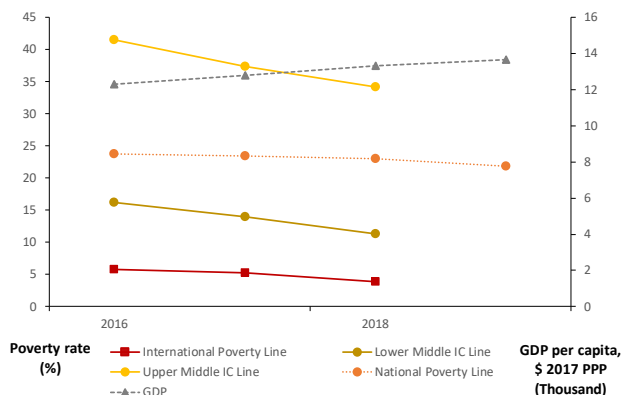Poverty is estimated to have fallen significantly, from 34.4 percent in 2020 to 25.2 percent in 2022 thanks to the strong growth in GDP per capita, and it is projected to fall further by 1.3 percentage points in 2023. However, persistent inflationary pressures could severely reduce real income growth among poor and vulnerable households and dampen poverty reduction. Between 2016 and 2018, income-based poverty declined from 41.5 percent to 34.2 percent of the population, as GDP per capita grew at 3.6 percent per year on average. In 2020, poverty is estimated to have increased by 2 percentage points due to the November 2019 earthquake and the COVID-19 pandemic.

Last year the economy bounced back strongly with per capita GDP growing by 9 percent, in 2022 it grew by 3.9 percent and this year it is projected to grow by 2.4 percent. Employment rates have been growing since Q1 2021, especially for women, reaching 71.7 form 15-64 years old male in Q3 2022 and 59.5 percent among 15-64 years old females. Similarly for labor force participation, which in Q3 2022 stood at 80 percent for males and 67 percent for females.

POVERTY	Number of Poor (thousand)	Rate (%)	Period
National Poverty Line	622.2	21.8	2019
International Poverty Line 109.4 in Albanian lek (2018) or US$2.15 (2017 PPP) per day per capita	112.0	3.9	2018
Lower Middle Income Class Poverty Line 185.7 in Albanian lek (2018) or US$3.65 (2017 PPP) per day per capita	324.9	11.3	2018
Upper Middle Income Class Poverty Line 348.4 in Albanian lek (2018) or US$6.85 (2017 PPP) per day per capita	980.2	34.2	2018
Multidimensional Poverty Measure		0.3	2018
SHARED PROSPERITY			
Annualized Consumption Growth per capita of the bottom 40 percent		8.81	2014-2017
INEQUALITY			
Gini Index		36.0	2018
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		1.84	2014-2017
GROWTH			
Annualized GDP per capita growth		3.30	2014-2017
Annualized Consumption Growth per capita from Household Survey		6.96	2014-2017
MEDIAN INCOME			
Growth of the annual median income/consumption per capita		7.09	2014-2017

Sources: WDI for GDP, National Statistical Offices for national poverty rates, PIP as of April 2023, and Global Monitoring Database for the rest.
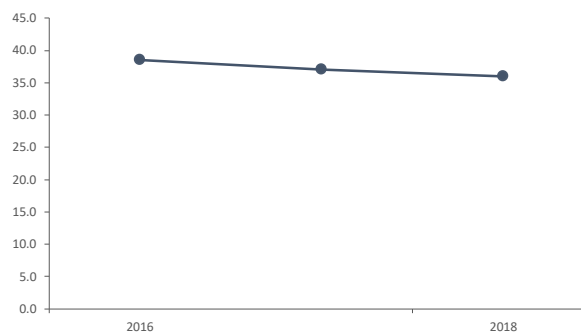
POVERTY HEADCOUNT RATE, 2016-2019

Poverty rate (%)	
■ International Poverty Line	● Lower Middle IC Line
● Upper Middle IC Line	○ National Poverty Line
▲ GDP	

GDP per capita, $ 2017 PPP (Thousand)

Source: World Bank using SILC-C/ECAPOV/GMD

INEQUALITY TRENDS, 2016-2018

Gini Index

Source: World Bank using SILC-C/ECAPOV/GMD

KEY INDICATORS

Distribution among groups: 2018	Lower Middle Income line(%)		Relative group (%)	
	Non-Poor	Poor	Bottom 40	Top 60
Urban population				N/A
Rural population				N/A
Males	89	11	39	61
Females	88	12	41	59
0 to 14 years old	83	17	54	46
15 to 64 years old	89	11	39	61
65 and older	95	5	27	73
Without education (16+)				N/A
Primary education (16+)				
Secondary education (16+)				
Tertiary/post-secondary education (16+)				

Multidimensional Poverty Measures: 2018	(% of population)
Monetary poverty (Consumption)	
Daily consumption less than US$2.15 per person	0.0
Education	
At least one school-aged child is not enrolled in school	N/A
No adult has completed primary education	0.2
Access to basic infrastructure	
No access to limited-standard drinking water	9.6
No access to limited-standard sanitation	6.6
No access to electricity	0.1

Source: World Bank using SILC-C/ECAPOV/GMD

Source: World Bank using HBS/ECAPOV/GMD

Notes: N/A missing value, N/A* value removed due to less than 30 observations

POVERTY DATA AND METHODOLOGY

The World Bank's international poverty rates are based on the "dollar a day" methodology and are comparable across countries and years. The guiding principle of international poverty lines is to count the number of poor people in the world in terms of some absolute standard and to measure progress on global goals set by the World Bank, the United Nations, and other development partners. The levels and trends of the national and international poverty rates can differ because (1) the income or consumption aggregate is estimated using different methodologies (for example, per capita versus adult equivalence scales); or (2) the poverty lines are different: either the poverty threshold is set at different amounts (absolute poverty lines) or the national line is a function of the income distribution in any given year and therefore changes over time (relative poverty lines).

Since 2017, the Institute of National Statistics of Albania reports income-based (EU SILC) measures of "at-risk-of-poverty", a relative poverty measure that aligns to those of EU member countries.

Note on new global poverty lines: Poverty data are now expressed in 2017 Purchasing Power Parity (PPP) prices, versus 2011 PPP in previous editions. As price levels across the world evolve, global poverty lines have to be periodically updated to reflect the increase of the value of the lines in nominal terms. The new global poverty lines of $2.15, $3.65, and $6.85 reflect the typical national poverty lines of low-income, lower-middle-income, and upper-middle-income countries in 2017 prices. In addition to reflecting updates in nominal terms, upper-middle-income countries raised the standards by which they determine people to be poor from 2011 to 2017. Hence, the increase in the upper line is larger, and the population that does not meet the new standard is higher in most countries than it was with 2011 PPPs. See pip.worldbank.org.

HARMONIZATION

The numbers presented in this brief are based on the ECAPOV database. The ECAPOV micro database was established in 1998 to support a regional poverty report. The database is managed and harmonized by the Europe and Central Asia Team for Statistical Development (ECATSD). ECAPOV includes 29 countries, with an average of 8 surveys per country. Recently, EU-SILC data for EU countries, received from Eurostat, have been added to the collection. Each survey in ECAPOV is organized into 6 modules following the Global Monitoring Database (GMD) harmonization guidelines, including the construction of the welfare aggregate which is used for Global Poverty Monitoring. Terms of use of the data adhere to agreements with the original data producers.

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