PART 1 - ARMENIA: POVERTY PROFILE AND LABOR MARKET DEVELOPMENTS IN 2008-2011

CHAPTER 1: DEMOGRAPHICS AND MIGRATION

The negative demographic developments observed in Armenia over the 1990's, which were conditioned by decreasing birthrates, increasing mortality rates, as well as population emigration, led not only to the reduction of population, but also to significant changes in its age structure. Some positive developments in the demographic situation have been observed since 2004, including the increase in birthrates, reduced rates of emigration in 2004-2007, as well as emergence of a new trend - re-emigration (return of emigrants from abroad). At that, while the birthrate remained almost unchanged during 2004-2006, there was a significant increase in the crude birthrate over 2007-2011 (by 1.4 per mille points, respectively), however in 2011 it was reduced by 0.5 per mille points compared with previous year.

1.1. Population Trends

According to current population estimates, the number of resident population of Armenia[1]based on the results of 2001 Population Census and updated on quarterly basis, is 3274.3 thousand as of January 1, 2012. When compared with the same indicator as of the beginning of 2011, the number of population increased by 11.7 thousand (Table 1.1). The observed change resulted from the natural increase in the number of population (the difference between registered births and deaths) and net migration (the difference between registered and de-registered residents).
The urban and rural distribution of resident population remained remarkably stable - the average indicators over 2005-2008 totaled 64.1% and 35.9%, respectively. As of the beginning of 2009-2012, the share of urban population is 64%, and rural population is 36%[2].

Findings of the Integrated Living Conditions Survey (ILCS) enabled arriving at annual estimates of the number of current population for 2011, which is 2927.6 thousand (for 2008-2011, see Chapter 3, Box 3.4). ILCS findings are compliant with the current statistics on resident population. According to ILCS 2011[3], resident urban population comprised 63.8%, and rural population comprised 36.2%, as compared to 63.3% and 36.7%, respectively in 2010 and 64.9% and 35.1%, respectively in 2009.

As of the beginning of 2012, resident population in Armenia comprised 48.6% males and 51.4% females. The average age of the population was 35.3 as of the beginning of 2012, 33.5 for males and 36.9 for females.

Table 1.1-Armenia: Resident population, 1990-2012 (as of the Beginning of Year)

Years	Total population (thousands)	Share in total population, percent	
		Urban	Rural
1990	3514.9	68.8	31.2
1993	3463.7	68.1	31.9
1996	3248.8	66.2	33.8
1999	3232.1	65.3	34.7
2001*	3213.0	64.3	35.7
2002	3212.9	64.3	35,7

[1]According to data from the country's first national population census (October 10-19, 2001), the number of resident (*de jure*) population was 3213.0 thousand, while that of current (*de facto*) population was 3002.6 thousand.

[2] Over the period of 1990-2004, the number of rural population increased by 52.4 thousand, and their share in total population increased from 31.2% to 35.8%, thus reflecting a flow of urban residents to rural communities during the 1990's due to the shutdown of industrial enterprises in towns and to internal migration trends conditioned by concerns for missed opportunities in widespread land privatization, as well as relatively higher birthrates among rural population.

[3]Survey results were extrapolated on total population.

