little kids, my wife is unemployed, I am unemployed. I receive Economic Aid and unemployment benefits, which is sometimes 2,300 Lek, sometimes 1,700 Lek, and nobody even bothers to tell me why it changes, I don’t know what to expect any more, I don’t know what the next month brings, how much, how long I will survive with that. I keep buying food by list, or borrow money or eat meals at my mother.’ I am ashamed in front of my kids. I am ashamed. I don’t want this damned money, I want a job, I am only 37 years old, I can work, any job, I want to earn my money, but where? Just look around we live in a ghost city, forgotten by all.’ (Drin)

In the villages, the perception of the amount of Economic Aid was similar:

‘I get this money which only pays for the electricity. I have received it for some years now. Am I better off? No! Because they cannot understand that this is not helping us. They come here only at election time and promise they will combine aid with investments in roads and transport facilities, so that we can sell our products in town. They never appear again.’ (Group discussion)
There was a small village in the Malesi e Madhe where there was not a single shop, only a few families lived there and they did not even know where to use the cash. The road to the city to buy food was far and difficult. One person might travel once a month to town to get items such as soaps and sugar for the rest of the village.

In the rural areas people point to their own arms when asked how they cope.

'I have only God and my arms to thank that I have survived, and I will survive as long as I am in good health to work. As for the Economic Aid, they are just kidding us. We don't have electricity here most of the year, and yet, we use the EA to pay electricity bills, if that can be called help for escaping poverty' (Family visit).

'Don't even mention the state to me. They have never thought of us and never will; their help is a lie. I don't believe them because they have always lied to us. I hope God gives me energy to work and not remain in their hands.' (Group discussion)

In the urban areas, a few respondents expressed clear feelings of anger when asked to rank and assess the Economic Aid. They felt they were abused for political reasons, so that whoever is in Government has a justification for what they are doing to the poor. Economic Aid was considered a minimal effort for politicians to say that they have programmes with a human face. The Economic Aid has clearly helped people provide a few necessities for only a small part of the month, but it has failed to respond closely to their needs and, in what is an important policy implication, it has been designed without considering the real needs or the long term plight of the poor. Not one respondent could identify anyone who has moved on from the scheme because of an improvement in their living standards due to Economic Aid.

Still Poor, but Better Off?
Responses were ambiguous concerning whether people are better off than they were during communism. All but two respondents agreed that they are poor today, but better off than under the previous regime. Levels of poverty are expressed in the last decade
as deep and increasing inequalities. The word better includes, happier, freer, more assets, more property, freedom to move etc. These responses are absolute in the rural areas, where people see communism as the system that took away the land in which they were trained to live and work. They work much more today, they feel poor but better. In the cities, people shared different opinions. The few respondents that said that they were better in the previous regime were from the urban areas. They said they had job security and that living standards were under control under communism. All respondents from the rural areas categorically refused even to mention the previous regime.

'Before my salary was only 328 Lek and I could live, everything was different. I think it was better, I could cope every month, whereas in this regime I can't even buy food: tomatoes yesterday were L225 per kg, today in the morning L400, in the afternoon the price goes to L300. I mean, they put the prices as they please and it is the same for everything; sugar, oil, electricity. And my assistance can hardly cover anything. In the 80's, I had my kidney removed. I went to the committee office to apply for a job and within 10 days, I was given a job - in only ten days! I worked there until 1991 when they threw me in the streets and since then I have been unemployed.' (group discussion 4)

'I don't know. Difficult question! I think I was better, maybe because everyone was the same, and I could afford to buy enough food for the month with my salary, whereas now I can not.' (ibid.)

The fact that respondents from rural areas were categorically against the previous regime might be related to land ownership as much as to political belonging. It is known that the northern areas are supportive of the Democratic Party against the socialist that was seen as a continuation of the PLA and seen more related to the south. Other people still complained that they have been left unhappy by both systems, mainly those that have been politically persecuted:
‘We just have different names, before we were ‘kulaks’ today we are ‘former political prisoners’ but we are left equally the same as before, poor beyond hope and imagination. I never see any MP visit us here, they only come here before elections, get our vote, go to Tirane and all they care for are their pockets.’ (Group Discussions 2)

‘Don’t ever mention communism to me. Both times are bad. I was given a loan during communism as a compensation to pay back in twenty years. In 1991, the democrats told me that I deserved the best house in the city because of my status. At the end of the day, twelve years on and I am homeless. Houses, land and properties are occupied today by the same ones that were in power before. Nothing has changed for me, they gave us nothing.’ (Shefqet)

Comparisons between the official poverty and that of the people’s perspectives show that dimensions of poverty are much wider than the Government policies admit. In a focus group in the rural study sites respondents said that as long as they have unfulfilled needs, they will be poor.

‘Before I didn’t have a fridge, and I didn’t need one because I didn’t know it existed. Now our needs have changed and unless we have the most necessary needs fulfilled we will keep dwelling on our poverty.’ (Family visit)

While it is obvious that poverty is seen and approached by the Government as lack of a minimum of income, respondents have a much wider view of the many aspects of their life that suffer as result of it. Their experience of poverty is multidimensional, and it includes social needs, the need to lead a healthy life like other fellow citizens. While most of the respondents were eager to have a job and income, one of the respondents from Librazhd said:

‘I need a holiday, like most people. I have spent my life between home and hospital where I have been treated over 70 times. I need to have a holiday before I die. to forget my worries for once, and to see how that feels.’ (Maliq)
8.3.4 NSSED - What Strategy?

Few of the respondents knew what the strategy was. Belief in the strategy, however, was very low when informed about its aims by the researcher, and it was seen as yet another empty promise. The poor did not know about the strategy, did not believe in it and discounted the strategy, without any hopes that it would benefit them. Instead, they ‘would now probably be given yet another label but not a solution.’

‘They promise all the time, they never do any thing. This is probably the same, I don’t expect it to reach us over here like most other promises haven’t in the past.’ (Group discussion 3)

Aside from the respondents that had been informed about the existence of the strategy by community based organisations, most interviewees among the REA had no idea what it meant or how and whether it would affect them, or even more, how they would participate in the strategy. The disillusionment with failed Government promises and limited impact of the NGO’s on their lives had made respondents less than hopeful that the solution to their poverty could be achieved through NSSED. Faced with the lack of opportunities to improve their living standards in the country, their best hope was migration abroad, and in that regard the European Union membership was seen as of paramount importance with visa liberalisation.

8.4 Concluding Remarks

Despite policies and institutions established to relieve poverty, after more than a decade poverty persists among households, expressing itself in more dimensions due to rising inequalities. Poverty is experienced as a fundamental prejudice! People define it in terms of assets they lack to legitimate their existence, and it reflects differences in age, gender and locality.

Government programmes aimed at helping low income families have been largely ineffective in helping the poor step out of poverty. The Economic Aid has had little to no impact on poor people’s lives and has not reflected a long-term solution for the poor. Instead, it has remained a poverty relief policy that has been designed far from...
their real needs. People feel they have no power at all to influence policies that affect their lives.

The links between Government and people are clearly top-down and not vice versa. People have no faith in the Government, nor in the state. Other institutions, such as NGO’s, have had a limited impact on people’s lives, and REA feel the nature of this help has been mostly on aid delivery rather than development. People have relied on strong informal networks. The existence of these networks has two aspects. First, it is a positive factor that has helped people overcome deadly poverty. Secondly, it has been used by the government to legitimate its limited assistance.

Poverty is experienced as a multidimensional phenomenon. It is about the individual’s power to control their life. The existence of poverty in such a diverse nature is an indicator of the type of society and mode of governance. This chapter has shown that poor people have no power to control their life. Nor do they enjoy equal rights as other citizens. Research with the families receiving economic aid raised more issues to be researched. As they themselves said when asked if they wanted to ask me any questions: ‘We have so many questions, We don’t know where to start’ (group discussions).
CHAPTER 9  NGO'S AND CIVIL SOCIETY IN ALBANIA

Introduction

This chapter investigates the perspectives of the people engaged in Non-Governmental Organisations and donor institutions operating in the realm of social protection in Albania during the post-communist transition. Following the line of previous chapters 7 and 8, it presents a narrative built around the views of the NGO respondents on poverty and anti-poverty programmes.

First, it opens with information about the domestic NGO's and the Donor agencies under study in regard to the nature of their work, areas in which they have operated and the variety of their activities.

Moving on, it investigates the perspectives of interviewees in regard to the origins of the NGO sector in Albania, and its establishment, as an integral part of civil society. An exploration of the motives of the third sector engagement leads to the investigation of the nature of these initiatives. The extent of inter-sectorial cooperation is explored, followed by respondents’ evaluations of Government policies and, in particular, the Economic Aid programme. In addition, it looks at the degree of cooperation between these organisations and Government institutions in their efforts to reduce poverty. Finally, it draws conclusions on the perspectives of NGO respondents regarding the work and operations of this sector in Albania in reference to poverty and anti-poverty programmes.
9.1 “NGO’ism” and the Development of Civil Society

Information About the Organisations in the Study

The NGO sector in Albania developed dramatically immediately after 1990, in number at least. The sector has experienced great volatility, however - the number of registered organisations has peaked at times of crisis and relaxed in periods after, with many NGO’s ceasing to exist. At the time when the first wave of research with representatives from the NGO’s took place in 2002, it was reported that there were about 700 registered organisations, while respondents firmly suggested that the real number of the operating organisations must be more than that. As of 2006, there were 350 registered local NGO’s, out of which 110 were women’s organisations alone (Qendra e Gruas informal update).

For the sake of this study organisations included in this research will be divided into three groups, reflecting the nature of their work. This division does not in any way reflect their legal status of registration; instead it is done based on the objective of their work and for the purpose of this research only.

Donor Organisations (DO)

These organisations are among the major actors advising on policy making in Albania. The coverage of their work was nationwide. They operate in two directions. First, they advise the Albanian Government on major policy issues and programmes such as national strategies on decentralization, that of poverty reduction, the national strategy on migration and that of children. Thus their work has the aim of creating the necessary environment for the development and functioning of democratic institutions.

Secondly, they fund local organisations to either study different issues or groups in need, or to operate in grassroot communities. They help in creating the operational framework in accordance with Government priorities where they exist. They are mainly international agencies known either as donor organisations (DO), such as the World Bank, or local foundations like the Open Society - Soros Foundation. For the purpose of this research five high level representatives from such institutions were interviewed.

Poverty and Anti-Poverty Programmes in Albania
Research and policy institutes (RPI)

These are mainly local research centres that carry out studies and research in areas related to poverty, development and general social problems in Albania. In many cases their studies have been commissioned by the Government through the funding of Donor Organisations. They are almost in all cases based in urban areas, with a high concentration in the capital, not far from the locations of Government or donor headquarters. Issues and groups covered by their research are nationwide. People working in these institutions are mainly academics, or have a university degree and considerable qualifications, and are considered intellectual elite. Trying to cope with low salaries, many academics are also engaged in the RPI's, either full time or part time. This sector is also attractive for part-time work for people employed in the civil service. Seven representatives from these institutes were interviewed for this study.

Non for Profit Organisations (NPOs)

NPOs include two types of organisations. First, those that work with particular groups such as women, children or youths. Their operations can be nationwide. Secondly, community-based organisations and associations whose work is focused on helping mainly poor local communities in a given location, by addressing their needs and working together for solutions. The latter are most of the time focused on small communities in need, such as poor communities in rural areas, or communities with internal migrants, resident on informal urban settlements. For this study eight NPO representatives were interviewed, of which four were from organisations working on community participation and empowerment, with a particular focus on poverty reduction, two on women’s issues, especially women’s employment and health, one in child labour, and one community-based association, set by people in a poor village to help them with the marketing of their products. People working in these institutions vary in background and qualifications.
9.1.1 The Third Sector Perspective

The need for developing a strong civil society is one of the most used and abused phrases in countries going through post-communist transition. In their aspirations for joining the ever-long dreamed Europe, these countries were put under conditions of achieving stability of institutions and guaranteed democracy (Hantrais, 2002), where the establishment of NGO’s as the most organized form of civil society became a must. Further, literature has been concerned with the growth and evolution of NGO’s roles in development and relief work, with policy issues of NGO relations with states and donors and with community based action and social change (Drabeck, 1987; Korten, 1990; Clark, 1991; Carroll, 1992; Smillie, 1995; Farrington and Bebbington, 1993; Hulme and Edwards, 1997; Fowler, 1997).

Stubbs (2000) argues that the kind of international intervention in the post-communist societies, with the idea of establishing NGOs, was a form of colonialism. In those countries, the concept of civil society was associated with the development of the NGO sector, meaning the larger the number of NGOs the better and healthier the indicators of civil society. Sampson, in his study of civil society development (2003), compares the transitional understanding of NGO’s with an almost religious belief that the NGO sector will help in creating dialogue, reconciliation and stable institutions. It is maintained that civil society was new in the post-communist world. Certainly, its terminology had nothing to do with its equivalent in the former regime. It was not the language of the women’s Party committee, the neighbourhood council, or of the factory association. It was a completely new language. How new or different in application is a subject for further research.

Government’s aim to cut the budget transfers and to move from welfare dependency programmes to self-help ones was met with by the arrival of NGO’s, whose work was expected to be on ‘enhancing human capabilities by helping people to help themselves’ (Fowler, 1998:206). In this case. NGOs were held up as a key element of human development, having in their way a comparative advantage over Government or profit making agencies as ‘instruments of civil society’ (Spiro, 1995).
When asked about their perspectives on the origins of the NGO sector in Albania, respondents from this study group gave a variety of answers. The differences expose a distinction between those that were employed in this sector and others who actively got involved from their motivation to make a change. Over 20% of the respondents in this study group said that they had no idea what NGO’s were until international consultants flew in to advise on this sector in the early 1990’s.

‘We had no idea what NGO’s were to be honest. I was working in the Ministry of Labour and foreign consultants came to advise us on what NGO’s represented, and what the role of the Ministry should be. They brought money and the Government welcomed the idea.’ (Mara, RPI)

‘Because I was involved in the Government at that time, I benefitted from being among the first to hear about the NGO sector, and the money that was to be invested there from outside. So, I called my friends and three or four of us got together and registered the organisation. I have to say it was a chance to grab some money and I used my knowledge and contacts to get funding for projects. When I was fired from the Government job, I went to work there and I have been there ever since.’ (Linda, NPO)

The rest of the respondents thought the flourishing of the NGO sector in Albania was a combination of many factors, chief among which was the external drive embedded by donor organisations that put money and emphasis on specific issues or particular target groups. One example was the huge number of women organisations that mushroomed all over Albania, due to a focus on gender oriented programmes demanded by DO’s. Even though gender aimed, they mostly worked with women, only with the rationale that women were among the groups that needed addressing. The status of women was considered a major factor in the development of civil society, regardless of the relatively high standard of emancipation and gender equality achieved in Albania during communism, where the slogan ‘women are a great force in building socialism’ was incarnated in songs and literature of that time, featuring also women in professions that had always been considered to be a men’s area.
‘It is understandable that donors have had their impact on the development of civil society organisations in Albania. They came offering huge allocations of money, they introduced a new vocabulary and in the course of this process many people might have entered purely on materialistic reasons. And you have to bear in mind the situation in Albania where unemployment was very high, that it came as a blessing for many.’ (Joe, DO)

‘The external factor explains why some NGO’s are today nonexistent, they were formed to grab some money in emergency situations and they were directed by just one person.’ (Linda, NPO)

One of the respondents, of academic background and an active citizen, categorically insisted on the absolute donor driven sector.

