



Section 2. Management

DOI:10.29013/EJEMS-23-3.4-15-25



MNIMUM LIVING AND POVERTY, ALBANIA COMPARED TO THE COUNTRIES OF THE REGION

Dr. Natasha Hoda¹, Doc.Dr. Hysen Hoda²

¹ Lecturer at the Public Department, Faculty of Political Sciences
and Law, Aleksander Moisiu University, Durrës

² Lecturer at the Department of Finance-Accounting, Faculty
of Business, Aleksander Moisiu University, Durrës

Cite: Hoda, N., Hoda, H. (2023). *Mnimum living and poverity, Albania compared to the countries of the region. European Journal of Economics and Management Sciences 2023, No 3-4.* <https://doi.org/10.29013/EJEMS-23-3.4-15-25>

Abstract

The purpose of this article is to determine the living minimum for the year 2022 for Albania, as well as to highlight the impact that the formalized living minimum has on the standard of living of the citizens of a country. Although three decades have passed since the overthrow of the communist regime in Albania, a considerable number of families live in misery. Albania is the only one among the former socialist countries of Eastern Europe, without an official indicator of the defined living minimum, which means that our country currently lacks the basic level of poverty measurement. The payments benefiting individuals unable to work are very low, as well as pensions both in the city and in the countryside are extremely low, social support is in modest amount, and therefore the life of many Albanian families is at the limits of the struggle for survival. There are poor people in every country of the world, even though the goal of every country is to continuously reduce poverty. The living minimum and poverty are generally related indicators of a country's economy and both of them are also related to inequality. If we are going to talk about well-being and the poverty line, we must definitely have defined the living minimum and formalisation of it. The determination of the living minimum and the formalisation of this indicator must be an obligation for our country. On the other hand, the living minimum constitutes one of the most important social indicators of a country, which in a way shows the quality of life of the population. If they have to find out the number of poor families or individuals, we must first formalize the living minimum and then to define how many individuals or families are below this minimum, where is their location and then intervene with social policies and programs differentiated to reduce poverty. The calculation and formalization of the living minimum constitutes the low limit, below which should not have

any type of payment, that is, the minimum wage, the amount of pensions, payment for individuals with limited ability to work and other social indicators must necessarily be at least in the level of the vital minimum. Since the living minimum is a variable indicator and expresses the dynamics of the standard of living of individuals in a society, it should be continuously indexed depending on the country's economic development, inflation etc.

The methodology of this study consists in the use of the secondary data method and the absolute poverty method, a method which is mainly used to determine the living minimum for countries in transition and developing countries such as Albania.

The objectives of this paper is to determine the structure of the basic products necessary for a normal life, the determination of services and other basic needs and the calculation of the living minimum for capita for the year 2022, referring to the previous authors as well as the updating of data for the year 2022, according to the Tirana Institute of Statistics (INSTAT) database.

Keywords: *Living minimum, absolute poverty, relative poverty, minimum wage, basket products, food goods, non-food goods, poverty line*

Intraductin

After the 90s, Albania was involved in the migration of the free movement of people within the country, as well as illegal immigration to different countries of the world. People moved looking for a better life than the one they left behind, the scourge of immigration has not stopped. Meanwhile, we can say that immigration exists in many countries in the region and in the world, and there are also poor people and inequality all over the globe. Overarching objective of governments is to implement social policies and specific programs for poor people and to ensure a dignified life for their citizens. In order to determine the groups in need we must calculate on the objective basis the living minimum and enforce by law, further to extract statistics how many individuals or families have lower income than the living minimum and to intend them on different social programs. The social protection system of a country's population may not be fulfilled if it does not include the formalized measure of living minimum, and on depending in the economic development of the country to pass on the setting of a living minimum that provides a dignified life of individuals and not just survive. So we should expand the list of foods and services involved in calculating of the living minimum and passing through the use of the absolute poverty method of using the relative poverty method for calculating this indicator. The living minimum and poverty are two indicators connected between them, according to author Harvey S. Rosen for measuring poverty we are based on consumption and income. Poverty measurement