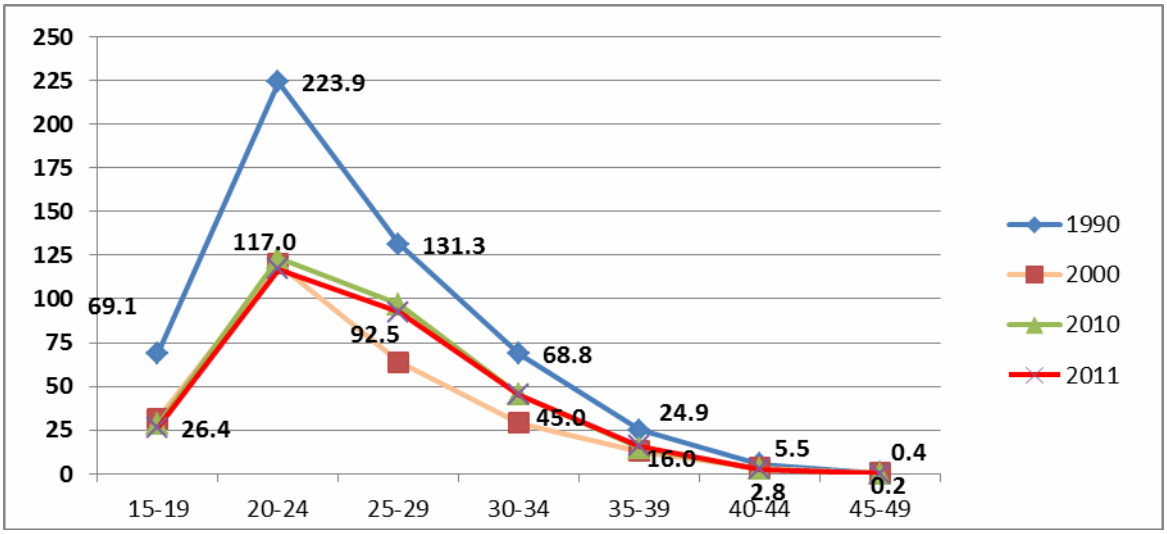
Years	Total population (thousands)	Share in total population, percent	
		Urban	Rural
2003	3210.3	64.2	35.8
2004	3212.2	64.2	35.8
2005	3215.8	64.1	35.9
2006	3219.2	64.1	35.9
2007	3222.9	64.1	35.9
2008	3230.1	64.1	35.9
2009	3238.0	64.0	36.0
2010	3249.5	64.0	36.0
2011	3262.6	64.0	36.0
2012	3274.3	64.0	36.0

Source: *RA NSS Population Statistics*
Note: ** 2001 Population Census*

***Natural movement of population*:** Economic, social, and political instability during the transition period in early 1990's affected the population's reproductive behavior. Thus, in 2011 the crude birthrate per 1.000 residents comprised 13.3 per mille which was a decrease of 0.5 per mille compared with the previous year and an increase of 1.6 per mille compared with 2004-2006 (11.7%).

In 2011, the total fertility rate was 1.499 children per 1.000 females of reproductive age (15-49), compared with 1.556 in the previous year. This was significantly lower than the indicator of 2.150 children required for simple reproduction of population. The Gross reproduction rate of population, (the average number of female children a woman would bear in fertile age, provided that the birthrate for the given year remains unchanged) comprised 0.700 in 2011 and 0.727 in 2010, whereas the Net reproduction rate (the average number of daughters that would be born to a female (or a group of females) if she passed through her lifetime conforming to the age-specific fertility and mortality rates of a given year) comprised 0.673 in 2011 and 0.698 in 2010.It should be noted that, due to a decreased birthrate in 2011 as compared to the 2010, there was a considerable decrease in age-specific fertility indicators in respect of almost all age groups; except 35-39 and 40-44 age groups, with an increase of 1.2 and 0.2 per mille points, respectively. At that, in 2011 the share of live births of 20-29 years accounted 74.2% of total recorded live births.

Figure 1.1: Armenia: Age-Specific Fertility Rates, ‰



Source: *RA NSS*

The 1990's were marked by a change in the mean age of mother at childbirth. Thus, in 2011 the mean age of mother at childbirth was 25.3 years; that at the first childbirth was 23.5 years, whereas the same indicators in 2010 were 25.1 and 23.3 years, respectively.

By the order of birth, in 2011 births of the third order and above accounted for 15.3% of the total number of live births in the country, which was a decrease of 0.3 percentage points as compared to the previous year (in 1990, the respective indicator was 30.3%)(Table 1.2).

In 2011, the 34% of births are from non-recorded marriages (including extra-marital), as compared to 9.3% in 1990.

Table 1.2 - Armenia: Birth Distribution by Order

(Person)

Year	Total births	Including by birth order				
		First	Second	Third	Fourth	Fifth and more
1990	79882	29996	25660	18005	4681	1540
1995	48960	19408	18058	8058	2465	971
2000	34276	15637	11155	5085	1637	762
2005	37499	19286	12953	4014	858	388
2006	37639	19601	13271	3758	705	304
2007	40105	20525	14277	4263	708	332
2008	41185	21292	14270	4520	761	342
2009	44413	22472	15431	5289	849	372
2010	44825	21954	15881	5683	929	378
2011	43340	21344	15377	5369	899	351

Source: *RA NSS*

In 2011, the death cases increased by 0.2 percent compared with previous year, but the crude mortality rate maintained the same level and comprised 8.6 per mille. At that, the crude mortality rate in urban areas decreased by 0.1 per mille point.