‘Just look at the number of women’s organisations, and all that, because donors want so, especially the Dutch, they are unscrupulous in their aim to have women’s NGO’s at all costs, even creating issues which are irrelevant. And those local NGO’s that are there for the money only, will say, yes there is need for that. This is how they create artificial problems that then need addressing.’ (Drita, NPO)

The second factor identified as important and thought to have also contributed in the complex nature of the sector was need-driven initiatives - the civil initiative of those who wanted to push forward their interests and as a result to influence policy making.

‘I see civil society as a civic engagement to critically observe those that we have voted for, and to offer constructive criticism and alternatives. We got involved in NGO’s because we believed there was a need to push for an alternative solution for our interest group.’ (Nora, NPO)

Both the internal drive and the external imposition seem to be perceived as the characteristic of the third sector in Albania by most respondents.
‘There were some people who became unemployed during transition and wanted a civil society to become employed; a few others did have a job but wanted to bring some changes, and there were of course those who had no clue about civil society, NGO’s or anything else.’ (Zana, RPI)

‘I think NGO’s have internal and external elements in them, both good and bad, both original and fabricated.’ (Linda, NPO)

The need for survival was helped by the astuteness and adaptability of the third sector. As respondents said, instead of organisations driven by need, some looked to secure the money first and then deal with the problem, which led to artificial programmes. Whatever the origins of the sector, however, at the very beginning it was not easy for NGO’s; those that were truly believing in active citizenship felt that their efforts were being blocked. Respondents felt there was inertia in society as well as from the state to accept the sector. First, because they were introduced with a new vocabulary, which is now called the NGO language, and as with every new idea it takes time to be accepted. Initiatives were seen as dubious also for another reason. They were perceived as extensions of communist democratic front or women’s labour movements. Possible reasons for that might be the involvement in the NGO sector of individuals who were previously engaged in communist state elites. On the other hand, they were the people that had access to connections and ideas before the rest of the society, which may explain their initial involvement.

As research with the poor has evidenced in chapter 8, there is a continuing distrust of elites which has outlived communism. And, what respondents from the poor families said in the last chapter, ‘it’s the same ones yesterday as there are today’, undermines faith in the third sector initiatives. The same applied to labour unions, which should in principle represent an organisation that is born from the need of workers to organize and protect their rights. Labour unions were, in the previous system seen as associated with the state and later on, after 1990, they were influenced by politics and, as a result, their reputation decreased. With the massive unemployment due to reform and transition, they found it difficult to survive or to remain relevant to their constituency.
Civic participation in Albania was not a new phenomenon. With strong routes in the previous regime, voluntary work during communism was undertaken as a matter of course for the benefit of the development of society. Following the liberation of the country in 1944, post-war mobilization brought a genuine dedication of the people in 'building socialism relying on our efforts'. The new concept of NGO's had a similar aim yet, the difference was that the work now was to be highly paid. While all of the respondents recognised the difference in civic participation and the idea of civil society participation between 'then' and 'now', those that had been part of organized participation in both regimes stressed that they contributed based on their principles.

'Voluntary participation in society is a process. Before, this process was controlled, while my contribution was personal and based on my principles of working for my country, which I do not regret.' (Jane, DO)

9.1.2 The Donor's Agenda

Questions about the ratio of needs-based or donor-driven initiatives in the programmes carried out by NGO’s seemed to expose a high dissatisfaction from all respondents. Problems with the donors' agenda influencing the third sector were mentioned also from the representatives of DOs. Donors were perceived to have gone to Albania to provide solutions without first investigating what were the issues that needed addressing; they had their own agenda of priorities that had been set outside the country. As interviews with donors revealed, funds were allocated regionally and Albania benefited as part of the region, and not based on a preliminary assessment of the needs and priorities of the country. Subsequently, programmes funded also had to comply with guidelines drawn for all countries of the region, with expected outcomes that ignored country needs and local characteristics.

'Donors created a market of issues that were designed far from the Albanian reality and those interested only in the money followed religiously the donor's agenda. That made the genuine organisations compete in an unfair market. Donors even now continue to favour post-emergency organisations whose objectives are completely irrelevant to Albania.' (Ani, NPO)
Although money allocated on aid delivery seemed a lot to a country not familiar before with access to public spending, and with notoriously weak government, in fact they were comparable only to minor investments in developed societies. Those investments brought via the NGO sector were set models of geo-political applications, focused regionally, ignoring specific country needs under the belief: We know what is best for you!

‘They came with ready made modules and tried to adapt them to the country, they couldn’t be bothered to do it the other way around; therefore there has been a lack of understanding of the context of poverty and development in Albania, but at the same time even Albanian civil society has not reflected much of an opinion of its own.’ (Rita, NPO)

The role played by NGO’s throughout transition has been affected by the nature of this sector and by their origin, and over 50% of the respondents said that these organisations have ‘not formulated policies or alternatives’. At the beginning this was due to their naivety about transition, while ‘today it is because of non-functioning’ links of cooperation. Even those working for the NGO’s showed a lack of trust in their voice in Albanian society. Not believing, perhaps, in the impact of their work, some of the respondents said that it had been ‘tried and nothing had come out of it’ (ibid.). As such, it was perceived that people in these organisations express themselves as part of the whole, not as opinionated individuals, exposing the conformity of the sector rather than its critical position, ‘betraying the true civic engagement’ (ibid.).

International institutions set their criteria to fund those organisations that ‘demonstrate similar ideas to those of the neo-liberal concept of civil society’ or who are willing to transform to the required format (Seckinelgin, 2002:17), which is a factor that influences the paths for these organisations (Cohen, 1979). To this effect, there have been organisations that in the modern system have tried to survive by adopting flexible policies that would fit the criteria of any funding body. In one informal social meeting with a representative from a Tirana NGO, off the record, she said that the objective of their work would change according to funding opportunities, and having been
successful in obtaining funding it means they adopted a new language that would please the donors.

‘As long as they have money on education, the mission statement of my NGO is on education. We are flexible (smiling), money on agriculture, then, no doubt we are specialised on agriculture; multipurpose aims and objectives.’

While the above statement does not in any case reflect the NGO representatives interviewed in this research it was too strong a statement to be ignored, when considering the hypothetical number of organisations that could operate on those principles. It is with awareness of this, that the impact that the NGO sector has had on the lives of the poor needs to be carefully examined.

9.1.3 Cooperation within the Third Sector

Cooperation within the NGO sector seemed to have gone through different stages, related to and restricted by many factors. International Donor Organisations have not provided the best example of a successful cooperation. They have somehow for many years pursued their own ‘silent’ agenda. Respondents emphasized that there had always been a feeling of secrecy within donors, which was not officially accepted, but was informally recognised.

At a donor’s meeting in 2000, convened and hosted by the Organisation for the Security and Cooperation in Europe (OSCE), representatives of European governments reported on their activities in regard to development and poverty in Albania. While each of the representatives proudly reported the high achievements they had attained in different areas they had operated within, it was noticeable that achievements reflected isolated work. Even though most of them had operated in Albania over many years, some found it ‘very interesting and funny’ that, while the Italian and the Dutch governments had operated in the same city like Shkodra, they had never heard of each other’s work. At the meeting a joke was circulating asking donors which espionage agency they were working for. since they had operated in such secrecy.
Lack of coordinated work within the third sector seemed to be a reflection of the disrupted climate among institutions. One of the respondents from DOs involved in global initiatives for better ways of coherent and coordinated service delivery in Albania, put the blame on donors as well as on Government.

'Both parties are at fault, donors because they operate in secrecy and the Government because it is incapable of coordinating the international aid. In order to better allocate the funds to the most impoverished areas in Albania such as the north-east, we took all the Ambassadors on a trip in north Albania to engage them in coordinating their aid. It's been a few months now, I am still waiting to see what will happen, I still have yet to see any significant shift in resources.' (sarcastically) (Ben, DO)

Coordination between donors and other organisations of civil society was also perceived as problematic. Because donors had different agendas, respondents felt they have pushed sometimes with the wrong emphasis. The example of USAID was given: perceived by some donors as 'fixed on civil society' and 'spending loads of money on training NGO's on how to manage their finances', instead of identifying and encouraging those groups that were doing real work.

'Donors push NGO's toward their goals forgetting what democracy is about. At a conference on social mobilization some time ago, eighteen countries were represented, yet no-one said a thing about pluralism. Democracy is a variety of interests competing to influence Governmental policies, yet Albanian NGO's are not helped but are pushed to compete for money instead.' (John, DO)

Respondents felt that donors had been quite inflexible sometimes, and pressure to get funding forced many NPO's to operate in secrecy and avoid coordination. They knew that they had to compete with other non-genuine organisations, and donors' failure to identify which was which had sometimes put their future at risk. As they said, it had been about who was better at marketing rather than service quality. At the same time, lack of secure and long-term funding had limited their ability to operate and think strategically beyond the short term.
As a result, short shelf-life projects have predominated. Because, until now, most of the sector depends wholly on western funding, this had imposed a completely new set of pressures on emerging organisations that, faced with the obligation to justify and qualify their funding, had to produce evidence of results, even in those cases where the projects have been relatively short lived.

‘We were always under the pressure of the insecurity of long term funding. How could we focus our energies on long term strategies, when we had to spend our time writing proposal after proposal to secure continuity in funding running from one donor to another? Donors were asking us to become sustainable, but who is sustainable in Albania? I do ask them, how do they do it in the west? They should know by now that philanthropy is so minimal in Albania, they can’t apply the same criteria as in the West. The first case of philanthropy I can recall was early in 1995 when a man from Fier paid the fare for his wife to come to Tirana for a women’s meeting. We celebrated that. Now, I like to think that was purely philanthropic and not for other reasons.’ (Roza, DO+NPO)

Lack of coordination between NGO’s had led to an absence of organisational learning. Over 50% of the respondents felt that there was insufficient research and development in Albania. Reports were produced by organisations that were favoured by donors, without engaging further in discussing policy issues among the Albanian community, and without reflecting constructive criticism. Respondents from RPI’s felt that other community-based organisations did not make use of the research produced, while the latter felt that studies were presented to them as fact rather than for further examination. They were critical that these reports were often not made public and accessible for everyone.

‘There has been no research and development because reports have been written to satisfy donors instead of aiming to really bring a change in the country. Most NGO’s have been focused on aid delivery instead of formulating meaningful policies for the communities and they have not shared information.’ (Group discussion)
Indeed, accessing the published reports during the empirical work turned out to be a matter of contacts rather than a right to public information. As explained in the methodology chapter, no information was made available until personal contacts were used. One of the respondents, of academic background, working in a community-based organisation, insisted that there is no civil society in Albania; that there is a public, but no public opinion. ‘I will continue to work there because it pays me a salary, but we are far from solving issues’. This, according to respondents, explains the lack of cooperation and information sharing: in this domain information gives power, power which is then exercised over information. Indeed, because of that the impact of their work has been limited to working and mobilizing small communities rather than developing a cohesive society. ‘My wife gets paid for doing nothing. Even communists would have envied her’ mentioned one of the respondents illustrating the real impact of the NGO’s.

In the course of this research, respondents felt that because of broken links of cooperation and the pressure exercised by the donors, in many cases their work had suffered and, as a result of this, the impact of their programmes on the community had been limited. Isolation has made their work impact poor communities only on a small scale. In some cases, the work of these organisations was undermined by the dynamics of change of communities in areas they had operated within, such as for reasons of internal migration, where projects had been revised or even cancelled. One factor that seemed to have influenced the nature of the programmes developed in Albania, as part of the regional approach, has been the continuous crisis in the region throughout transition. For that reason, aid in Albania has mainly been of a humanitarian nature and, to some extent, for poverty relief, as in the cases of food and cloth delivery. For example, some post-conflict organisations remained in the country even after the 1999 Kosovo conflict, trying to spend the money allocated on projects that should have been of an emergency nature only. Examples were given of projects on irrigation systems, which were implemented involving community participation, and then left half way due to termination of funding that had been allocated for emergency use. It was in cases like this that more harm than help was done to the poor communities, leading to a natural disbelief in the work of NGO’s.
9.1.4 Relationships with the Government

An overwhelming majority of respondents did not see Government as their partner. On the contrary, they felt it had refused to cooperate with them, and that Government officials quite often had considered them as opportunists, who may perhaps had felt jealous about their salaries, which were considerably higher than salaries in the public administration. For some, the Government did not even represent an institution, but individual interests motivated by political power. That was considered to be one of the failures of GoA in making the most of what the third sector had to offer.

'I cannot see our Government as a Government in the complex sense of policy making as an institution. They are some people driven by their own interests which are politics, instead of the institutional interests.' (Eli, NPO)

Only one interviewee, working at the high level of a Donor Organisation expressed appreciation about the efforts done by the Albanian Government on welfare programmes, and praised Albania for ‘walking on the right path’. From the donors’ perspective, the Albanian Government was very weak, and lacked the capacities to cooperate and to coordinate. This was considered a weakness that had impacted the on role of NGO’s on the provision and delivery of welfare programmes. All respondents from Donor Organisations said that they were aware of the lack of capacity from the Government to coordinate their aid programmes, and that had led to a certain complacency of donors, who could not be bothered to be pro-active. The attitude was that if the Government was not interested ‘why should donors be doing all the work’. Even when donors took this role, as was provided the example of a particular strategy that was designed by the UNDP, when instead should have been done by the Government, it led to two problems:

First, the lack of process and institutional learning; instead of being the leading force in setting priorities they were provided with ready-made programmes. Hence their involvement could not have been serious or engaging. Secondly, it assumed that Donors were able to design programmes tailored to the needs of the Albanian context, which proved to not have been the case. Instead, as respondents said, it should have been the
Government which, with open consultations, would have led to better identification of nationwide priorities.