based on income, consider all kinds of income from all resources such as work, social transfer, home production, informal support, while measuring poverty based on consumption costs takes all costs incurred for all goods and services consumed, the most preferred method in practice is based on consumption costs (Harvey S. Rosen, 2003). In general, the living minimum is defined as the income level which guarantees that consumption meets the minimum physical and social requirements of human beings (ILO, 2012). Most of all, the concept of a living minimum is referred to a wage needed to enable survival based on a real living cost (Fabo, Brian; Belli, Sharon Sarah, 2017). The living minimum is a law norm that derives from the constitutional law of citizens, moreover there is a general lack of sub-acts of law that determine the living minimum and the change of this indicator timely. Various non-profit organizations, as well as some local researchers through poverty-related works or reports in Albania have calculated a living minimum based on their point of view but still does not have an living minimum officially. In general, the relative poverty method and the method of absolute poverty are used to calculate the living minimum. The relative poverty method is mostly used for developed countries, as the absolute poverty method does not provide appropriate information on the living minimum in these countries and that the countries developed in the process of calculating the minimum is intended to provide a dignified life for individuals and their family and that they consider not only the necessary products and services needed but a variety of

products and services including internet access, book reading etc. In developing countries, but not only (in transition), the method of absolute poverty is used, which consists in determining the minimum needs to have a normal life. According to this method, the living minimum is calculated by determining the minimum needs of the basic basket of products and services, so this method consists in calculating the food poverty line and the non-food poverty line, and both of these give the limit of the living minimum or otherwise the minimum requirements that must be fulfilled in order to live. In Albania, about 40% of the population lives on more less than \$5.5 per day and compared to other countries in the region such as Serbia, Macedonia, Bosnia-Herzegovina, Montenegro, Kosovo, this is the highest level of poverty (Arjana Fullani, Dritan Shano, Mirela Sota, 2018). Families with many children, i.e. large families are the poorest and the groups most at risk of poverty. Regardless of the attention shown by the government for growth of the amount of economic assistance for these groups, this growth has been very low and no impacted on their poverty reduction.

Methodology of the research, purpose and objectives

a) The methodology of this study consists in the use of the secondary data analysis method using a considerable literature. For the calculation of the living minimum indicator for 2022, we are based on the absolute poverty method, a method which is mostly used for countries in transition, or in the less developed economies, as well as for developing countries. In general, the relative poverty method and the absolute poverty method are used to calculate the living minimum. The relative poverty method is mainly used for developed countries or in more developed economies, since the absolute poverty method does not provide adequate information regarding the living minimum in these countries, so the relative poverty goes beyond basic physiological needs. While in developing countries, but not only (and countries in transition), the method of absolute poverty is used, which consists in determining the minimum needs to have a normal life. According to this method, the living minimum is cal-

culated by determining the minimum needs of the basic basket of goods and services, i.e. the food poverty limit or the sum of expenses for food goods and the non-food good, or the total of expenses for necessary services, is calculated. Both of these poverty lines are calculated as the cost of basic food and non-food needs, and further this sum is poverty line or the minimum requirements that must be met to survive. During the process of analyzing the situation regarding the percentage of non-food expenses and the relationship they have with family income, in addition to the Institute of National Statistics of Albania (INSTAT) data, we also referred to the analysis made by the German static engineer Ernest Engel in 1857, who is the first author who has studied the relationship between foods spending and income stability.

b) The main purpose of this study is to measure the living minimum in Albania, for the year 2022, by determining the expenses for monthly food goods per person and the monthly non-food goods per person.

c) Research objectives

The two main objectives of the study are as following:

- Determining the structure of the basic food goods and non-food goods necessary for a normal life, determining the services and other basic needs and calculating the living minimum per person for the year 2022 referring to the previous authors as well as updating the data for the year 2022 referring to the Institute of National Statistics of Tirana (INSTAT).

