

## Estimating the association between economic performance and Okun misery index in Albania: January 2005- December 2014

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*“The modern capitalist economies, in contrast to all earlier societies, allow them to generate sustained growth in productivity and living standards”*

Robert Emerson Lucas (Nobel Award winner)

*“The higher Okun misery index, the greater the economic and social discomfort. We are less pained by inflation if the job market is jumping and is less sensitive to others’ unemployment, if a placid price level is widely enjoyed”.*

**Richard F. Janssen**

### Abstract

The main purpose of the present study is to develop a statistical analysis of the GDP growth rate, Okun misery index and association between them for Albania during the period January 2005-December. Some results of the present study include:

- The official data of the quarterly GDP growth rate for Albania during the period January 2005 – December 2014 contradict Kolmogorov’s Central Limit Theorem at the confidence level 77.1%.
- The GDP growth rate for Albania during the specified period is an unfair game at the confidence level 78.2%.
- The official data of the quarterly Okun misery index for Albania during January 2005-December 2014 contradict Central Limit Theorem at the confidence level 86.4%.
- The miserably process in Albania during the specified period is an unfair game at the confidence level 98.3%.
- Kendall tau rank correlation coefficient between quarterly GDP growth rate and quarterly Okun misery index is -0.0606, which indicates a quite weak negative association between these two random variables.

**Keywords:** GDP growth rate, Okun misery index, Kendall tau, CLT, fair game, Albania.

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