'The first and most common anecdote you hear among donors is that there are no data or studies on poverty in Albania. I think that's a bit of nonsense. Donors themselves have carried out studies, but they have not shared them. Designing a policy, to my mind, is an act of political will on the part of the Government and the donors, and saying that there are no data is just an excuse that the Government uses to justify its lack of policies, and donors use to justify their lack of apprehension.' (John, DO)

Interviewees mentioned that cooperation had been influenced by and very much depended on, the nature and leadership of the organisations. As one of the respondents from an organisation that operated in rural areas said, until that year, they had had a policy that advised them to avoid the Government and to only work with poor communities.

'That made no sense, how can you try to bring change in community by avoiding Government, the policy maker, and especially in Albania where people's lives are so much affected by every political decision? All our work in the community was lost when it came to legal recognition of handing over to the community the water reservoir for example. Last year we had a new director and everything changed. We started to establish links with the central and local government, and things started to work.' (Nexhi, NPO)

While all respondents recognised the fact that the Albanian government was weak, they said that the lack of government capacities might be due to many reasons, such as the lack of institutional stability and the loss of human capital. The encompassing role of politics in Albanian institutional life led to continuous institutional instability. Institutions went through the so-called 'restructuring' after each election, which meant policies started by the previous government were discontinued, or presented as anew, with an unexplained and desperate need to show that they had nothing in common with the previous ones, even in the cases when their social platforms were
not that different. Most of those who lost their jobs in the public administration went on to be employed in the third sector. While Government was losing the trained and expensively qualified human capital, the NGO sector was absorbing it. As a result, respondents felt that while the NGO sector had during the years developed both in mentality and capacity, the Albanian Government had remained weak, going through endless transformations, leaving it unable to 'aggressively take the leading role'.

'It took us so many years to educate politicians into saying 'human trafficking' instead of 'white meat' in their public speeches, and they couldn't even tell the difference. Whether they understand it or not, I am not sure.' (Mira, DO)

Under pressure to perform for the International Community to satisfy its aims of joining western alliances, the Albanian Government was considered to have failed in prioritising people's needs and, as a result, has not addressed policies. Respondents felt that, for political reasons, policies had been undertaken that might in the future even make the poor worse off.

'They are hung up on this EU membership and foreign policies without first tackling domestic policies. We will die if we join the EU with these standards. Do they realize that such memberships will bankrupt rural production, which here operates individually. The poor will starve. I have never seen any politician explaining concretely what benefits people will have by EU membership. They keep speaking in slogans and people keep voting for them without questioning or asking for more, because they think it means no more need for visas to migrate.' (Shpresa, NPO)

9.2 Evaluating Anti-Poverty Programmes

9.2.1 Views on Government Policies

When asked about the government policies that target poor families, all respondents considered them to not have helped the poor much. They criticized the design of
Economic Aid as a purely political mechanism to satisfy donors and to keep the Albanian public 'quiet', by saying that they had a policy.

'Until last year poverty was not part of the macro-economic policies; even at university it was taught as abstract. And, while this year it became part of the curricula, it still will be studied theoretically, until it is reflected in policies.' (Vera, RPI)

As much as respondents criticized programmes, a few of them justified the poor performance with the overall lack of resources, reflecting also low expectations of Government policies.

'In a weak state where the biggest part of expenditure is covered by foreign donations one cannot expect to have sustainable social policies, and for the state to play a strong social role.' (ibid.)

Such understanding of Government weakness was prevalent among respondents, justifying the lack of capacities as a result of the pressure posed by Donors, such as IMF and EU. Being such a small country, coming from a closed economy but with an eagerness to be part of Europe, Albania tried hard to become the 'best student of the IMF', by accepting their liberal policies at a time when the country's economy was already weak and under drastic transformation. Eventually, in trying to satisfy too many donors, they lost themselves in inaction. At the same time, Government was perceived as highly bureaucratic which has had a very negative impact on the NGO sector, as well as on the poor. From studies carried out by PRI's, it was shown as one respondent said, that 1 in 4 dollars that enter Albania goes to the private sector. The rest is lost in bureaucracy and bribing. Respondents gave examples of when they themselves had to pay to obtain a certificate or passport from Government offices; had they not paid they would not have been able to obtain what they needed.

'It is not written anywhere, but they make it so difficult for you to obtain certificates, that you end up having to pay to get your problem solved even though you create another one, that of the culture of bribing. I could afford it...
this time, but what about the poor?’ (Drita, NPO)

When it came to social protection and the state approach to welfare, one of the respondents illustrated the difference between the previous regime and the current one as essentially reflected in a twist of the past slogan: ‘Before, the individual was the most precious capital, while today it is money.’ That explains, as respondents in many cases emphasised, why Albanian governments of left and right persuasion had, throughout transition, ignored or denied the existence of poverty. This was seen by the respondents as lack of political will that had no positive impact on poor families.

‘There has been a lack of will to shift resources to benefit the poor, and one reason is the lack of political benefit; for example rural areas voting democrat are unlikely to get money under a socialist government, and vice versa. We all know that, whether they (Government) accept it or not.’ (John, DO)

Respondents felt that, based on research and community work they had carried out, the numbers of poor families and unemployed were much higher than the official data. This suggests that the argument for the Government not wanting to talk about poverty may be a political decision. Instead, they choose to ignore it by not counting unemployment in the rural areas when they present unemployment data, or even more, by praising themselves that the number of the poor has reduced, when, in fact, they have introduced more criteria so that more people are excluded from the schemes. According to respondents, the Government policies on poverty reduction have remained the same since when they were first established, while life standards have changed making it very difficult for the poor to cope.

Another reason identified by the respondents was that the Government had not positively used and promoted the mechanisms used by people to either cope with poverty or to find employment. For example, people rarely would go to job centres to find jobs, as in Albania jobs are found mostly by word of mouth. An effect of this is that people who are out of work may not register as unemployed, unless there is any other benefit in doing so. And since such information is based on self-declaration, ‘even when they do, they are not believed’ (Reni). Hence, the unemployment rate may
be declared to be lower. Respondents said the Ministry of Labour was just a statistical service and not at all an institution that formulated social policies. The Government’s introduction of the emigration criteria was considered a mistake by all respondents. It was introduced as a mechanism to target the real poor, but it failed to recognise the nature of Albanian migration.

Other factors that respondents thought to have limited the impact of the Government policies on the poor was ignorance in the cases when people did not know they would classify for aid. Some of the respondents said that Government policies on poverty reduction have mainly created a dependency path because they had not been integrated with active policies for employment or micro credits. Other suggestions were of a more experimental nature:

‘One of the things that has been talked about lately was using a numerical computer model to look at alternative scenarios for the future of Albania. The model is being tested in Guyana and the people from one of the major DO’s are interested to see if that teaches them anything they don’t know. One of the comments that came back yesterday from one of the people involved in that experiment, was that he didn’t like the model because he had hoped that in the short run the model would make people worse, but in the long run should improve their living standards, and according to him the model was wrong. Now, hang on a minute, they are still testing models at the expense of the poor, and if that model doesn’t work, like it didn’t for the Economic Aid, will they try another one?’ (Ben, DO)

It wasn’t imparted whether the problem with the model was that it predicted people were worse off in the long run too. The anecdote does give some insight into what drives policy.

‘I have seen people that with the economic aid money could only buy bread. The mother of a family of five in a village was letting her children steal eggs or spinach from neighbours’ garden. She fell ill, but nobody treated her in the hospital, because she had no money. Her children were undernourished and
didn't go to school. Now that is poverty to me, and social assistance benefits are doing nothing for them.' (Rita, NPO)

Insecurities
All respondents from the PRI and NPO's felt that the situation of the poor in Albania is part of a bigger picture of nationwide anomaly. In spite of their qualifications and skills all of them felt insecure about the future if they one day lost their own jobs. They felt there was no security, it was almost like operating in a paper state, that one touch could demolish everything in a minute as had happened with communist countries.

'Everybody is insecure in Albania, the poor even more. Ask people how they see their future, nobody has a vision for the future, they can only think about today. That tells a lot about life here.' (Diana, NPO)

'One day at the food market will show you enough about the lack of stability and security here. Today I am employed, tomorrow I may be fired just like that, I will not be able to even feed myself; today I can buy some meat, tomorrow I may not even afford bread. There is a total lack of security about life, about jobs, about future, a poverty of hopes. I think we are a lost generation. I hope my son doesn't have to go through this.' (Nora, PRI)

'It is enough to see the life of a family made of two pensioners or two teachers. They are the example of the employed poor but that do not count among the poor statistics.' (Reni, PRI)

9.2.2 The NSSED: Where do we go from here?

Knowledge and Issues
This part will present views of the respondents from this study group in regard to the strategy. It was felt by most respondents that the strategy was a political camouflage, a way for the Government to say that it is making efforts to reduce poverty. Respondents did not know what their roles were or how participation was going to be implemented. It was felt that it was a 'document, not a policy, a political trumpeting, ratified in
Respondents that had at different stages been involved with the strategy said it had gone through a difficult period of acceptance. The fact that after so long it still keeps two names, one for the Albanian public as a socio-economic development strategy, and one for the international community, as a poverty reduction strategy, shows, again, that there is a discrepancy between understanding and tackling poverty. Such a decision was perceived to show that while Albania is considered poor, the Albanian Government likes to disassociate itself from this context.

‘At the beginning there was reaction from officials - what is this poverty? We cannot have a programme on poverty here. That is why a compromise was made in calling it a strategy of socio-economic development. Politicians cannot accept poverty and a reason for that is ignorance.’ (Tefta, RPI)

‘The strategy is nothing but political ado, an autosuggestion that by saying you are well, you will be well. Poverty has shown its real face at many times of crisis like, 1992 or 1997, yet no Government ever accepted it openly as they wanted legitimacy.’ (group discussion 2)

All respondents recognised that this strategy on poverty reduction meant that, after so many years of operating in Albania, major DO’s accepted the existence of poverty also. This was a big change in the way Albania was seen by them, and it meant that a new direction should be given to the allocation of funds, which could be seen to imply the need for a complete change in the way in which poverty has been addressed. Donors drafted the strategy and served that to the Government, and the extent to which the Government will be focusing the policies to tackle poverty shows the level of development in the thinking of the Government as well as donor agencies.

‘The strategy reflects a change in mentality on the part of International donor community, because till now the World Bank had never spoken with this language, never recognised poverty: I am not sure our Government is in the same boat though.’ (Ilir, NPO)
The fundamental problem with the strategy seemed to be, indeed, what for the Albanian Government was considered the strength of this strategy: the country ownership. Even though the strategy was initiated by the World Bank, and co-funded by other international donors, it was served to the wider public as an Albanian strategy. When the strategy was introduced however, the Government did not have the capacities to establish such a platform, and to be the leading force in coordinating aid with setting priorities in the country.

'The fact that one of the major sources of revenue for the Government, comes and says to the Government, that you need to have this strategy, tells the story behind the so-called country ownership. I mean do you see the Albanian Government saying no to them?' (John, DO)

Participation and Implementation

One of the key elements of the strategy is participation. For the first time there is a document that requires participation of all actors in the policy making process. On the one hand, it shows a development in the thinking of the institutions involved, be those the Government, or the Donor Community. On the other hand, it includes those that the policy aims to reach, meaning the poor. The idea of participation was not of Albanian origin, though, as all poverty strategies developed under the GPRS framework have, as their main requirement, open participation of all stake-holders. Yet, respondents seemed to question the incentives behind donor participation, civil society involvement and voice in policy making.

'The World Bank knows they need the resources to develop capacities. They recognise the lack of capacities but they say they don't have money, so other donors should come in and put the money. That is a pretty weak excuse, because if the World Bank didn't have the money, they should not have started the strategy first, or maybe they should have got the money first, which raises the whole question to what extent other donors are committed to the poverty strategy, in financial terms not just in Washington rhetoric.' (Joe, DO)
Respondents felt that participation was seen as a new way for Donors to reinvent themselves in their approach as being pro-poor, since they had been hugely criticised in the past, and for the Government as a way to legitimise their position and strengthen their case with the people, that by having the donors’ blessing they would appear to be taking the right path in Albania’s development.

‘The strategy is, in the eyes of the Government, a hoop to jump to keep the World Bank happy; and in the eyes of civil society is something new that they have been asked to participate in, but it does not give them any hope that their participation will be meaningful.’ (Luli, DO)

While not all respondents were clear on the steps needed to ensure successful participation and what influence that has made in policy making, for a few members of the civil society it meant that, at least, the strategy provided a framework towards which the Government could be held accountable. It is on the terms of their own framework that the impact of this strategy on the poor will be analysed.

‘I like to think of the strategy as a plan of action where the Government can, for the first time at least, coordinate its actions on poverty reduction, and where civil society can on the basis of that plan critically examine the Government. But of course it will depend on how much space the civil society will be given.’ (Mira, NPO+ DO)

With or without the strategy, the NGO sector will play a role, either through participation or parallel operations. Its impact, though, will depend on many factors, some of which have, in the past, limited their ability to make a significant difference to society. Coordination and cooperation are among those issues identified as undermining of third sector programmes. Participation was not the only thing viewed with scepticism by the respondents. All stages of the strategy seem to lack a clear application, and the implementation stage being one of them. Respondents stressed that confusion has accompanied all stages of the strategy. It seems to be suggested that the strategy has not gone under the scrutiny of a policy cycle; with each stage defined, studied, designed in accordance with its costs and the capacities.
‘If you look at a plan with objectives and possible alternatives and whether we choose alternatives with participation or not, the problem is the implementation, and unless you worry about the implementation first you will not get anywhere. And implementation means efficient Government and rational donors.’ (Joe, DO)

At this stage, when the second wave of participants were interviewed, there seemed to be no feeling that efficiency in the Government had been tackled and coordination of the donor community had been achieved

*Tackling Poverty: Economic Aid within NSSED*

According to respondents from the NGO sector, including EA within the NSSED framework is not going to make any difference in improving the scheme.

‘Nothing has changed in the EA; they make some noise to please the donors saying that they are really working. I don’t think the poor are any better, they are just finding other ways to present the indicators to satisfy all parties.’ (Gezim, NPO, 2005)

‘May I never get to the stage of expecting from the state, because I would die. Policies like economic aid are political documents; it’s like giving a bone to a dog. We all know there has been no impact in the poor, simply because there is no political will. Tell me, has he (a parliamentarian sitting at the next table) ever been at his constituency, visited their houses, raised their problems in the parliament, made any difference in that community? I don’t think so, and they are the ones that are meant to represent the voices of the poor in the strategy participation.’ (Group discussion, 2005).

All respondents emphasised that the Government has not learned the lessons from the past, and expectations were that, at least, NGO’s will continue to help poor communities on a small scale, while other factors are still helping the families, such as remittances from migration.
'The only way to make the strategy work would be to have one person as the Prime Minister, and the head of the World Bank and the Head of European Union at the same time to make an efficient Government and an efficient donor community. I think structural issues such as the donor coordination and government stability and efficiency are the key things, and not the strategy itself.' (John, DO)

Respondents were generally critical of the strategy, and not optimistic that it will help the poor. The time frame within which the Government has been required to perform by the donors is very short, leaving no room for the Government to reflect upon its capacities and policies. Time constraints and continuous loss of institutional capacity have, in the past, shown to have led to emergency based programmes that failed to tackle issues according to the changing context of real needs, which then subsequently can lead to policies designed far from reality.