- Comparison of the living minimum calculated with the amount of social support or payments benefiting individuals unable to work, as well as with the minimum rural and urban pensions

Literature review

The discussions about the living minimum or a payment for a normal living have started on early time of civilization period., Adam Smith in the 18th century spoke about the need for fair payments, the ILO in the constitution that in 1919 defined the necessity of “a minimum wage in order to “provide workers and their families with a satisfactory standard of living”. The Universal Declaration of Human Rights of the United Nations

(UN, 1948) recognizes the need for workers to earn a living wage as determined by the Constitution of the International Labor Organization (ILO, 1919).

The concept of the living minimum has its origin in studies on economic thought since the period of Greek antiquity, while since the beginnings of the thought of political economy this concept has become the object of study of various sciences such as economics, philosophy, social sciences, legal and political sciences (Schulten, Thomas; Müller, Torsten, 2021). Apart from the rich history related to studies by different authors in the world about poverty or the definition of the living minimum, the meaning behind the concept of living wage has mostly been quite stable and straightforward, usually expressed as a wage necessary for survival based on cost real living (Wills and Linneker May1982).

More recently, however, there have been efforts to expand the definition to include parameters of “dignified life,” rather than mere survival, such as the capacity to support families, maintain self-respect, and be free to participate in the civic life of the country in question (Glickman 1999; Brenner 2002).

The living minimum is a fixed level of real income considered sufficient to ensure a minimum standard of living, which includes not only food goods, clothing, but also health care, education and housing. So income is not the only indicator of poverty, but other indicators such as housing, education or even public goods should be considered. Differently from EU countries or beyond, in which the living minimum also includes the mundane needs of an individual, the method used to calculate the living minimum in Albania is the one known as the Absolute Poverty Method. The Absolute Poverty Indicator is calculated on the market value of a quantity of products and services, which is thought to be sufficient to satisfy basic needs (Harvey S. Rosen, 2003). The amount of the subsistence minimum depends, among other things, on the method used to determine this indicator, but this amount also depends on the state and what aspects are included in the formula, which means, for example, in America, during the calculations of the subsistence minimum, access to the Internet or also activities related to pleasure, while in Albania currently only

goods and services for survival can be counted. Furthermore, enforced by law of the living minimum as well as the determination of the elements that will be taken into account in the determination of this minimum, should not have as its goal the further poverty of the individuals of a society, but should constitute a guarantee to ensure them a dignified life. More recently the poverty reduction is the overarching objective for all of countries, but poverty is present both in developed countries and in underdeveloped countries. In different countries, this living minimum is different, even in some countries the living minimum living is different for rural areas compared to urban areas, because some services such as medical care have different costs in rural areas compared to urban ones, house rents they are not the same in all cities or metropolises compared to the provinces. In Albania, there is a lot of talk about the continuous increase in the minimum wage, but the rates of growth are very low and do not even compare with the new rates of inflation, and therefore the poor households being poorer. The minimum wage is low and therefore we cannot talk about defining a living minimum which would ensure a dignified life for individuals and their families. The legal minimum wage does not guarantee that workers will not fall into poverty, on the contrary, it is a sign of being poor (Clean Clothes Campaign). The living minimum and the minimum wage are two important indicators connected to each other, while nowadays the minimum wage is one of the most debated issues in the field of labor policy and the debate on the minimum wage is very polarized. The minimum wage is often defined as a link between employment and income equality. Regarding the ongoing discussions on Social Issues of European Integration, we intend to expand the debate to include the aspect of ensuring minimum living standards, showing the gap between minimum wages and the living minimum in countries that are not yet part of the European Union. In EU countries, which are considered developed countries, the minimum living wage in these countries is calculated at the limit of 60% of the average income per family unit (According to EUROSTAT). Author M. Orchansky has calculated the poverty line for the USA since 1960, this author is