Table 1.3 - Armenia: Birth and Mortality Rates, 1990-2011

	Birth						Death					
	Thousands			Per 1.000 residents			Thousands			Per 1.000 residents		
	Total	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural
1990	79.9	50.2	29.7	22.5	20.5	27.0	22.0	14.7	7.3	6.2	6.0	6.7
1995	49.0	29.2	19.8	15.0	13.5	18.1	24.8	16.7	8.1	7.6	7.8	7.4
2000	34.3	21.4	12.9	10.6	10.3	11.4	24.0	15.7	8.3	7.5	7.5	7.3
2001	32.1	20.3	11.8	10.0	9.8	10.3	24.0	15.6	8.4	7.5	7.6	7.3
2002	32.2	20.8	11.4	10.1	10.1	10.0	25.5	16.7	8.8	8.0	8.1	7.7
2003	35.8	22.6	13.2	11.2	11.0	11.5	26.0	16.9	9.1	8.1	8.2	8.0
2004	37.5	23.6	13.9	11.7	11.5	12.1	25.7	16.5	9.2	8.0	8.0	7.9
2005	37.5	23.8	13.7	11.7	11.5	11.9	26.4	17.1	9.3	8.2	8.3	8.0
2006	37.6	23.8	13.8	11.7	11.5	12.0	27.2	17.7	9.5	8.5	8.6	8.2
2007	40.1	25.5	14.6	12.4	12.3	12.6	26.8	17.2	9.6	8.3	8.3	8.3
2008	41.2	26.2	15.0	12.7	12.6	12.9	27.4	17.9	9.9	8.5	8.4	8.6
2009	44.4	28.3	16.1	13.7	13.6	13.9	27.6	17.5	10.1	8.5	8.4	8.7
2010	44.8	28.3	16.5	13.8	13.6	14.1	27.9	17.8	10.1	8.6	8.6	8.6
2011	43.3	27.6	15.7	13.3	13.2	13.4	27.9	17.8	10.1	8.6	8.5	8.6

Source: *RA NSS*

Note: *The indicators on natural movement of population by regions are presented in Table A1.1 of the Statistical Annex.*

Among the total number of deaths recorded in 2011, 52.3% were males and 47.7% were females, as compared to 54.2% males and 45.8% females registered in 1990. Given the difference in mortality rates

between males and females, their average life expectancy rates were also different. In 2011, the average life expectancy rate was 70.7 years for males and 77.5 years for females. The corresponding figures were 70.6 for males and 77.5 for females among urban population, and 70.8 and 77.3 years among rural population.

Main causes of mortality: As shown by statistical data, deaths from diseases related to blood circulatory system and malignant neoplasm (47.6%) dominate in the death cases structure. Specific mortality rate from this causes totaled 407 cases per 100.000 residents in 2011, as compared to 2010, reduction of 2.5% was recorded. The share of deaths from malignant neoplasm totaled 19.9% of death cases in 2011, the cause-specific mortality rate was 170 deaths per 100.000 residents, as compared to 169 death cases in 2010. The mortality rate for all causes per 100.000 residents comprised 856 in 2011, against recorded 857 cases in 2010.

The difference between the number of births and deaths reflecting the population natural increase declined by about 8.5 times over the period of 1990-2002 (from 57.9 thousand down to 6.7 thousand), however, there has been an increase in this indicator since 2003 totaling an average 12.4 thousand over the period of 2003-2010. In 2011 the natural increase of population was declined by 9 percent, as compared to 2010. Over 2002-2011, the natural increase of population totaled 126.0 thousand.

Migration: The recent years were marked by slackening trends in officially registered data on external migration. Thus, the number of emigrants comprised 9.3 thousand[1] in 2005, whereas in 2011 this number declined to 2.6 thousand, that is 3.6 times less than in 2005 and 21.2% less than in 2010 (3.3 thousand). The number of persons arrived to (registered in) Armenia from abroad was 1.3 thousand[2], which increased by 44.4% as compared to 2010, and was declined by 13.3% as compared to 2005. Hence, in 2011 the number of net migration totaled -1.3 thousand as compared to -2.4 thousand in 2010.