9.3 Concluding Remarks

In the early 1990's, the introduction of the NGO sector and the attempt to 'install' Democratic Civil Society was not immediately welcomed by the society. In the process of developing and expanding activities, NGO's have been influenced by many inter-related factors, such as the country conditions and Government policies, as well as by external factors, such as the donors' agenda and inflexible priorities. High expectations for performance placed on NGO's in fulfilling their roles and helping in reducing poverty have, to some extent, been initially undermined by feelings of suspicion towards NGO's and later by limited cooperation between them.

While the idea of civic participation has evolved, its application via the work of Albanian NGO’s needs a critical analysis. These organisations have recognised factors that have limited their impact in the communities, such as lack of cooperation with the Government, top down policies of donor organisations and most importantly, lack of institutional learning within the Government and the civil society. Lack of the...
Government capacity to co-ordinate aid efforts according to needs has limited the impact of community programmes on the poor. Even more, anti-poverty programmes designed by the government have not reflected the real needs in the country, leading to sporadic efforts from all institutions, instead of a framework of coordinated programmes. Even the new strategy has not created the necessary level of coordination.

NGO’s feel that they have been closer to the needs of the people, at least as much as dominant discourses allow them to be. Government efforts, instead, are perceived as highly political, bureaucratic and of a penalizing nature versus the poor. Domestic instability and international pressures have left little space for NGO’s to evolve a development agenda of their own. Lack of long-term vision, due to demands of performance and short-term funding, have stunted their development and allowed precarious few new NGO’s to become stable institutions, as a result limiting their voice as a partner with institutions of governance. The continuously large number of poor has profound implications for the NGO sector, in particular, and for social policy, in general. Yet, it is hoped, international aid, however complex and problematic, will continue ‘hopefully for another fifty years, because without it things could have gone even worse’ (Gezim, NPO).
CHAPTER 10  CONCLUDING DISCUSSION

This chapter draws conclusions from the pool of findings of the literature and empirical research. It forms an evaluation of Economic Aid in terms of its adequacy, but from multiple perspectives: against needs and against aims. The first evaluation is made from a poverty perspective, using the concept of real need to articulate the characteristics and experiences of poverty and discover any concordance in conceptions among actors. The impact of welfare provision on recipients' lives is addressed and the interaction of survival mechanisms and coping strategies with evolving benefit criteria is discussed. The second evaluation takes a policy perspective, examining the basis of EA from declared and discovered aims, and the normative needs it was designed to meet. The discussion aims to elucidate the principles and nature of policy, the perspectives of actors, and forms of engagement between them.

An opening critique of risks to the success of the NSSED, its integration within the policy making framework and its context of anti-poverty aims is followed by considerations of growth as a tool for poverty reduction, and the extent to which the requirements for development in the strategy overlap with and the needs of the poor.

The following section draws conclusions on the nature, role and historical development of social policy in Albania, with an eye to possible future directions and challenges. In assessing the drivers of contemporary social policy as an instrument for social change, regard is given to the role of external agencies as possible determinants influencing the nature and extent of state intervention. An ensuing deliberation on the climate of welfare in Albania discusses the contextual factors and constraints of transition that have influenced the poverty discourse. There follows a final, unscientific meditation on the themes of the thesis and the position of the country. The study closes with consideration given to the limitations of the thesis and suggestions made for further research.
10.1 Poverty in Albania

'Poverty is the 'limit case' the 'litmus test' or a yardstick against which effectiveness of welfare rights is to be defined and judged' (Dean, 2002: 21)

'A decent provision for the poor is the true test of civilisation' (Samuel Johnson, 1770)

'I am ashamed of having to 'beg for that darned aid...''

10.1.1 Revisiting Poverty and Need

The Persistence of Poverty

Poverty can be understood on a variety of levels: global and national; in its broad regional and demographic characteristics; or at the level of individual experience. In the case of Albania, it is importantly a shared national experience, so much so that we may say that poverty has been endemic. The country has always been the poor neighbour, with poverty historically resisting efforts to bring the country into the modern world. Even the extraordinary momentum of communism was not sustained, the regime turning first despotic, then hermetic, eventually to the detriment of the development it had achieved.

Poverty, resulting from structural properties of society, not simply being a feature of certain people, had demographic characteristics during communism that resonate today, affecting families with higher dependency ratios, rural families, and enemies of the party, among others. However, the experience of poverty was different, at least anecdotally, notably in being less aggravated by material inequality. The regime was able to insulate the expectations and values of society from outside influence, especially from the increasing proliferation of goods and services in more mature economies. Comparative need was thus kept in check by cultural and physical isolation allied to an appeal to, and a certain achievement of, greater equality among and between social groups.

1 From an interview with an Economic Aid recipient.
Thus, Albania set out on reform from not the best position and the spectre of poverty still haunts many. The structural roots of poverty remain almost untouched by reform, in the form of a persistent urban/rural divide, but now with a new dimension. As before, urban dwellers are still dependent on income from employment; for rural families, however, there is the chance, and responsibility, of greater autonomy, with livelihoods or subsistence being available from smallholdings and markets. At the risk of generalising, rural families may have stronger informal insurance mechanisms, but fewer earning opportunities; while urban families have higher earning opportunities and weaker insurance mechanisms (Banerjee and Newman, 1998). The disjuncture between town and country, with deep historical roots, is a prime determinant of perceptions of new or increasing inequalities in the country, which much of the dissatisfaction with reform may be due to.

Conceptualisation and Experience of Poverty

'What is poverty for me? Poverty is this!' (REA Respondent)

However, transition, or rather perhaps liberty, has brought benefits which, as evidenced in this research, impact on the experience of poverty: people very often do feel 'better off,' even when poor, than under the old regime. The non-pecuniary basis of such judgements makes one pause on whether wider considerations such as this may act as indicators of well-being or human rights, with implications for the way that poverty is assessed in Albania and other transition countries.

The character of poverty, however, has not altered or lessened for many. Poverty in Albania, poverty anywhere, is of course wider than is officially determined, and wider than shown in this research. If the ontology of poverty is elusive, the poor themselves provide an ostensive definition. Both subjective and, perhaps, somewhat universal, it reminds us of the moral rationale behind our study. Poverty, especially extreme poverty, is not only a deprivation, an absence, but a very real presence, permeating life and consisting in the very things the poor have and consume. And the life that poverty permeates is a shared one: poverty in Albania is a familial experience, yet its severity for the individual differs depending on gender and age.

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Especially thinking of some of the extreme poverty, as in absolute destitution, encountered during this research.
Especially in Albania, in this regard unlike northern countries, we speak of poor families, poor individuals being rather the exception. This has implications when considering the breadth and severity of poverty, as well as vulnerability and social exclusion - amplifying, in each case, the former, while perhaps slightly attenuating the latter. Equally, the length of time that poverty is encountered over can serve as an important factor in the impact it has on all aspects of life, especially in its associations with social and psychological stigma.

Distinctions in severity of poverty were made by officials and NGO respondents, particularly those involved in case assessments or local project delivery. The differentiation between levels of poverty, particularly extreme poverty, was also apparent in conversations with rural respondents, who were able to recognise neighbours in much greater need than the average. To return to the urban/rural divide, we can see differing conceptions of the other group’s position, but not on the others’ experience of poverty. For both groups the prime consideration was that the ‘grass is greener’ - that is, of the potential benefits of life in the different environment, such as greater employment opportunities in the city, or the asset of land to provide for the family in rural areas. There was little comprehension of the problems faced by the other groups - expressed by rural families as having to work a great deal harder to simply survive and by urban residents as the high cost of living and difficulty of finding work. Consequently, respondents hadn’t given much thought to how poverty might be experienced differently in the other environment.

**Poverty and Real Need**

Understanding the findings under the context of real need as a crucial concept to core poverty (Bradshaw, 1972), we now try to deconstruct a little what the needs are that aren’t being met - the aspects of poverty that aren’t necessarily revealed in statistics. Felt needs are ‘unsatisfied necessities’ and are seen as causes that have led to poverty in the first place - i.e. urban males feel they need jobs, while rural males need access to markets for their produce, better infrastructure, such as roads, and better services, such as electricity. Such unfulfilled needs can lead to lack of participation and can be understood from a social exclusion approach, as exclusion from either labour or from

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3 Whether such examples of altruism and social cohesion were real or anecdotal is unverifiable, as is the existence of it in the urban context.
agricultural markets, and more widely from the rest of the society. As this research has shown, poverty is not only a lack of something. It may also be the existence of something inadequate. Literature on poverty definitions helps us to understand the findings also from another aspect: existing resources. Respondents' accounts show that, even when commodities such as land are available to them, there are no guarantees that people are able to meet their needs. Hence, they do not have the capability to lead a healthy life free from poverty (Sen, 1999). Lack of capability to make use of potential commodities that the poor might possess, can serve as another indicator of poverty.

Such an approach may also help us in viewing other aspects, such as health, as essential considerations in poverty, not simply by-products of it. It throws light on some of the temporal effects of poverty: for instance, the increased risk of both declining capabilities and depreciating commodities that may arise from long-standing poverty, which further hinder the ability to meet need. Such was observed with some REA. People suffering this kind of poverty 'have no feathers' and are one shock away from disaster and the almost non-existent formal support structures, particularly in social care services, leaves them vulnerable and exposed to risk.

Different from felt needs, expressed needs are related to the existence of normative, and sometimes to comparative need, all contributing to better understanding of poverty. As observed in this research, comparative needs within the family reflected differences in strategies for how needs may be met. These influence resource allocation, particularly across gender and age. Such comparative needs are not wholly individually driven, since they are aimed, ultimately, at fulfilling the needs of the family at large. For example, women looked to more immediate and pressing needs, oriented around domestic issues and worries of feeding the family. Adult men, in line with their traditional role as breadwinner, were more likely to see work as the most important issue and a long-term solution to poverty. Youths, however, considered migration as the best strategy, reflecting an attitude that is less risk averse. Children expressed their responsibilities in contributing to the fulfilment of family needs,
through undertaking work for the household. Yet, they were vocal about their personal needs when comparing themselves to their peers.

Hence, respondents suggested resources should be allocated to facilitate the strategies they supported. Such differences are not weighted against the individual contribution within the family. For example, it was felt that women work harder, especially in the rural areas. Yet, their personal needs are secondary compared to those of the children, or the husband as the head of the family. Even though the role of men as breadwinner has been undermined due to the long-term nature of most unemployment in Albania, they still hold a position of power in the family, controlling the money, sometimes even allocating according to their priorities, e.g. needing money for a raki with friends, thus fulfilling their own social need.

Whatever measure GoA has used in defining poverty, and how it has defined normative needs, people feel it has not tackled poverty. The unanimous opinion among respondents was that Economic Aid hasn't been adequate in reducing their poverty (closing the poverty gap). Respondents, therefore, felt the need for greater support from GoA, in the form of a higher level of Economic Aid and Government investments in utilities. Their expressed needs are tied to the norms and criteria set by Government, however. While needs differed among REA families - from those dependent on Economic Aid for their basic subsistence, to those that had limited resources, but needed more to avoid poverty - the prevalent view is that Government action is needed to enable individuals and families to lead a better life.

The Interaction of Needs and Criteria
This research has evidenced that the scheme often fails to meet the needs of the poor, often the most poor, on many dimensions. Reasons for this failure may have their origin in the nature of the programme. By hampering the ability of REA to meet their needs, the impact of the programme is diminished. These are iatrogenic effects of the programme, a kind of 'diswelfare'4 caused by welfare. That is, the way Economic Aid has been designed and operated, on the basis of normative needs, often acts against the coping strategies of poor recipients, with consequences as outlined here:

4 Using the terminology of Titmuss (1968).
The allocation on the basis of the household unit, in alliance with a lack of income disregards, ignores the dynamics of the household, including who receives the money, controls its expenditure, whose needs are articulated and whose needs are met. It increases individual's dependence on immediate family and forces people to crisis manage. The interplay of individual with household needs introduces new intra-household welfare demands and strains. Although the nature of the Albanian family reputedly mitigates against some of these effects, there are socially stigmatising aspects for adults that do not have the responsibility of their own money and for poor families who must borrow on inter-household levels of welfare. It could cause individuals to seek their own sources of income to meet needs, thus potentially promoting illicit employment, and in cases of family or personal breakdown, criminal or socially undesirable activity such as begging - that is, by not wishing to promote individualism, the policy can act to.

The award basis has the potential to create hidden poverty when considered against household diversity. For instance, a recipient family may contain a long-term unemployed member, as well as pensioners, children or persons with a disability, but the extent of their poverty is not disaggregated in policy terms other than that they are a poor family. There are established risks among categorical groups, such as children and the elderly, which are therefore wholly ignored in the award. Hence, according to Economic Aid criteria, all poor families are poor in the same way and the extent of their need is determinable purely by simple headcount and a crude geographic differentiation between rural and urban.

The eligibility and award criteria are intolerant of offensive strategies of the poor to find new routes out of their situation. Legal restrictions on the use of funds provide a very strict definitional basis for leakage concerns, but one that we may assume is ignored by all except those to whom the benefit is the only

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5 One source for the terminology of offensive, defensive and crisis budgetary management used throughout this section can be found in Sik and Redmond (2000).

6 The extent to which a climate of interminable historical poverty may have conditioned the Albanian family into such a strong institution is a question for research. Communism in no way eradicated scarcity, and the institution of 'extended family' prospered during this time, with family helping where the state could not provide.

7 In contrast to the famous observation that 'all happy families are the same, and all unhappy families are unhappy in their own way' (Tolstoi, Anna Karenina).

8 To be spent only on immediate material needs, and not to be used for speculating or lending.
income. Although there is no evidence for the false application of the principle, it illuminates its purpose as a possible instrument for the exclusion of claimants.

The internal migration penalty, on the other hand, is intended to prevent families seeking a way out of poverty by relocating internally, effectively condemning people to sit out their poverty, while punishing relatives of those who had already relocated through its retrospective application. Such a measure risks creation of an under-class, forcing migrants into a halfway house situation, and opening up a world of extra-legality, where whole families are 'neither here, nor there', trying to build a better life in a new region, while needing to maintain their benefit application at the 'old home' they have left. The penalty was introduced to effect a reduction in the national Economic Aid budget by reducing the eligibility headcount, but it was also, seemingly, an attempt to control social changes whose effects GoA considered undesirable. The outcome has been unfair to recipients, leaving many of the extremely poor ineligible for state assistance, and was eventually to prove unsuccessful for the Government in stopping migration.