based on the basic calorie needs of one person in a family of four. Based on the calories, the author has calculated the necessary amount of money to buy the necessary products for a normal life, and this amount was multiplied by three, assuming that food expenses account for one third of the total expenses of a family (Ruggles P., 2016). The first living wage law in the United States of 1912 (Massachusetts) states that the income must be sufficient “to keep the worker in health” which means that the income provided must enable individuals more than the cost necessary of existence. Furthermore, the Massachusetts Wage Board, which sets the minimum wage level, interpreted necessary costs as including recreation, vacation, self-improvement, health, and emergency reserve, in addition to food, lodging, clothing, and different random ones (Richard Anker ILO).

For the first time in Albania, the concept of the living minimum was prescribed as a concept in the Labor Code in 1995, but with later changes through the amendments of this document, the concept of the living minimum was also removed.

If the living minimum will be enforced by law, then this obliges the government, through various programs or social protection schemes, to guarantee pensioners and beneficiaries of social and economic assistance a monthly income of at least the living minimum. Different authors in their works have defined the living minimum in Albania in different years, but it is still not an official figure by law. Also, various non-governmental organizations such as Eurostat, the Institute of National Statistics of Albania (INSTAT), the World Bank or the Institute of Economic Studies (ISE) and recently the People’s Advocate. From the Ministry of Economy and the Institute of Economic Studies in 1991, the living minimum for a family with four individuals where only one is employed was 870 ALL (Albanian Leke), however this study by the Ministry of Economy and Institut of Economic Studies was never formalized. By the Tirana Institut of Statistiks the living minimum was calculate for the year 2002 in amount 4891 Albanian Leke per person on month, for the year 2005, 5272 Albanian Leke per person, for the year 2008 the living minimum per person 5722

Albanian Leke and for the year 2012, 6017 per person monthly. In the 1995, the author Luan Shahollari defined the living minimum for a family of four individuals at 4534 Albanian Leke per month. In 1998, the researcher I. Telo determined the living minimum for an employed person at 20,834 Albanian Leke per month and for a family of four at 36,232 Albanian Leke. In 2011, the researcher K. Ziso calculated the minimum living per person 15,072 Albanian Leke and for a family with four members 60,288 Albanian Leke. Meanwhile in an Albanian Center for Economic Research (ACER) report supported by UNDP Albania for the year 2015 the living minimum was set at 16,000 Albanian Leke per person, and for 2019 the living minimum was set at 17,875 Albanian Leke.

Calculation of the living minimum for the year 2022 for Albania and the techniques used

Determining the poverty line is an important indicator in that we are going to talk about countries with a healthy social system, the government for each household that is under this limit should take initiatives such as including these families in food aid programs or in different forms such as coupons or free meals.

Anker (2011) argues that we must be very correct about the definition of the living wage and the determination of the method that we should use to calculate this indicator and that this is a prerequisite for the wide examination of the living wage and the needs of employees, by companies, unions and governments. In general, in developing countries, the living minimum is calculated analytically, dividing people’s expenses into four groups: expenses for food items; expenditure on articles of clothing; expenses for household appliances and furniture and other expenses (electricity, water, heating, detergents, expenses for education, etc.) (ACER, 2013).

So, poverty is not only related to having a certain level of consumption but also to having good living conditions, being safe and being involved in social life (Bici R. and A. Mancellari, 2015). The amount of food consumption to total consumption will serve as reference for determining the non-food cost that must be added to the living mini-

minimum to calculate the full amount of the living minimum. In the calculations of food needs, we have taken into account the grouping of food needs according to proteins and fats and food groups according to FAO recommendations. Cereals and foods rich in carbohydrates 55–75% of calories, proteins 10–15% of calories, fats 15–30% of calories, while vegetables and fruits 400 grams.