According to data on interstate migration routes derived from the 2011 annual migration movement with that characteristics, 85% of those arrived to (registered immigrants) and left for (deregistered emigrants) arrived from or moved to CIS countries.

According to ILCS findings in 2011, since January 1, 2008 some 10.7% of household members of the age 15 years and above have been involved in external and internal migration movements. Among households having since January 1, 2008 migrant members of the age 15 years and above, in 2011 26.3% of migrants were involved in internal (in Yerevan or in other regions of the country) migration, whereas 73.7% in interstate migration, the majority of which in the Russian Federation (Table 1.4). Whereas, by the answers of respondents those having h/h members left for/arrived from Russia or other countries as the main reason for migration had specified: the need to work, searching of work, or seasonal work.

[1] *Based on statistical processing data from "Statistical Registration Forms on Departure" presented upon deregistration by territorial passport offices of the Police.*

[2] *Based on statistical processing data from "Statistical Registration Form on Arrival" presented upon registration by territorial passport offices of the Police.*

Table 1.4 -Armenia: Household Members of Age 15 and Above in Migration since January 1, 2008, by Reasons for Leaving/Arriving and by Location, 2011

(*Percent***)**

Main reason for leaving	Have left for							
	Yerevan	Regions of Republic of Armenia	Russian Federa-tion	Other CIS country	European country	USA and Canada	Other	Total
1. Work	6.1	3.3	84.4	2.6	1.2	0.5	1.9	100
2.Search of work	1.0	0.1	86.4	10.0	0.6	-	1.9	100
3.Lack of work	4.1	-	89.3	0.0	3.8	-	2.8	100
4.Current economic crisis	-	1.7	91.4	6.9	-	-	-	100
5. Seasonal worker	0.0	0.8	98.3	-	-	-	0.9	100
6. Staying was pointless	2.2	-	72.3	-	25.5	-	-	100
7.Family circumstances	7.6	14.3	53.2	9.6	5.7	6.7	2.9	100
8. Have saved sufficient money	-	-	100	-	-	-	-	100
9.Visit friends/ relatives	4.5	20.3	51.8	5.3	5.4	2.0	10.7	100
10. Vacation	9.2	32.8	24.5	18.8	4.2	-	10.5	100
11.Other	21.1	44.5	4.4	5.2	2.2	1.8	20.8	100
Total	**9.4**	**16.9**	**57.6**	**4.2**	**2.6**	**1.2**	**8.1**	**100**

Source: *ILCS 2011*

65.5% of household members of the age 15 years and above involved in migration movements as of 2011 were still absent from the household and resided either in other communities within their region, in other regions of the country, in Yerevan, or in other countries, whereas 34.5% had returned home (of which 26.3% from Yerevan, other regions of the country, and 73.7% from other countries).

Table 1.5 - Armenia: Household Members of Age 15 and Above Involved in Migration since January 1, 2008 and Having Returned in 2011, by Reason for Returning and by duration of absence,

(*percent*)

Main reason for returning	Duration of absence			Total
	<3 months	4- 12 months	<= 12	
1. Work	8.8	11.3	9.4	10.1
2. Search of work	0.0	2.1	1.4	1.4
3. Lack of work	7.0	5.1	2.8	4.9
4.Current economic crisis	0.0	0.3	1.2	0.5
5. Seasonal worker	14.4	20.2	6.0	14.7
6. Staying was pointless	1.4	2.8	11.1	4.8
7. Family circumstances	11.0	5.7	12.7	9.0
8.Have saved sufficient money	4.7	0.2	0.3	1.4
9.Visit friends/ relatives	9.4	17.9	16.5	15.3
10. Vacation	14.1	10.8	1.3	9.0
11.Other	29.2	23.6	37.3	28.9
Total	**100**	**100**	**100**	**100**

Source: *ILCS 2011*

71.7% of returned migrant members have left the country for less than one year (of which 25.5% for three months and less), and 28.3% for one year and more.

According to respondents' responses, majority of h/h members who had stated other reason for their returning (70%) were students/ servicemen who returned from military service.