The extension of the principle to cover external migration assumes families will receive remittances, since emigration is held to be part of an employment strategy on the part of the household. This criteria ignores the risk associated with the nature of emigration from Albania, being mostly illegal, insecure and often dangerous.

- The means-testing asset criterion introduced at the start of the scheme encouraged the desperately poor to sell their possessions in order to qualify to receive cash benefits, with socially stigmatising results that were also detrimental to standards of living. Such measures seemingly deliberately failed to differentiate between short term income poverty, which Economic Aid was declared to be addressing and sustainable standard of living, which it was not. The prohibitive expense of the administrative burden led to its eventual abandonment, but the perceptions

9 When emigration had already reduced the headcount.
10 Such as large scale unemployed family settlement in urban and peri-urban areas.
11 Perhaps this criterion was especially targeted to the problem of internal migration. Somewhat after the fact, unable to introduce legislation to curb the massive coastal migration (it being a democracy and all), PM Berisha tried to present the phenomena as if it was a government intention - 'me hyre nga deti' (or 'with our face toward the sea') - as part of a 'policy' towards (N.B. not a right to) free movement.
and misconceptions that brought the policy into play were never addressed and remained unchallenged within the administration.

- The award scale does not adequately correlate with household size; that is, consumption levels increase with composition by a factor larger than the scale, and without limit. It is, therefore, not realistic to assume that households will be able to exploit economies of scale in essential food purchases that cover this shortfall. This is posited as a major reason why the benefit ‘doesn’t go far enough’ and that it may particularly affect children, larger urban families more than rural, and may be another driver for the ‘artificial’ splitting of households that has been commented on.

- Small and irregular allocations of the cash transfer, arising from the element of local discretion afforded to officers, add an extra burden to people who are already defensively managing their monetary affairs: that is, running a household to a very tight, sometimes unpredictable budget, on a month by month basis, with an economy typified by reductions in expenditure through cutbacks, bargaining, buying goods of poorer quality, making food purchases on list or informal credit, and repair and reuse of goods instead of new purchases. On a metabolic level all calories may be equal, but on a nutritional and human level the quality of food is important, as well as the necessary amount of the nutrients a person needs per diem. Such considerations should inform the allocations process. Over a short period, this places further difficulties on financial planning in an uncertain and volatile economy. In the longer term, it undermines poor families’ ability to plan at all for the future and to maintain a healthy life.

10.1.2 Coping Mechanisms: The Informal Safety Net

Slipping through the net?

With Economic Aid remedial in its effect, how then have poor REA dealt with poverty? Coping mechanisms already mentioned, such as making aspirations more modest, are a passive reaction to poverty that neither alleviate nor reduce it. People felt unable to make a change, either because structures were in place to undermine their efforts to
survive, such as migration, or mechanisms that were in place to help them were, in fact, not allowing them to help themselves. By being excluded they felt powerless. So what can said about remedial or reductive solutions for poverty that people have found for themselves? We can consider that the suite of measures that have emerged constitute an informal safety net, which, as with social programs, we may divide between active strategies to overcome poverty, often affecting social relations and changing asset structure, and more passive measures, that rely on exploiting the nexus of existing assets and social relations such as family or community.

Passive measures include the use of informal networks and horizontal transfers in cash and kind, generally between the poor, rather than from rich to poor. These come with social pressures, particularly in obligation and dependency, meaning that the informal safety net may, therefore, provide protection against risk, but its impact on social cohesion is debatable. A variety of active strategies against poverty have emerged. A major factor for rural families has been the return of land to private ownership. This can be viewed as a massive social program, not just a matter of rights or justice. Still, the land can often be used for little more than subsistence. For urban dwellers, the possibility of informal, usually casual work is very important. Of social consequence here is the activity of children, who in villages are working on the land with their families or in the cities are engaged in independent work, such as selling cigarettes on the streets, which exposes them to much wider risks. How much of the informal work in the economy is simply the activity of smallholders and how much is from engagement in industrial employment is unknown, but the former is likely to constitute a fair proportion.

Transfers from internal and external migration fill the shortfall of Economic Aid and agricultural income. They are spent on consumer goods, improvements to housing or - for larger sums - invested in new housing, mostly self-built, such as for resettlement. Such examples were observed in the rural and peri-urban areas, such as in Bathore. The housing here was often in an unfinished state for a long time, due to the lack of sufficient income to buy materials, reflecting in this way the often insecure nature

12 In a reversal of Speenhamland, land reforms have transformed the property-less wage earners under communism into independent land owners - but too independent, of state that is (cf. Esping-Anderson, 1990:36).

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of migration. Other ways REA have resourced in coping with poverty are recounted in the literature as a reason for the continuing high number of households claiming. For instance, in trying to make themselves eligible for other benefits, people have reportedly split family in order to maximise incomes from welfare. While such a mechanism did not appear significantly widespread during the empirical research, cases were mentioned in which no benefits had been obtained by this, such as in the example of families visited in Bathore. It may also be argued that such a development in the family structure could be a natural result of demographic changes in the country, and the first interpretation may be motivated by other concerns, such as political ones. Hence both passive and active coping mechanisms have undoubtedly helped the poor, but their provision is by no means guaranteed, they are not certain of success, do not come without their own costs and are sometimes not wholly desirable in their social effect.

Summary

Poverty in Albania is familiar to researchers focused on the region or post-communist societies. It is not limited to lack of income from employment, but consists in possessions and living standards, including depreciating dwelling and living conditions, a lack of assets, isolation and exclusion, poor infrastructure and access to public services, and, not least, psycho-social effects, such as personal stress, social strain, distress and shame.

The participants in this research, and the poor en masse, have found their own ways to cope with or remedy poverty, new ways of meeting their needs and reducing their exposure to risk. We have seen that this informal safety net is not without its problems. There are, from the perspective of a poor person, also risks attendant to reliance on state run anti-poverty programs, such as the risk of provisionality through political withdrawal due to lack of support for the scheme, - a lack of security - that they may be taken off the scheme at someone’s discretion, and the risks arising from the variability in benefit level. To some extent, the mechanisms developed have been influenced by the deficiencies of the scheme: the way that the formal and informal safety nets interlace is of profound consequence for the poor in managing, and for Government in crafting, policy.
In this context, the difficulties accompanying the expression of need become magnified and reflected back in the perspectives of some REA on other actors: of their welfare being administered by a corrupt and unresponsive, even oppositional bureaucracy, operating an opaque award process with an insufficient level of grant.

10.2 Economic Aid: People, Principles and Policies

It has been said that the fundamental principles of means-tested schemes are, first, that the minimum 'should be administered in such a way that it does not discourage self-help and support', and that the poor must be deserving of help (Boulding, 1967:7). The research finds that both principles have driven welfare provision in Albania. For now, the focus is on the latter principle. This section is an analysis and evaluation of Economic Aid on the terms of its aims and operation. Anti-poverty efforts are examined in the light of considerations of efficiency and effectiveness, and against the background of the constraints and challenges faced in implementing a scheme ex nihilo during the difficult time of transition.

Analysis of the programme is based on three critical sets of issues: People, Principles and Policies. That is, who are the intended recipients of the program? What principles underpin the program? And what were the aims and nature of the policies that were implemented? Consideration of these questions will demonstrate how these concerns have interacted to shape policy over time and throw light on ideologies implicit in the scheme (Veit-Wilson, 1999b). In tracing a narrative of its development, the ground is laid for later consideration of the extent to which welfare programs might be considered to be driven by a vision for the new democracy, or be the outcome of socio-economic pressures and political compromise (Alcock, 1999). Certainly, it is intended to illuminate the new role for the state in Albania. We proceed with the aims and nature of policy.

13 Similar criteria have been applied in the analysis of post-war social security in the UK (Alcock, 1999:50).
10.2.1 Policies

 Origins, Aims and Nature of the Policy

Economic Aid is intended to support families in meeting their immediate needs in the absence of sufficient income. It was not intended to prevent poverty and, although it does have an element of redistribution in it, that is not its goal. Economic Aid was originally envisaged as a direct exit scheme for the unemployed: a catchment program for claimants whose entitlement to Unemployment Benefit had expired. That is, the necessity for it arose from the limitations of the existing Social Assistance framework. However, the impetus for Economic Aid came from external actors, particularly the World Bank. As was elicited during interviews, the initial thinking of both the GoA and WB was that mass unemployment would be a short-term phenomenon that would be remedied by an expected rapid economic growth stimulated by reform. Therefore, Economic Aid was originally considered to be an emergency measure for an emergency situation.

Tied to this logic, it was determined to adopt a welfare system based somewhat upon the Nordic model, which would require little adaptation to country conditions. This residual scheme was predicated on economies which have traditionally experienced high employment rates and a historical development which afforded the implementation and gradual evolution of expensive, comprehensive schemes of social insurance and social protection. Translating this model to the Albanian situation, with its social volatility, high unemployment and equally large-scale informal economy, risked affecting the sustainability of social protection, not least, given that the separate contribution-funded budget for national insurance was already in the position of needing great resources from the state budget because of non-compliance and 'aversion' (Clunies-Ross and Sudar, 1998:127).

The State’s Intervention

Strict budgetary limitations apply to Economic Aid, indeed, to the whole social budget. This is, in part, due to the conditions set out in PRS for receiving aid and

14 Strict means-test, tough criteria, moderately generous benefits, short-term and low take up (c.f. Chapter 6).

15 An accounting term that elides ‘avoidance’ with ‘evasion.’
favourable credit terms with international DO's (Williamson, 2004). Ultimately, it should be borne in mind that a budget is a plan that inextricably binds forms of control to specified goals. Hence, it is a policy decision to maintain an index-linked budget at a proposed declining proportion of GDP. Publicly, however, an appeal is made to the existence of strong family and kin relationships, in order to justify the residual nature of assistance programmes. In this way, GoA has relied heavily on migrant revenues as an indicator of an informal safety net and as a reason for reducing the state's commitment to those in need.

Allocating Awards

It may be assumed, as an implicit requirement of any anti-poverty programme, that it aims to transfer as high as possible a proportion of the budget in the form of benefits. Achieving a suitable level of efficiency entails balancing the need for effective regulation with the impact of the policy on poverty. There is need to minimise exposure to the risks of fraudulent application and internal corruption, and for supervisory frameworks that can evaluate how efficiency impacts programme quality. It is concluded here that efficiency concerns have diminished the poverty impact of the Economic Aid scheme, which has been lessened by shortcomings in both regulation and evaluation. The latter issue is of importance to the regional allocation of the fund, which is found to have some inconsistencies that may lead to inequities. The problems here arise from the budgeting process. In principle, the budget should be formed from an array of indicators and variables; in practice, the scheme seems to operate on a simple historical basis which coarsely relates to regional needs.

Given that local authorities typically receive less than their demand, this impacts on the actual amount of benefit that claimants receive, which is determined by the number of eligible awards and the size of fund for that month. This variability in award is the ultimate result of the constraints of the fixed budgeting system and high demand. It is concluded, therefore, that the Economic Aid program is underfunded compared to demand due to policy decisions and that this impairs the program in undertaking its aim of providing a minimum subsistence income.

16 Rather than as a result of political manipulations, as remarked popularly.
Decentralisation

Undoubtedly, the decentralisation of Economic Aid accords with the desire to develop the country’s institutions. Essentially, though, it accompanied the necessity of delivering transfers in hard cash due to the dire banking system, with efficiency considerations justifying passing on award decisions to offices which administer the benefit. The discretionary aspect of decentralisation should perhaps be seen as empowering officials, operating a large case load, to make faster decisions. This also eases centre-local relations, which can be strained by the hierarchical and top-down culture, with contradictory demands from applicants, budget issues and political pressure to cut recipient numbers. Less favourably, we may consider it a strategy to devolve responsibilities, and, therefore, possible blame for failings in the programme. In this regard, decentralisation has given limited powers and means to local authorities, and belies the top-down nature of Economic Aid, in which control of the budget is tight and wholly central, and the block grant mechanism ensures local agencies receive less than their requested budget allocation.

The role of decentralisation in improving allocation is an aspect to be addressed on real, not abstract terms. To begin, it is difficult to see how administrative officers can gather and maintain enough proper and advantageous local knowledge in some areas: par exemple, the capital, Tirana municipality has 11 administrative officers17 who handle 12,000 successful claims at any time (MOLSA, 1995c:32), while the Shkodra commune office18 has 20 employees processing 14,000 successful claims in any one month. Officials, therefore, may have good knowledge of families in their village or area of residence in a town, but that knowledge must of necessity degrade beyond.19

Hence, in both urban and rural areas officials generally cannot know much about applicants’ lives, and given the administrative burden, they would not likely have or devote time to pursue or validate information they did obtain: the resulting possible information asymmetry calls into question the quality, certainty, neutrality and integrity of some of the information that claims may be assessed against. Thus, this form of

17 With an average constituency of 50-70,000 people per officer.
18 Consisting of 130 villages and 200,000 inhabitants over 2000 km sq.
19 The mesh between the functions of state and social structures (klan) is not as neat here as in the case of the Muhallas (Coudouel et al., 1998).
decentralisation risks creating idiosyncratic, local discretionary norms that may not entirely coincide with national guidelines or the law.

10.2.2 People: Take-Up

Economic Aid was brought online at a time in which MOLSA was still a fledgling institution - with all the attendant problems that brings, such as in operations and training. Added to this, institutional instability, political interference and a lack of poverty studies and analysis placed huge strains on the institution. Early on in transition the social imperative for a mass-scale safety net became apparent, as large numbers of people were affected by the contracting labour market. Mass redundancies from large-scale privatisation were accompanied by extra hardship brought by inflationary price liberalisation. As a consequence, the number of actual applications for Economic Aid in the first year was nearly 50% above predictions: allied to the inevitable teething problems of the allocation system and new institution, the program would have difficulty meeting the high expectations of it.

The Economic Aid scheme became repurposed to fit the economic and social situation - that is, it was re-oriented and scaled up rather than reconsidered. Previously the poor had been identified on the basis of unemployment, with claims made, and entitlement determined, on the basis of individual contributions. Driven by budget constraints and administrative costs, while publicly leveraging the legendary traditional strength of Albanian family relations to assume a level of family dependence and transfers, the basis for the claims was set at the family level. The familial basis of the award was made so as not to ‘promote individualism’ but more obviously, and understandably, as a cost measure, reducing the application burden and enabling benefit scales to be crafted with consideration of economies of scale in households.

The intended recipients of the program are households with an income below a nationally determined subsistence level. The actual take-up distorts this to a degree, with leakage to undeserving families occurring. However, the take-up of Economic Aid can be characterised as being on a long-term basis, with the benefit providing a
majority of household income for some of the extreme poor, and reducing the poverty gap for many others who have insecure incomes from other means.