Based on the needs for carbohydrates, proteins, fats, sugars and fruits and vegetables, the specific foods of each food group are determined, which will be included in deter-

mining the minimum needs for food goods. The basket of food goods used to calculate the living minimum in Albania for 2022 refers to the recommendations of the Food and Agriculture Organization (FAO). Based on these recommendations, the number of calories per breath per day turns out to be 2288 calories, based on the daily needs for calories provided by each of the necessary food products, in table no. 1 they are presented the types of products, the calories provided by each product as well as the ratio of these calories to the total daily calories.

Table 1. *Basket goods, calories for each product and the ratio to the total*

N ^o	Produktet e shportes	Daily calories from each product	Percentage to total
1	Bread and other dough products (bread and dough)	266	11.63
2	Cereals, flour and pasta	928	40.56
3	Meat	60	2.62
4	Fish	3	0.13
5	Milk and milk products	300	13.11
6	Cooking oil	350	15.30
7	Fruits	11	0.48
8	Fresh vegetables and legumes	101	4.41
9	Preserved and frozen vegetables	99	4.33
10	Sugar end desserts	158	6.91
11	Spices	0	0
12	Soft drinks, tea and coffee	11	0.48
13	Other foods	1	0.04
	Total calories	2288	100

Source: FAO (calories) INSTAT and the World Bank for energy products and Author's calculations 2023

Based on the daily rate of calories for each product, we determine the necessary daily amount in grams that must be consumed by

a person, which is presented in Table N^o 2 below:

Table 2. *Average daily rate in calories and grams*

N ^o	Basket product	Calories for each product	Daily amount in grams
1	Bread and other dough products (bread and dough)	266	116
2	Cereals, flour and pasta	928	263
3	Meat	60	20
4	Fish	3	2.7
5	Milk and milk products	300	100

Nº	Basket product	Calories for each product	Daily amount in grams
6	Cooking oil	350	39
7	Fruits	11	18
8	Fresh vegetables and legumes	101	709
9	Preserved and frozen vegetables	99	600
10	Sugar end desserts	158	43.4
11	Spices	0	0
12	Soft drinks, tea and coffee	11	27
13	Other foods	1	0.13
Total calories		2288	

Source: FAO and Author's calculations 2023

Based on Table Nº 2 where we have determined the daily calories and the amount of each product to ensure these calories, we find the amount for each product per month in kg. Referring to the average prices of the year 2022 obtained by INSTAT for consumer products, we determine the monthly cost in ALL for each product and the sum of all the costs of the products gives us the cost or ex-

penses for food products for one month for capita. Table no. 3 provides data for each item of the food basket for the year 2022, as well as the total figure of monthly expenses only for food products for capita of 7936.11 ALL. Based on this indicator, we will calculate other expenses, so for non-food goods, we intend to determine the amount of living minimum for the year 2022 per capita.

Table 3. *Living minimum for food products in the basket for one month in value per capita*

Nº	Products cart	Daily amount in grams	Monthly quantity in kg	Average prices per kg in 2022 (all / kg)	A month's worth of food for one person
1	Bread and other dough products (bread and dough)	116	3.48	130.48	454.07
2	Cereals, flour and pasta	263	7.89	167.27	1319.76
3	Meat (beef, pork, chicken, small)	20	0.6	731.36	438.82
4	Fish	2.7	0.081	771	62.45
5	Milk and milk products	100	3	484	1452
6	Cooking oil	39	1.17	508.08	594.45
7	Fruits	18	0.54	122.58	66.19
8	Fresh vegetables and legumes	709	21.27	139.31	2963.12
9	Preserved and frozen vegetables	100	3	118	354
10	Sugar end desserts	43.4	1.302	108.22	140.9
10	Spices	0	0		
11	Soft drinks, tea and coffee	27	0.81	111.1	89.99
12	Other foods	0.13	0.0039	90	0.35
Total					7936.11