Table 1.6 - Armenia: Household Members of Age 15 and Above in Migration since January 1, 2008, by Reasons for Leaving and by Location, 2011

(percent)

Main reason for leaving	Location							
	Yerevan	**Regions in Armenia**	**Russia**	**Other CIS country**	**European country**	**US and Canada**	**Other**	**Total**
1. Work	6.7	2.3	85.0	2.4	1.3	0.5	1.8	100
2.Search of work	1.2	-	95.0	0.9	0.6	-	2.3	100
3.Lack of work	5.1	-	86.7	-	4.7	-	3.5	100
4.Current economic crisis	-	-	100	-	0.0	-	-	100
5. Seasonal worker	-	0.2	98.0	-	-	-	1.8	100
6. Staying was pointless	-	-	-	-	100	-	-	100
7.Family circumstances	13.5	13.0	55.7	0.9	8.3	5.3	3.3	100
8. Visit friends/ relatives	15.2	20.1	54.7	-	0.4	9.6	-	100
9. Vacation	1.3	-	73.2	25.5	-	-	-	100
10 Other	29.4	42.3	1.4	1.8	0.3	0.4	24.4	100
Total	**12.6**	**13.7**	**61.3**	**1.7**	**1.6**	**0.8**	**8.3**	**100**

Source: *ILCS 2011*

The location for 61.3% of household members at age 15 and above in migration since 2008, as of 2011 is Russia, for, 12.4% is other CIS countries, USA/Canada or other foreign countries, and only 26.3% is Yerevan or RA regions. The time-period of more than 26.7% of household members in migration was three months and less (according to UN they are not considered as migrants), for 42.2% was 4-12 months, and for 31.5% was for one year and more. According to UN International Methodology for Migration, the international migrants totaled 40.5% of not-returned migrants, of which short-term migrants, with duration of absence for 4-12 months (except in cases for purposes of recreation, visits to friends/relatives, holiday, business, medical treatment or religious pilgrimage), totaled 58.4% of all household members at age 15 and above involved in international migration movements, and 41.6% totaled long-term migrants with duration of absence for one year and more.

Table 1.7: Armenia: Household Members of Age 15 and Above in Migration since January 1, 2008 and not Having Returned as of 2011, by Year of Leaving

Year of Leaving	**Percent of total**
2008	6.3
2009	14.2
2010	27.9
2011	51.6
Total	**100.0**

Source: *ILCS 2011*

1.2. Age Structure and Household Composition

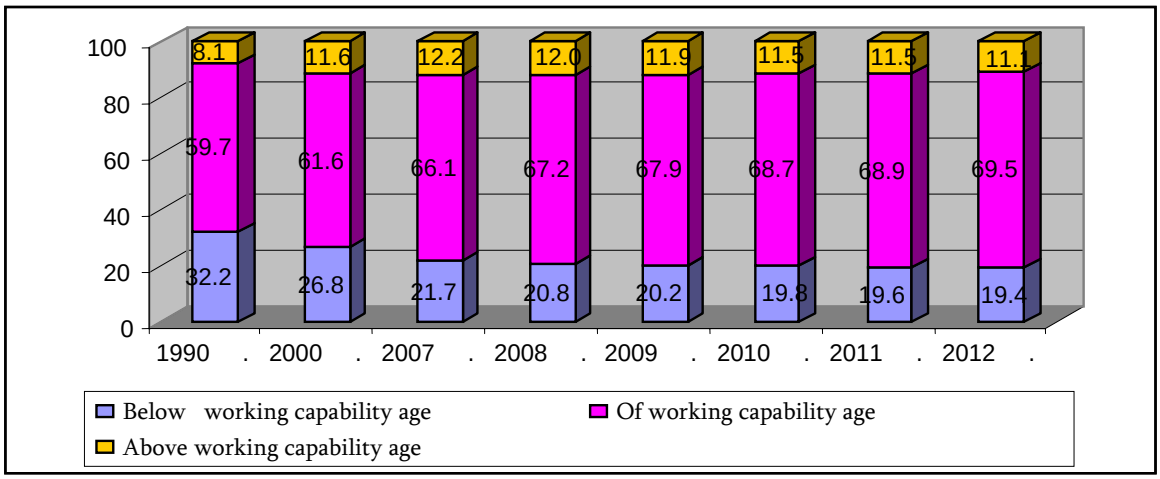
Age structure of the population of Armenia has undergone changes over the period of 1990-2011, conditioned by both low birthrate, relatively high life expectancy for both males and females, as well as by the expressly male-dominated migration processes (Figure 1.2).