10.2.3 Principles: Eligibility and Deserts

Identifying the Deserving Poor by Targeting

The word poverty was a 'bone that any Albanian Government since 1990 has had difficulty chewing.' Given the lack of poverty studies, identification and assessment of needs was not based on scientific research. Economic Aid became a de facto poverty line. We should bear in mind that 'minimum income standards and benefits may reflect official views about poverty, but are not scientific facts about it' (Veit-Wilson, 1998: viii) - and, hence, receiving Economic Aid is only one possible indicator of poverty, but does not exclude the existence of poverty among groups that may be deemed to be ineligible or don’t express their need.

The introduction of a social safety net entails the application of means-testing for determining the level of assistance and the gap between needs and means of fulfilling them. The difficulty of assessing income in a largely cash and largely informal economy was the probable driver for the initial means of identification of the poor, whereby assessors were sent to every claimant’s house to calculate property and assets. The costs associated with this type of means test, especially given the large number of recipient households, necessitated a more restricted paper and identification based approach.

Since then, legislative refinements have formed the basis of Government attempts to better target those families in need, with an implicit admittance that the scheme had not necessarily reached only deserving households. This is in spite of a strict identification process, and may result from either fraudulent claims or official corruption. The effectiveness of the scheme in reaching deserving households was addressed by the introduction of targeting, mainly through selection mechanisms decided at the point of delivery, such as the application of discretion based upon the local knowledge of administrators in the granting and size of award made to each household. The scheme

20 An expression used by a respondent to illustrate the unwillingness of the GoA to deal with poverty.
has become increasingly targeted, with the administration trying to develop more effective methods, as the high level and long-term nature of take up has persisted.

GoA targeting efforts have widened as eligibility criteria have narrowed. Indicator targeting\textsuperscript{21} is intended to improve regional fund allocations, and to better match awards to needs, such as making provision dependent on household composition and size, or in the identification of land-less families. The most important recent targeting development has been taken from other schemes, such as with the re-introduction of compulsory participation in community works, which has crossed over from UB. This work-fare is a form of self-targeting which is meant to encourage participation only by the poor in that those that don’t need the Economic Aid will drop-out (Besley and Coate, 1992).

In summary, the very public focus of efficiency has therefore been on eliminating undeserving families from participation in the programme. Reducing leakage through better targeting should enable more resources to be allocated to those really in need. There has been no similar commitment, however ancillary, to ensuring that the program does reach all those who are deserving. Referring back to Boulding, the principle of assessment of deserving cases has been upheld in the face of many complications in Albania. Although there is little more than anecdotal evidence to suggest that cost savings are not significant,\textsuperscript{22} GoA is keen to progress in its targeting efforts, aiming to reduce by 3,000 every year the number of beneficiaries from the scheme.

\textit{Summary: Overlaps in Perspectives}

This research has shown that overlaps in poverty conceptualisation between the three groups have yet to translate into the policy arena. Poor people faulted Government for the lack of new job opportunities, with respondents referring to the Government as a necessary evil.\textsuperscript{23} On its part, the Government officially faults the poor, and a legacy of the laziness of communism for expecting everything from the state. However, officials personally demonstrated some empathy with REA. NGO respondents on the other hand recognised Government failures and the plight of the poor. In the clearly divided

\textsuperscript{21} For an account of some of the pros and cons of these types of targeting, see Ravallion (2003).
\textsuperscript{22} And no conclusive research on the real operational costs of targeting against the benefits in savings (Devreux, 2002: 29).
\textsuperscript{23} E'keqe e domusdoshme.
context of objective and subjective perspectives, each of the actors has developed mechanisms to influence poverty reduction with different outcomes.

Being a last-resort benefit, social assistance does not exist in isolation. Its role and importance is ‘contingent upon the structure, characteristics and success of the economy, state and other forms of protection’ (Ditch 1999: 116). In Albania, it is not simply a question about how well the labour market, family and employment schemes offer adequate provision (Saraceno, 2002). In keeping with the principle of not discouraging self-help and support, the limits of state initiatives have been determined by the significant informal safety net and the Government’s own capacity issues, including strict expenditure constraints. This has brought a disparity between the needs that policy intends to provide for, and the real needs of the poor. As such, both formal and informal mechanisms have been developed to tackle poverty, with the poor utilising both types of mechanisms, and the GoA adapting its formal provision in the light of the existence of informal ones. The interplay of mechanisms and policy is therefore, a natural consequence of actors seeking to maximise their advantage within these boundaries with sometimes negative behavioural consequences.24

For example, in circumventing the compulsory criteria of work-fare, REA may affect incapacity to work, with resulting distortions in disability claims and health indicators.25 This has implications in how to better meet needs in Economic Aid, especially considering that, next to levels of benefit, eligibility rules are the most important factors influencing policies on poverty (Behrendt, 2002). Effective needs coverage is a complex balance of scarce resources and limited capabilities: in terms of Economic Aid, that means money and targeting. This is especially crucial in covering those who become poor by being excluded on principle, and neither entitled to social protection, nor benefiting from public services. For Economic Aid as an anti-poverty programme, this may be a fundamental shortcoming.

24 As has been observed elsewhere (Feldmann, 2002).
25 The number of recipients of disability benefits between 1998-2003 increased by 73% (WB, 2004: 26). The nature of the claims has a distinct rural/urban characteristic. The levels of claims are similar: rural disability is predominately mental (thus allowing continued work on land), while urban disabilities are presented as physical.
10.3 NSSED- THE NEW ECONOMIC AID FRAMEWORK

10.3.1 Policy and Poverty

'This mournful truth is everywhere confessed. Slow rises worth, by poverty depressed' (Johnson, 1995)

NSSED: Policy and Institutions

The NSSED initiative raised hopes for reforming Economic Aid to achieve better results at relieving poverty. The rationale and principles of the NSSED are laudable, not least in finally providing an integrated approach to the issues of poverty and development, and benchmarks against which achievement can be assessed. Few would speak against the need for economic growth or deny its progressive potential, or its capacity for establishing the structures for a more responsive, evidence based policy making, including increasing dialogue between Government and other sectors, as well as improving governance and institutional capacities with more independence and accountability.

However, this research has uncovered risks that might distort anti-poverty concerns and counter the strategy’s aims, related to institutions and participation. On the evidence of this research, as a ‘deductive’ (Hart, 1998:82) a priori analysis, it is concluded here that the chief risk to the success of the strategy lies in its poor integration with the policy making process and the weak capacities of institutions. This has consequences for policy continuity, in that there is a dominance of strategy over implementation. In consequence, policy making is characterised by weakness in policy innovation. Such limitations are explained below:

1 - The problems caused by the political influence on institutions do not require us to advance arguments as strong as imputing legacies of centralist thinking from communism. Simply, public administration has been hampered by historically weak local Government, political interference with civil servants and evident nepotism. The lack of institutional independence goes hand in glove with the lack of coordination between them: the latter a consequence of the desire to maintain little of the former.

For some debates about the merits and pitfalls of evidence-based policy - or policy-based evidence, see Marmot, 2004.
For instance, the monitoring and evaluation structure for the NSSED, with units established in each line Ministry, creates an information tree with potentially strong vertical, but no horizontal reporting. As far as concerns Economic Aid, its limited development does little to advance the case that there has been substantial evolution or learning in policy making, even within institutions, the first substantial review of its impact on poverty being conducted, externally as late as 2004 (World Bank, 2004), with no tying in of poverty studies, at however a at small scale, with the EA programme. Economic Aid has been ‘the programme we have for poverty’ and, as such, has been passed on between administrations, like an unwanted heirloom. Thus, political inertia and institutional weakness have resulted in poor policy analysis and little assessment of alternatives.

The reliance on DO’s is immediately apparent in asking where anti-poverty efforts would have been without their technical aid. National ownership of the NSSED means little, given the dependence on DO’s for analysis and policy evaluation, with resources directed toward little more than reporting to various DO’s. It is, therefore, considered here that the benefits of technical aid have formed a straightjacket to national understanding. International conformity in poverty studies (Townsend, 1993), particularly in communicating results for comparative analysis, has its benefits for universal standardisation. Yet, regional incompatibility may result, such as in the case of the application of the World Bank dollar-a-day definitions (Townsend, 2005).

They imply working within a framework tied to an international policy context (Atkinson, 1995), and their prevalence could give them the appearance of an authority they don’t necessarily possess over the many and varied ideas of poverty

28 Distancing his Government from the scheme, the current Prime Minister Berisha criticized the Economic Aid scheme, saying that ‘while some people are being washed in gold, others get their food by lists’ (Gazeta Shqiptare, 2006g). The Minister of Labour then called for ‘a review of the Economic Aid scheme for families in need’ - offering, however, no concrete alternative plan. Ten days later, on October 18 (Gazeta Shqiptare, 2006h) the Minister again declared that he ‘will fire the many corrupt employees’ among whom he named ‘those in charge of Economic Aid.’ In a familiar scenario, the current administration also ‘blames’ its coalition partners for impeding progress on welfare reforms.
29 Not unnoticed by the World Bank too (WB, 2006b).

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and policy they have been forged from — that is, they would form the backbone of a new orthodoxy. Hence, there is here an institutional pseudomorphosis, where geographical policy transfer entails the imposition and appropriation of a homogenised set of methodologies and policy conceptions: in this case, transplanted into a country in a process that closes the language-game of social policy, and imposes, as emphasised by the NGO respondents, the Donor's language. In this light, NSSED can be seen as expressing the need of the GoA to satisfy conditional credit aid. By contrast, a nationally owned approach is far from irreconcilable with either a supranational approach to poverty studies or the demands of participation in international society and its system of values. Further, nationally developed definitions and methodologies might embody valuable institutional knowledge and mores (Desrosieres, 1996) and encourage, though not ensure, a fuller domestic understanding of the importance of analysis to the policy making process.

3- Evaluating the consultation process for the rest of the NSSED's constituency has revealed fears of distortion of purpose in anti-poverty efforts. Concerns are raised by the expressed lack of faith in the initiative by the poor who believe any policies resultant from the strategy will simply pass them by, as they have done in the past. The extent of their consultation has not been significant, and is uncertain in outcome. We can inform our estimation of this by two concerns. Certainly, poverty conceptions have changed in the NSSED, but how is the new multi-dimensional approach reflected in policy? And, if 'understanding... the way that they (the poor) deal with poverty is essential for well informed policy and action' (Meikle, 2002:45), what lessons have been learnt from the many ways that some of the poor have found to overcome their

30 Just as that there is a rod of metal in Paris that is exactly 1 metre long (Wittgenstein, 1952), exemplifies the epistemological subtleties in the relationship between measurement, data and knowledge. Agreed scientific definitions of poverty, through praxis as universal as the metre rule, are essential to poverty studies, but we should be mindful of the problems that may arise from our representations, as what definition is agreed upon is crucial for people and for policy making (Townsend, 2005).

31 'If language is to be a means of communication there must be agreement not only in definitions but also in judgements' (Wittgenstein, 1952:242).

32 Author's coinage, borrowed from 'cultural pseudomorphosis' (Spengler, 1922), whereby a local culture is thwarted in its natural development by an overpowering foreign civilisation. The origin of Spengler's analogy is in mineralogy, where it is the deformation into a false form of a material as a result of the cumulative pressure on other geological structures.

33 As shown in chapter 9.

34 In opposition to Fuzioni, 1968:607.
poverty? The first question is simply answered and, prima facie, does seem to have been contributed to by the participatory process. It is held that the NSSED, in principle, addresses some of the limitations of income-based definitions of poverty, which can’t account for untidy real world elements, such as imperfect markets and infrastructural deficiencies. That is, the aims of development do, indeed, accord with the some of the needs of the poor REA as articulated in this thesis. The second question is more elusive, but it is proposed that participation may have informed concerns of state aid, interfering with the existing mechanisms of the poor, rather than assisting the poor in their efforts.

This research has highlighted potential difficulties in maintaining support and participation among the NGO sector, particularly given that the NSSED has brought forward neither changes to Economic Aid, nor new anti-poverty measures or improved coordination between agencies. This was summarised by one respondent as ‘the point of the strategy is to say that we have one.’ More constructively, the NGO sector considered the NSSED as a marked improvement, particularly for the attempt to integrate efforts. Their faith seems undermined by implementation, however, considering the process to be all strategy and no policy, and having more faith in agencies like the WB than in GoA. For NGO respondents in this research, the degree of commitment to dealing with the issues of welfare and poverty is put into question by the element of language planning in the change of name of the strategy from ‘poverty reduction’ to ‘social development’, which seems to reflect either an unwillingness on the part of the Government to attach the stigma of poverty to the strategy, due to risk of losing credibility, or is a subtle indication that poverty is only an incidental concern in it.

It certainly points to a risk of distortion of the strategy away from an anti-poverty agenda. This does not include just risks of focus on growth, but also from the efforts to develop civil society. Even if we assume a positive link between institutional strength and economic growth, and that this may factor to the benefit of the poor, there are costs to this development in terms of diverted resources, and ‘a long lag-time until

35 Usually embodied in a kind of ‘empowerment’ argument, such as that of DEMOS: ‘communities and people are pretty capable already and it’s the politicians and policy makers who have to learn from them, not the other way around’ (BBC, 2005).
results feedback positively into poverty issues' (Morduch, 1999). Therefore, there are institutional and political risks to the strategy's anti-poverty aims. There are other factors that are not so much under actors' control, which also warrant consideration.

10.3.2 Poverty and Growth

'There is no reason to suppose that economic development and macro-economic policy can by themselves eliminate poverty' (Atkinson, 1975: 236)

Growth has been the focus for Governments of each persuasion since transition and there is no surprise in its centrality in the NSSED. What is new in Albania at least, as it is a feature in most GPRS's, is the presentation of growth as an anti-poverty measure, indeed, the central poverty reduction mechanism.37

The characteristics of growth, as it affects poverty, are that it is a passive policy which is demographically and geographically inequitable, delayed in effect, indirect and not certain. First, implicit in the idea of growth as an anti-poverty measure is that absolute, not relative measures of poverty are being targeted, since economic growth necessitates some increase in inequality and a probable concomitant rise in relative poverty levels.38 Secondly, like poverty, growth varies across regions. There will be a challenge in implementing different GPRS for regions and for areas with variant demographics. As a consequence, much regional disparity can be expected, implying that there must be some redistribution of resources to the poorest areas, whether in the form of investment for jobs and infrastructure, welfare or workfare, if such areas are not to experience continued population depletions.