FAO & INSTAT source and Author's calculations 2023

Based on the above table, the monthly expenses per capita for food goods, which is 7936.11 ALL, for the calculation of other non-food expenses, I will be based on the ratio of these expenses to the total monthly expenses. Referring to the INSTAT “Family Budget Survey 2022”, about 41.3% of the total family budget is spent on food goods, i.e. 58.7% of the family budget is spent on non-food products (water bills, energy, health, education, housing and clothing, etc.) and specifically in the amount of 11,279.66 ALL. So, based on the method of absolute poverty and the minimum needs to survive, an individual needs 7936.11 ALL per month for consumer products and 11279.66 ALL for non-consumer products and a total amount per capita of 19,215.77 ALL. This amount should be used as a guide to determine the amount of minimum rural and urban pensions, the amount of economic assistance, the payment of incapacity for work, etc. In fact, the reality of pension payments, economic assistance or payments for individuals unable to work, compared to the figure calculated for the living minimum for the year 2022, is relatively lower, since pension payments reach an average of 9,500 ALL per month, for economic assistance, about 8,000 ALL per month. The minimum wage has increased from time to time, but the rates of growth have been very low, currently the minimum wage is 40,000 ALL per month gross, while payments for pensions, economic assistance, social support for the unemployed, or for individuals unable to work are much lower than the minimum wage, on average three times lower, while compared to the minimum living wage calculated for 2022. Pensions are 1.5 times lower, economic assistance amount is 1.7 times lower and the payment for individuals unable to work is 1.1 times lower. At a time when inflation is experiencing continuous growth, and concretely referring to the official website of the World Bank for 2022, this indicator was 6.7%, and incomes increase very little, the life of the poor deteriorates even more. Under these conditions, poor families, which are numerous in Albania, must be included in various social aid programs to cope with extreme poverty. In fact, it is somewhat difficult to determine objectively what is necessary for a dignified life,

since several factors influence the determination of the amount of the minimum living wage, such as the type of food consumption products defined as necessary for living, the variety of non-food products included in the calculation and considered necessary, the prices of each group as well as the methods used to calculate the living minimum. For countries like Albania, since the use of the absolute poverty method is recommended, and the diversity of consumer products consists in meeting the minimum needs for life, as well as for non-food products. Meanwhile, in developed countries that aim for a dignified life for citizens, the variety of food and non-food products is greater.

Albania compared to other countries in the region and beyond

According to the World Bank, during the year 2022 about 30.8% of the Albanian population lived in poverty and the phenomenon will be stable until the end of 2023, where 29.3% of the country’s population will live on less than 5 dollars a day. According to World Bank measurements, Albania has the highest level of poverty in the region. Kosovo, which ranks second, has poverty at 24.4%, Serbia ranks third with 19.8%, Macedonia with 17.9% and Montenegro with 16%. Despite the strong cyclical recovery, the pandemic has reversed previous achievements in poverty reduction. The World Bank estimated that in 50 countries of the Central Europe and Asia Region by the end of this year, COVID-19 has impoverished about 4.3 million people. The World Bank analyzes that although economic growth post-Covid-19 is strong, it is not showing all-inclusiveness. Many people continue to be poor by job losses and reduced working hours, high inflation, especially for food products. The living minimum of 19215.77 ALL, defined in this article for the year 2022 is a relatively low figure if we compare it with the countries of the region, such as Macedonia and Montenegro, etc. According to EURSTAT and OPEN DATA Albania, the living minimum for the countries of the Western Balkans for 2020 was, Albania 126 euros, North Macedonia 149 euros, Serbia 187 euros, Montenegro 196 euros, and the average of the Western Balkans is 164, and it is clear that Albania

