

## IMPACT OF THE FINANCIAL AND ECONOMIC CRISIS ON ALBANIAN ECONOMIC GROWTH

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### Abstract

Four years after the outbreak of the financial crisis of 2008/09, it still affects the lives of millions of people on all continents. Its impact is measureable across the whole world, through unemployment and inferior working conditions. It is comparable in dimension only with the Great Depression of 1929. Why has this decline affected nearly all developed and developing countries and especially those with commodity-led economies? Most countries have not been directly involved in the international speculation that led to the crisis; nevertheless, its impact was significant. The opaque networks of the financial markets led the world into the worst economic crisis in decades. With the deepening of the financial crisis, freezing of credit, and the sharp fall in the market value of private wealth, the financial crisis turned into a crisis of the real economy beginning in the fall of 2008. The global economic and financial crisis has had some negative implications in Albanian growth. Extrapolation of the growth impact leads to a deterioration in poverty and inequality indicators. Government finance, inflation, employment, current account balance, remittances have also been negatively affected by the global economic and financial crisis. The major objective of the paper is to analyze the impact of the global economic and financial crisis on Albanian economy. The paper is organized as follows. Section 2 presents the impact of the global economic and financial crisis on the global economy is discussed while section three is centered on the impact of the crisis on Albanian economy. Thus, it could be concluded whether the current financial crisis has made a substantial impact on the economic growth of Albania. The paper points out that the financial and economic crisis has had a negative impact on economic growth mainly shown after the year 2010.

**Keywords:** *Financial and economic crisis, Economic growth, current account balance, remittances, public debt*