A simple and wilfully naive question would be to ask what growth alone can do now for the poor in Albania, given the negligible effects of fast-paced growth since 1997? It is difficult to see how the benefits of growth may reach many of the constituency of the poor in the short to medium term; it may indeed require a generation at least (Ravallion, 2003). Considering Albania's growth pattern, it would seem that the benefits of growth are not dissipating far across society, with a lack of job creation

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36 And before, not to forget, for much of the rule of the previous Stalinist regime.
37 More accurately, the true anti-poverty measure, in line with other developing and transition countries, is 'economic growth, debt relief and foreign aid' (Townsend, 2005).
38 Indicative, but hardly conclusive evidence is in the relative poverty measures presented in chapter 6.
and downward wage pressures. Therefore, it may be said that growth is an indirect poverty measure that is very weakly oriented towards helping the most vulnerable. Given that no one knows for sure how to stimulate pro-poor growth - beyond perhaps the need for a stable macro-economic environment⁹⁹ - continued high growth is far from assured and there are real risks to the strategy as the sole poverty reduction effort from external factors, such as the global economic climate. Consideration of these factors leads to the conclusion that growth has been chosen as the strategy for poverty reduction, rather than say more redistributive policies, through a balancing of concerns for the relief of poverty now, against a risk of poverty in the future. This places an increased importance on the Economic Aid scheme as the sole direct anti-poverty programme.

10.4 Policy for Transition and Policy for Consolidation

'There will be wide agreement that a zero rate of growth represents failure... that 2 per cent is better than 1 per cent and 3 per cent better than 2 per cent, but there might be some hesitation as to whether 8 per cent is better than 7 per cent' (Boulding, 1967: 7)

10.4.1 The Environment of Social Policy

Welfare Climate

If the NSSED does not seem to meet the many dimensions of poverty from a textbook social policy perspective, this perhaps reflects the problems of Social Policy in a low-income country. Wealth and development need to be explicit considerations in a way that does not figure so highly in western models, being somewhat of a given in those contexts, where the debate centres more on allocation of resources in a climate of economic growth. If, from western perspectives, 'Anglo-Saxon models of welfare seem best for enhancing productivity, and Nordic models more successful at reducing inequality and alleviating poverty' (IMF, 2006d: 26), their translation into a developmental context is not as simple as even into the transitional one.⁴⁰ Hence, redistribution debates take on a new aspect, in that factoring the needs of the poor into policy choices may be considered to bear risks that the economy as a whole cannot sustain.

Seemingly, the share of agriculture in GDP, openness to trade and rule of law are more uncertain factors (Son and Kakwani, 2006).

Hence, Albania makes a different case to Croatia, Czech Republic, or Slovenia for instance.
Given the uncertain relationship between growth and poverty, there is an urgency to seek solutions that unite the concerns of growth and the poor, and direct welfare measures that will alleviate poverty without substantial expenditure (Kenworthy, 1999). The changing context from the heady early days of reform has also shaped the welfare climate in Albania. Economic Aid has gone from being an emergency relief scheme to a long-term support mechanism with a considerable constituency. The rationale for the scheme has also changed, revealing a sharp divergence between use and aim: from being a social prop supporting transitional reforms, to needing to meet the requirements of the country in the face of increasing globalization. These requirements revolve around the issue of competitiveness of welfare programmes in the context of the global economy.41

In this setting, higher tax bases and contributory labour costs in states with extensive welfare systems risk deterring foreign direct investment (FDI) and trade, as well as increasing the likelihood of welfare dependency among the populace and creating a discouraged potential labour market. It is in this regard that states with residual welfare regimes42 are considered to have better chances of prosperity. Hence, strategies that simultaneously aim to narrow poverty alleviation efforts to responding to the worst effects of income poverty, while strengthening institutions and developing markets, would seem to be favoured. Thus, in keeping with the rest of the world, as poverty conceptions have widened, direct anti-poverty programs have receded.

The welfare system in Albania has doubtless been demand-burdened but is not generous. On first consideration, the possible growth impact of a more generous system seems to pale against that of the unmitigated commercial risks arising from failings in the rule of law, and a suite of high-profile social problems in discouraging FDI into the country.43 There are future challenges in the social policy context for Albania with the EU stabilisation and association process, with a likelihood of conflicting and

41 The theory of 'downward convergence' whereby a general global retrenchment of welfare becomes inevitable (Wilensky, 1975). The theory is (not fatally) flawed in that convergence should be properly addressed to the whole of government spending, including the cost of Government itself, not just welfare: we can, then, suppose a level of spending that the market will bear, somewhere short of anarchism.
42 For an early examination of this, the prescription of safety net models across CEE countries see (Deacon and Hulse, 1997).
43 As well, shallow markets conditioned by low GDP, a small population and few large enterprises offer small investment gains.
increasing donor requirements as it progresses. For now, perhaps the most pervasive effect of the influence of external organisations such as the WB and IMF, has been on the cultural climate of welfare. Relief is delivered for 'compliance with good practice in social policy' (Deacon, 2000), which has meant the continuation of the doctrine of the unity of economic and social policy. The reality concealed by this doctrine is the subordination of all aspects of social policy to the economic requirements of the country (Deacon, 1992a, b). In such a way, economic policy provides the limiting case for social policy debate, particularly pitching concerns for the affordability and competitiveness of welfare against any equitable impact. Hence, issues of administration, such as efficiency and operations, have taken precedence over policy innovation and evaluation under successive Governments.

10.4.2 A Poor Benefit?

It has been often remarked that, though the poor are numerous, their political power is weak, and hence ‘a benefit confined to the poor becomes a poor benefit’ (Morduch, 1999). As such, because the better off do not benefit, they have no interest in the policy and its improvement. The question raised in this study is how pressures of convergence and international policy transfer are informing contemporary discourse and whether they are leading to a poor social policy and social dumping by non-decision (Alber and Standing, 2000). A sound conclusion on the matter, as it pertains to Albania, can’t be arrived at from the findings of this research. It needs an exploration of the welfare system and labour regulations at large, but the issue needs to be borne in mind.

Welfare however, is not just a product of interests (contra Baldwin, 1990), but also of possibilities and limitations. The argument for a residual scheme has historical precedent in Sweden, whose generous welfare system was only established after at least two generations of sustained growth, and with a level of administrative maturity in place (Lindbeck, 2001). Necessary cutbacks there and in CE countries in the 1990’s caution against arguing for simple increases in spending on anti-poverty programmes.

44 The other limiting case, the kind of redistribution witnessed in Albania before 1989, can be treated as of no more than historical significance at this time.

45 Social dumping implies situations in which standards in one country are lowered relative to what they would have been because of external pressure from all or part of the global economic system (Alber and Standing, 2000:99).
It might be said that there is an advantage for Albania in never having implemented a generous anti-poverty programme, in avoiding the cutbacks that have been necessary in some other transition countries (Lendvai, 2005). However, what this advantage consists in may be to the country’s detriment, and certainly to the disadvantage of the poor.

Crowding Out

"Poverty represents 'strategically important limits for the concept of social citizenship'" (Roche, 1992:35)

The specific advantage of an initially ungenerous welfare regime lies in not ‘crowding out’ (Morduch, 1999:15) private means of income maintenance; the argument is that generous public grants replace private transfers leaving the poor no better off than they were before. With the current coping mechanisms of the poor, it would appear that welfare in Albania is being tailored around the contemporary labour relationship - except now an informal one. Another conclusion of this thesis is, therefore, that the need to sustain private means of coping has twin concerns. The first is the desire or need of the Government of Albania and its donors to lessen pressures on public schemes of welfare and has been highlighted by this thesis as regards Economic Aid and anti-poverty efforts.

The second is a hypothesis: that, by sustaining these means, the intention is to provide a source of future economic growth from attempts to formalise unregulated income generating activities (Sassen, 2001), and that Economic Aid has a central role to play in this. Evidence for this comes from the recent discussions on how to mainstream Albanian emigrant workers, formalise the ‘remittance corridor’ and create bilateral pension agreements between Italy and Albania (IMF, 2006c). Problems with this strategy come from evidence of the effects that informal insurance has in possibly slowing economic development (Das Gupta, 1987). This reliance is unlikely to be a reliable way to patch public safety nets (Morduch, 1999), due to the insecurity of

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46 However, there are many a priori arguments that offset this, including that the private transfer may not stop meaning extra resources may be utilised more productively and, for those cases in which it does, those who would have passed on money will be better off; and they are often poor themselves (horizontal rather vertical transfer).

47 Besides the already noted positive benefits to the macro-economy.
private transfers and socially undesirable consequences. This is the case particularly in regard to reliance on migration which is anomic in effect.

The Economic Aid criteria have become important conditions for the social engagement of the poor in Albania’s consolidation. In this light, it becomes apparent that the workfare strategy for Economic Aid, the single biggest change to the programme in a decade, is being driven by the need to formalise the economy, and is not based on poverty concerns. If the compulsory element is enforced, the scheme will entail families re-arranging their affairs to compensate. The criteria also discourage return that is not sustainable (Black and Gent, 2004) by the principle of exclusion, increasing strains on migrant families. The ultimate effect of this will, undoubtedly, be to impair the already weak coverage of the poor, and, therefore, questions arise as to the social sustainability of this social policy.

Thus formal anti-poverty efforts impact on family structure and demographic trends. What appears as a social phenomenon of self-made solutions driven by poverty alone is actually driven by real needs and constrained by the quality and conditions of policy. Individual and household survival, indeed that of the country, is dependent not just on the strength of networks, but on the transformation of these networks of social relations, such as the status of women, children, and the responsibilities of emigrants. In the interplay between state and society, between the desire for development and the risks of poverty, solutions need to be drawn that are more desirable and effective on all scales and across social groups.

Wrapping up

It is concluded that Economic Aid is, therefore, as important to consolidation as it has been to transition for poverty relief firstly, but with ancillary reasons of social control. In thinking about the role of social policy in Albania, we might bear in mind

48 And not in the spirit of the repatriation agreements that Albania has signed.
49 Anomie according to Merton refers to how ‘social structures exert a definite pressure on certain persons in society to engage in non-conformist rather than conformist conduct’ (Merton, 1949: 125).
50 Indicating a path of formalisation by compulsion, rather than incentive, for those at the bottom of the income ladder.
51 Increasing the drift into disability benefits.
52 Why Economic Aid should be used as an instrument thus, rather than another programme, is made apparent by considering its large constituency compared to Unemployment Benefit and the fact that pensions are politically too sensitive, the elderly being seen as more deserving and the programme actually more effective than Economic Aid at reducing poverty.
that ‘the existence of a social program and the amount of money spent may be less important than what it does’ (Esping-Anderson, 1990:2). Particularly, the ‘integrative’ aspects of the current GoA /DO approach to social policy will be challenged. By integrative aspects are meant ‘the appeal to a status, identity, legitimacy or community’ (Boulding, 1967:9). On this basis, the success of social policy could be ‘measured by the degree to which individuals are persuaded to make unilateral transfers in the interest of some larger group’ (ibid.). This may have important ramifications for the success of formalisation and hence the pace of development of the country.

This thesis, therefore, holds that evaluation of the programme of EA benefits favourably from the context of transition, as the emergency measure it was intended to be. Further, that a more integrative approach to social policy may promote development and is, perhaps, especially important in the context and in the interests of democratic consolidation. Particularly pressingly, there is a lack of positive policies for sizeable social risks of great importance in terms of future poverty in the country - namely, returning migrants53 and informal workers with no insurance. Perhaps, recognising that some issues in the ‘domain transcend economics’ (Titmuss, 1968:65), policies can be designed that orient people towards society and being active citizens, not just towards a non-functioning labour market, or the need to sustain themselves through private means.

The chances for a set of homespun social policies are debatable. The existence of a priori reasons for or against such policies encouraging greater economic development, increasing the cohesiveness of society, strengthening the hand of the Government by encouraging main-streaming and raising the fiscal base is open to question. A posteriori, the contribution of the state toward poverty relief has been negligible compared to the means found by the poor themselves through informal grants or labour; while the perceived lack of welfare concern expressed by the state has done little to discourage the circumvention of laws when deemed necessary.

53 Economic Aid migration criteria are aimed only at excluding migrants and preventing ‘unsustainable’ return.
The negative aspects of this and of the level of social reciprocity and informal exchange are that the state appears to be an ineffective agency in many people’s lives, with the lemma that there is little incentive for people to desire the situation to change. The good news from this is that it would be unwise to herald decay in the strength of the Albanian family just yet.

10.5 CONCLUDING UNSCIENTIFIC POSTSCRIPT

'It is true that a mirror has the quality of enabling a person to see their image in it, but for this they must stand still.' (Kierkegaard, 1845)

To raise the living standards of the more than 400 million people in the region and to develop societies that are more humane and democratic than those existed previously. (UNICEF, 1998:1)

How the hopes for democracy in the countries of Central and Eastern Europe and the former Soviet Union once burned brightly! According to the above formulation, the process of transition had good intentions above the creation of free markets and democracy; intentions, however, which may not be achievable by only such means.

Albania, Poverty’s Handmaiden

Albania’s relationship with poverty is much older than transition; it is deeply rooted in its history, in the history of creation of Albania as a state. So, one may say that during the whole national history Albania was, and remains still, the poorest country in the region. Albania presents an interesting, outlier case: features of its transition place it sometimes as similar to the Balkans, sometimes to CEE and sometimes to newly IS country experiences, the sum of differences making an experience unique in character, however common in type. Albania arose from catatonia onto the world stage in a flourish of crises. Liberalisation led to prosperity for some, impoverishment for others. Democracy could not counter institutional decay and social entropy. The line between crime and unchecked capitalism was to be drawn only by the threat of

54 Meaning, in the western media.
55 Perhaps as mentioned in Chapter 5, a reaction to the enforced solidarity of latter day communism; or perhaps due to the sanctity of family in Albania, to the point where, as the slogan goes ‘Albania is far from a social state’ (Luhonja, 2005).
anarchy. Against the inertia of poverty and long-term, mass unemployment, those with the means or courage decided to, sometimes literally, leave their country behind.

The response of the Government was swift, but has not been wholly successful over its lifetime. We have to remember here, that this is not only a matter of will, but also a matter of possibilities. It has been noted how poverty can evolve over time in transition economies (Atkinson and Micklewright, 1992), and that there are always winners and losers and that policies are needed to protect the vulnerable. This thesis has argued some of the reasons why a fresh approach to social policy is necessary: to better tackle poverty, on the basis that Economic Aid fails so often to respond to even the basic needs of its recipients; because, with nearly a decade of GDP growth barely affecting the lives of many poor, there is perhaps not much hope for the current generations of the most disadvantaged from a ‘trickle down’ strategy. It does not require much research to find other reasons: in light of the challenges laid down by the Millennium Goals; in the context of EU social policy debates and the EU stabilisation and association process (SAP); but most unquestionably in the interest of the whole country.