is at the bottom in terms of the living minimum per year. Likewise, compared to the countries of the former socialist block, the minimum living wage per person per month for Albania is very low, referring to EUROSTAT and OPEN DATA Albania for 2020, Romania 213 euros, Bulgaria 231 euros, Hungary 324 euros, Lithuania 430 euros, Slovakia 435 euros, Latvia 441 euros and Poland 401 euros. As far as EU countries are concerned, the country with the highest level of living minimum for 2021 is Luxembourg, with a value of 2,124 euros/month per person. The second country with the highest limit of the living minimum measured in the form above is Denmark with a value of 1,604 euros/month. The Netherlands, Ireland, Austria and so on follow. The countries with the lowest value of the living minimum within the European family are Romania (242 euros/month), Bulgaria (258 euros/month), Hungary (331 euros/month) (OPEN DATA ALBANIA).

The average of living minimum for all EU countries was 869 euros/month for 2021, while for 2020 it was 839 euro. The European Union uses the poverty risk threshold indicator to measure the living minimum. The poverty risk threshold is calculated at the value of 60% of the average equalized disposable family income. Can the vital minimum of 19,215 lek be considered sufficient to ensure a dignified life for individuals? Without hesitation the answer would be no.

In order to provide individuals with a reasonable standard of living, we must rise above the concept of the living minimum. According to the many authors who have studied this indicator, a reasonable standard of living is considered the standard which meets the physical, psychological and social needs of a person. A reasonable standard of living does not mean that a person should live at a level of luxury but neither does it mean that a person should live only at the level of survival. It should be possible for the person to eat healthy foods, have clothes for different weather and situations, keep the house neat and clean, have furniture and equipment at home for rest and entertainment, be able to devote time to leisure activities, and read books, newspapers and watch television (Disability Service Ireland, 2013)

Nowadays, if we are going to talk about a reasonable standard of living, we should consider the standard based on needs and not on desires, and apparently Albania has a lot of work to do in this matter. As a conclusion, we can say that a reasonable standard of living is a minimum standard that enables the provision of basic living expenses and that this level should be higher than just the minimum for survival. The National Anti-Poverty Strategy of the European Commission recommends that: "Policies that are based on income should aim to ensure sufficient income for all individuals in order to get out of poverty and live in a manner compatible with human dignity" (Poverty Reduction Agency, 200).

Conclusions and recommendations

Conclusions

— The state in Albania has not given legal force to the living minimum. The first important definition of the living minimum in Albania is defined in the Labor Code in 1995, but with the later amendments to the Labor Code, the concept of the living minimum has been removed.

— As far as the social protection framework is concerned, if we do an elementary comparative analysis, it turns out that the minimum pensions, economic assistance, unemployment payment and permanent unemployment payment are lower than the calculated level of the vital minimum per capita per month for the year 2022 of 19,215 ALL.

— Referring to this indicator, Albania ranks lower than the countries of the Western Balkans, as well as much lower than the countries of the former Socialist Bloc, a bloc in which Albania itself was a part.

— In a disconnected way, different national authors have calculated the living minimum for Albania, while an annual chronology is missing

— Moreover there is lack of information, which should be easily accessible for purposes of calculating of the living minimum.

— If we are going to overcome from the concept of the vital minimum to that of a reasonable standard of living, aiming to provide individuals with their basic right to a decent life, it would be considered a very important step for the population's standard of living.

Recommendations

1. The living minimum must be enforced by law in Albania as well as reflection in the legislation of the continuous indexation of this indicator.

2. Ensuring the necessary data base related to the basket of food goods (consumer products).

3. The publication of the basic needs for daily calories, and the percentage of each

product calories in the total calories of the basket of food goods.

4. The living minimum should be a guide for the drafting of social policies that aim to change the standard of living of the population, targeting the poor households that should be included in social support programs, determining pensions, economic assistance and the minimum wage at the country level.

References:

- Harvey, S. Rosen, (2003). Princeton University, Public Finance, 6th Edition, Translated into Albanian by "Albin" year.
- ILO. (2012). "Methodology of Living Minimum Assessment in Kazakhstan and its Problems".
- Fabo, Brian; Belli, Sharon Sarah, (2017). (Un)believable Wages? An analysis of minimum wage policies in Europe from a living wage perspective, *IZA Journal of Labor Policy*, ISSN 2193-9004, Springer, Heidelberg, Vol. 6, Iss. 4, p. 1–11, p. 3.
- Arjana Fullani, Dritan Shano, Mirela Sota World Development Indicators, 2018. 30 report Supported by UNDP.
- Richard Anker ILO. Calculation of the subsistence minimum. Review of the methodology.
- Schulten, Thomas; Müller, Torsten, Living wages cited in the research of Arjana Fullani, Dritan Shano and Mirala Sota (2021). Report on the living minimum standard in Albania.
- Wills and Linneker May, 1982 typically expressed as a wage necessary for survival based on the real cost of living.
- Lawrence B. Glickman (1999). The Living Wages Movement. Cornell University Press.
- Clean Clothes Campaign Policy Paper pg. 5.
- Ruggles, "Measuring Poverty". (1992). URL: <http://www.irp.wisc.edu/publications/focus/pdfs/foc141a.pdf> also mentioned by ACER in the work Calculation of poverty in Albania 2016 pg.29
- ACER. (2013). (Albanian Center for Economic Research) Calculation of the living minimum in Albania.
- Bici, R. and Mancellari, A. (2015). "Multidimensional Measurement of Poverty – The Case of Albania". URL: <https://dialnet.unirioja.es/descarga/articulo/5575862>
- Disability Service Ireland. "Guidance on a reasonable standard of living and living expenses' reasonable", 2013. URL: <http://www.isi.gov.ie/en/isi/guidelinesundersection23-final.pdf/files/guidelinessubsection23-final.pdf>
- Anker, R. (2011). Estimating a living wage: A methodological review. ILO.
- Anker, R. (2006). Poverty lines around the world: A new methodology and internationally comparable estimates. *International Labour Review*, 145(4), 279–307.
- Martin Guzi WagesIndicator Foundation (2013). – Estimating Living Wage Globally-65 *Countries European Conference on Living Wages – November, Berlin*
- Arjana Fullani, Dritan Shao Marinela Sota. "Report on the Living Minimum Standard in Albania (2021). pg. 24". Supported by the Norwegian Embassy, the Ombudsman and UNDP.
- Disability Service Ireland. (2013). 'Guidance on a reasonable standard of living and living expenses' reasonable", URL: <http://www.isi.gov.ie/en/isi/guidelinesundersection23-final.pdf/files/guidelinessubsection23-final.pdf>.
- Food and Agriculture Organization (FAO). *Statistical World Food and Agriculture Statistical Year book 2021*.

ILO. (2021). An analysis of the Social Protection System in Albania. Coverage, Costs, Adequacy and Funding OPEN DATA ALBANIA Living minimum, comparative approach between the countries of the Western Balkans and the EU.

Institute of National Statistics of Albania (INSTAT) Family budget survey.

Institute of National Statistics of Albania (INSTAT) Price list of food products for, 2022.

Poverty Reduction Agency. "A summary of proposals for the revision of the national anti-poverty strategy". 200.

Scott Adams and David Neumark Working Paper 9702. URL: [http:// www.nbe.org/paper 9702](http://www.nbe.org/paper9702). Living Wage Effects New and Improved Evidence.

Ernset Engel Statistical Theory, Economic Theory, Poverty.

Masaryk University – Brno – Czech Republic Paulien Osse – WageIndicator Foundation – Amsterda

Martin Guzi – WageIndicator Foundation – Masaryk University – Brno – Czech Republic Paulien Osse – WageIndicator Foundation – Amsterdam – The Netherlands

submitted 24.07.2023;

accepted for publication 5.07.2023;

published 5.09.2023

© Hoda, N., Hoda, H.

Contact: natashahoda@yahoo.com; hhodaj@yahoo.com