‘The forces of the past... create new situations; if the structure and functions of the social services cling too closely to the needs of the age in which they originated, and if the interests which resist change become too powerful, these services will not meet the needs of the new situations. We shall not achieve a better balance between the needs of today and the resources of today by living out the destinies of tradition; by simply attending to the business of the state. Without knowledge of wind and current, without some sense of purpose, men and societies do not keep afloat for long, morally or economically. by baling out the water’ (Titmuss, 1968:97).

Prospects in Short: Whither the Eagle, Again?

‘The seim anew’ (Joyce, 1939)

Since 1945, Albania has looked progressively further eastwards from its Balkan and Middle Eastern neighbours and interlopers, to count first the USSR then the
Chinese as its allies, Communism enabling the country to ‘punch above its weight’ in the international political arena. It is a popular witticism that, since the fall of communism, Albania’s vision has gone so far east that it is now looking west. More solemnly, however, Albania in 2007 is a country very much looking forward and not into the past: attempting to consolidate democratic institutions and develop its economy.\textsuperscript{56} Under the direction of the new/old Prime Minister Berisha, ever with an eye on the historical record, declaring the end of transition,\textsuperscript{57} the country continues its courting of the European Union, far from alone in considering that the best prospects for the future lie there. In many ways, however, Albania is still faced with the same old problems. Problems caused by the uncertainties of transition, no doubt; problems issuing from the isolation, under-investment and stagnation of the last twenty years of communism, certainly. More profoundly, the very problem that faced reformers such as Noli in 1924 and the Communists in 1945, albeit with a different context and a different starting point. A problem for which Albania’s history has seen many radically different attempted solutions –

‘What is arguably the most difficult problem facing a developing economy: the need to alleviate extreme poverty while still ‘developing’ and not incurring an intolerable burden of debt’ (Schnytzer, 1982:137)

The Albanian experience has so far offered little to counter the idea\textsuperscript{58} that the collapse of communism did not offer anything new; in turning to liberal democracy and, in the case of many transition countries, looking to a future within the European Union. While many of the problems of transition have been original, singular, immediate and intractable, the problems of consolidation are mostly not, and are shared in kind with all other liberal democracies. It is to be hoped that the lessons of its recent past are not lost to it - that Albania does not forego the chance for development in its pursuit of prosperity.

\textsuperscript{56} Alone among the Balkan countries, Albania’s GDP in 2002 was higher than 10 years previously (Dallago, 2006:66).
\textsuperscript{57} June 2006. Transition being a construct, its a moot point when it can be over.
\textsuperscript{58} As argued in Ash (1990:154-6). It seems that for those who like to consider capitalism as some kind of ideology that ‘won out’ over state socialism/communism, its easy to forget that there have been times when it appeared it might be otherwise.
10.6 LIMITATIONS OF THIS STUDY

'Good readers expand a book. Good critics refine it' (Nietzsche, 1974)

The essence of research as a learning process lies as much in the recognition of its limitations as in novel findings or radical conclusions. Rather than examine the limitations of this thesis in terms of what it lacks, which would be too great an undertaking, I would like to consider here internal weaknesses, points at which the strengths of the research have become shackles or constraints. I find the most serious limitations to be in data overload and in research methods, with the former the harder to amend and the latter the easier to defend. I hope their recognition may be a good mulch for the seeds of future research.

The chief limitation of the thesis lies in my attempt at comprehensiveness, which could be seen as an inability to be rigorous enough in selection, at the risk of loss of focus. A just charge! The reason, however, lay in the ambitions and first flush of inexperience of such a long study. My enthusiasm in seeking the causal chains of poverty and policy brought me from theme to theme, from one rich mine of research to another. So, the history, policy analysis, issues of transition and consolidation, governance and civil society, development, and theories of poverty would all, sometime, have benefited from a little less detail and a little more analysis.

In similar vein, the breadth of topics and vast riches uncovered by the empirical research was unexpected. Only a fraction of the empirical data has been condensed into the final narrative. This has naturally led to the sacrificing of some of the depth in treatment that would have been gained by researching either certain aspects of poverty or Economic Aid in isolation among the groups. For instance, the focus on EA has both limited examination of its place in the SA scheme and the ability to specifically address other dimensions of poverty, such as gender and poverty characteristics further up the income ladder.
To the above limitations I attribute my continuous update and not focusing only on my ambition of making an original contribution to the theory of poverty from the empirical research in this study. This was anticipated to be in the form an approach that would somehow synthesise capabilities and need-based approaches to find something new and essential in the data between the groups. Likewise, but less crucially, the concepts of anomic poverty, institutional pseudomorphosis and the application of language-games have had little more than cursory treatment and had to be put aside for development elsewhere. Each one would easily occupy their own thesis.

The much mentioned Albanian ‘data problem’, the issue of quality and continuity of data, may be said to have played its negative part in this research, firstly, in promoting the somewhat over-zealous collection of published data, but also in impeding comparative temporal and geographical analyses of the experience of transition, poverty and policies.

As regards research methods, in choosing a qualitative approach to the research there is often considered to be a limitation in terms of the significance of generalisations made upon findings. Thus, a larger sample size, with more site clusters and more group and individual clusters, could be thought to help gain wider generalisability from the findings. This objection can be met by the idea that moderaturn generalisations as aspects of a particular situation may be seen as instances of a broader set of recognisable features, within appropriate limits (Williams, 2003).

Related to this is the bias that may be inherent in choice of study areas. Particularly, the research focused on the central and north of Albania, not including perspectives on poverty and policy in the south of the country where people have a different attitude to Government and policy and, importantly, indicators suggest that poverty is both less widespread and pronounced. It was exactly for this reason, however, that socio-economic context was an important criteria in study site selection.
10.7 Suggestions for Further Research

This study has uncovered many issues that deserve further attention such as examination of related developments in other programs in the Social Assistance scheme and other social policy areas, such as health and education. There is also need for a wider approach to researching poverty by including those that have fallen outside the scheme coverage and those that have left the scheme by their own choice, due to improvement of their living conditions. Investigation of other aspects of the NSSED, such as the role of the private sector would help in understanding the potential of this sector as an actor in social policy making and efforts to reduce poverty.

The rapid process of urbanisation in Albania deserves further investigation especially in uncovering the dynamics of social transformations, issues of identity and belonging and the expected 'us, the locals' versus 'them, the new arrivals'. Such contexts reveal the potential for social mobility, depending on age, gender, and geography. Here, much interest for further research would benefit by studying in greater detail the role of welfare as a driver for emigration and its on family structure and demographics.

My idealistic next step for further research is to raise the scholarly debate on the issues revealed by this thesis into exploring the concepts of anomie, pseudomorphosis and language game as new territories for theoretical understanding of institutions and social policy from transition to consolidation.

Approaching the end of this journey, however 'long and winding' I feel that this study has reflected my on-going conflicts between taking a cold, distanced academic approach to the research or making my personal reflections known to the reader. It is from this experience that I would like my future research to reflect a reconciliatory approach where both perspectives are not conflicting but complementing each-other, without fearing that acceptance of one leads to exclusion of the other.
APPENDIX I

RESEARCH WITH GOVERNMENT OFFICIALS AND CIVIL SERVANTS

Topics covered in the in-depth interviews are focused on the three main themes of what, how and why. Questions vary according to the professional position of the respondent and central or local Government affiliation. Initially interviewees are presented with the aims of the study, the purpose of interviewing and the principle of safeguarding their identities.

Introduction:

Descriptive information:

- Name of respondent.
- Position in the institution, specific duties and responsibilities.
- Length of service and at what levels.

Official point of view in regard to poverty

- What is the Government's position in regard to poverty?
- Which were the first official documents that talked openly about poverty?
- What constitutes poverty? [individual subjective view]

Programmes in response

- What were the country conditions during the development of Governmental policies tackling poverty and related phenomena such as unemployment etc?
- What is the Government perspective on social policy, and welfare? what is their aim?
• What were the specific programmes, how were they designed and incorporated in the welfare platform? Detailed information about EA. [expand on the policy cycle]

• What were they based on?

• How were they implemented and delivered?

• How did they respond to the needs of the population and how effective have they been in that?

• What has been their impact?

• What are the indicators used to measure that?

• Other relevant issues in regard to poverty and policies in that regard?

Reform

• Can anti-poverty programmes, and indeed social policy be effective in reducing poverty in Albania?

• Do you think that programs need to change? Expand

• What are, in your opinion, the greatest risks, challenges and opportunities to a successful social policy in that regard?
Initially people are given a general introduction about the research, explaining the aims of the research and the purpose of getting their views. They are guaranteed that their names will be kept anonymous and will not affect their benefits. Then, respondents are asked about: name, age, number of people in the family, level of education, work status, how long have they lived in that area; role and responsibility (if any) they have in the community. Interviews followed a thematic guide as presented below:

**Lifestyle**

- Can you describe your living conditions?
- What is your family income, and from what sources?
- Were you better off in the previous system? Can you describe the similarities/differences?

**Perceptions of Poverty**

- Do you consider yourself poor? If yes - Why? Explore all issues.
- Can you describe what poverty is for you/your family? How do you feel about it?
- What are you most acute needs? [in order of priority]
- How have poverty and its related effects changed over time for you/your family?
- What families/groups are more at risk of falling into poverty?
- What areas of your life are affected by the fact that you are/feel poor?
Information about Government Programmes

- What do you know about Government programmes aimed at reducing poverty?
- What benefits do you receive? For how many years? Do you know how are they calculated? How easy is it to get benefits you think you deserve? Do you have information about what else you may be entitled to?
- How much is that?
- Is that enough to cover your needs?
- Have you heard about the latest Government programme focused on Growth and Poverty Reduction?

Assessment of Institutions

- What have you done to improve your life?
- Whom/what have you relied upon, during these years?
- What are the institutions that have helped you?
- What has been the impact of Government institutions/NGO’s in your life?
- Can you mention any examples?

Looking for Solutions

- What do you think is needed to improve your life?
- How do you feel about the future?
- Do you have faith? If yes, in what/whom?
APPENDIX III

THEMATIC GUIDE TO ISSUES EXPLORED WITH REPRESENTATIVES OF NGO'S AND INGO'S.

Interviews and discussions with this group start with a general introduction of the purpose of the research, proceeding with information about their institutions, respondents’ duties and responsibilities.

- How long has your organisation been operating in Albania?
- How long have you been involved with this/or other previous NGO's?
- What is your opinion on the origin and nature of NGO sector in Albania?
- What is the focus of your work?
- What have been the policies aimed at addressing poverty?
- What has been the impact?
- What constitutes poverty in your/institutional view?
- What is the nature of poverty in Albania?
- How has that been approached? 1) by the government 2) by other actors of civil society 3) donor agencies.
- How is your cooperation with the state institutions? Can you/your organisation influence the policy making process?
- Are you aware of the GPRS?
- Have you/your organisation been involved in the participation process?
- What is your opinion on the strategy, as regards to participation and reduction of poverty? Explore.
- What do you see as risks, challenges and opportunities to successful policies?
APPENDIX IV

SUMMARY OF MAIN LEGISLATION COVERING ECONOMIC AID

The Albanian social assistance and welfare scheme was established by a series of legislation, which included a number of Parliament acts, government decisions and regulations between the years 1993 - 1996.

A - Laws:
- No. 7710, dated 18.05.1993, on ‘The social assistance and welfare’.
- No. 7785, dated 27.01.1994, on ‘An amendment in the law no. 7710, dated 18.05.1993 on ‘The social assistance and welfare”.
- No. 7886, dated 08.12.1994, on ‘Some changes in the law no. 7710, dated 18.05.1993 on ‘The social assistance and welfare”.
- No. 7933, dated 17.05.1995 on ‘The public works’.
- No. 8008, dated 05.10.1995 on ‘An amendment in the law no. 7710, dated 18.05.1993 on ‘The social assistance and welfare”.
- No. 8092, dated 21.03.1996, on ‘The mental health’.

B - Council of Ministers Decisions (CDM)
- No.188, dated 13.04.1993 on ‘The creation of the Local Administration of Help and Social Protection’.
- No. 227, dated 10.05.1993 on ‘A supplement to the decision of the Council of the Ministers no. 188, dated 13.04.1993 on ‘The creation of the Local Administration of help and Social Protection”.
- No. 328, dated 30.06.1993 on ‘The award of the economic support’.
- No. 329, dated 30.06.1993 on ‘The creation of the social assistance and Welfare regional Inspectorate’.

Poverty and Anti-Poverty Programmes in Albania
• No. 480, dated 03.09 1993 on 'The transfer of the activity of the mentally Disabled Children Homes to the Ministry of Labour, Emigration and Social Protection'.

• No. 456, dated 16.09 1993 on 'Some supplements to the decision of the Council of Ministers no. 188, dated 13.04.1993 on 'The creation of the Local Administration of help and Social Protection’.

• No. 495, dated 18.10 1993 on 'A supplement to the decision of the council of Ministers no. 325 dated 30.06.1993 on 'The award of the economic support’.

• No. 124, dated 15.03.1994 on 'The criteria of the economic support awarded to the family households in the agriculture’.

• No. 311, dated 11.07 1994 on 'The disability benefit’.

• No. 453, dated 26.09.1994 on 'The award of the economic support’.

• No. 557, dated 21.11.1994 on 'Some changes to the decision of the Council of Ministers no. 453, dated 26.09 1994, on 'The award of the economic support’.

• No. 457, dated 21.08.1995 on 'Some changes to the decision of the Council of Ministers no. 311, dated 11.07.1994 on 'The disability benefit’.

• No. 563, dated 09.10.1995 on 'The application of the public works’.

• No. 605, dated 30.10.1995 on 'The criteria of the economic support evaluation’.

• No. 620, dated 06.11.1995 on 'The award of the economic support’.

• No. 52, dated 08.1.1996 on 'The creation of the General Council of Administration of Help and Social Services and General Administration of Help and Social Services’.

• No. 179, dated 10.05.1996 on 'Some changes to the decision of the Council of Ministers no. 563, dated 09.10.1995 on 'The public works”

• No. 301, dated 30.06.1996 on 'The documentation of the economic support benefit’.

• No. 307, dated 24. 05.1996 on 'The social welfare services’.

• No. 527, dated 12.08.1996 on 'Some changes to the decision of the Council of Ministers no. 52, dated 09.01.1993 on 'The approving of the World Bank project on the decrease of poverty in the rural zones’.
# APPENDIX V

## EA FUND AND ALLOCATION BY HOUSEHOLD

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*Poverty and Anti-Poverty Programmes in Albania*
### Acronyms

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<td>CEE</td>
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<td>Economic Aid</td>
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<td>EBRD</td>
<td>European Bank for Reconstruction and Development</td>
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<td>EIU</td>
<td>Economist Intelligent Unit</td>
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<td>GACSS</td>
<td>General Administrate of Care and Social Services</td>
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<td>International Labour Organisation</td>
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