The share of children under 16 years of age declined from 32.3% in 1990 to 19.4% in the beginning of 2012; the share of working age population increased from 59.7% to 69.5%, while the share of population above the working age increased from 8.1% in 1990 to 11.1% in the beginning of 2012, respectively.

As of the beginning of 2012, the number of children aged 0-16 years and pensioners was 439 per 1.000 working age residents, which represented a decline of 2.9% as compared to the same indicator in the

beginning of 2011 (452). The number of working age population in 2012 increased by 0.6 percentage points, mainly reflecting the fact that number of those from the age group of 0-16 years having advanced to the working age group was larger than that of the newborns having joined the first one, whereas the share of population above the working age was declined in 0.2 percent.

Figure 1.2- Armenia: Age Structure of Population 1990, 2000, 2007-2012 (as of Beginning of Year)*



Source: *RA NSS*

Note: *Population between 16 years of age and the pension age was included into the category of working age population. Pension age as defined by legislation in 1990 was 60 years for males and 55 years for females, and in 2000 it was 62 years for males and 57 years for females. Under a relevant law entered into force on April 10, 2003, pension age was determined 63 years for males and, progressively, 61 years starting from 2007-2008 and 62 years starting from 2009-2011 for females, starting from 2012 the ages have been equaled to 63 years.*

**) In order to ensure comparability, the indicators were calculated by pension age groups determined for 2007-2011.*

According to survey findings, in 2011 the average number of household members was 3.9 as per resident population, with 3.7 in urban communities and 4.2 in rural communities, and the corresponding numbers as per current population were 3.6, 3.6, and 3.8, respectively. The share of households with three and less members was 42% in 2011, as compared to 38.2 % in 2010 and 38.5% in 2009 (Table 1.8). Large households (with six and more members) were mainly rural residents totaled 24.5%, as compared to urban residents 17.1%. In Armenia, households with four members comprise a 20.9% majority in urban communities, as compared to 19.3% in rural communities. In 2011 the share of households with six and more members dominates in rural communities (24.5%), and households with five members comprise 20.4%.

Table 1.8- Armenia: Comparative Distribution of Households by Composition (per Resident Population) in 2004, 2009- 2011

Household composition	Percent of total			
	2004	2009	2010	2011
One member	10.9	9.6	10.0	11.5
Two members	16.5	14.7	14.0	16.2
Three members	14.6	14.2	14.2	14.3
Four members	21.6	21.7	21.0	20.5
Five members	17.2	18.2	18.0	17.9
Six and more members	19.2	21.6	22.8	19.6

Source: *ILCS 2004, 2009-2011*

In 2011, the share of households without children under 16 years of age increased by 3.8 percentage points, as compared to the previous year, and accounted for 57.2% of all households (compared to 45.3% in 2004), as a result the share of households with children has decreased. The share of households with three children accounted for 4.1%, decreased by 1.2 percentage points, as compared to the previous year, and by 3.1 percentage points as compared to 2004 (Table 1.9).

Table 1.9 - Armenia: Households with Children under 16 Years of Age (per Resident Population) in 2004, 2009 -2011

Household composition	Percent of total			
	2004	2009	2010	2011
Total number of households, including those with:	100.0	100.0	100.0	100.0
One child	22.2	19.3	19.9	19.2
Two children	22.9	19.6	20.0	18.8
Three children	7.2	5.2	5.3	4.1
Four children	1.8	0.8	1.0	0.6
Five and more children	0.6	0.2	0.4	0.1
No children	45.3	54.9	53.4	57.2

Source: *ILCS 2004, 2009, 2010-2011*

Majority of households in the country were male-headed (69.1%); female-headed households comprised to 30.9% (33% in urban and 26.2% in rural communities).

In average, in 2011 each female-headed household accounted for 0.33 children, and each male-headed household - for 0.47 children.

Since 2001, there has been a tendency of increasing numbers of marriages in the country. Thus, in 2011 number of marriages was 19.706, and the total marriage rate per 1.000 residents was 6.0‰, as compared to 17.984 and 5.5‰ observed in 2010. In 2011, the number of divorces increased by 6.4% up to 3.188, whereas the total divorce rate totaled 1.0‰, as compared to 0.9‰ of the previous year.

In 2011, the average age of marriage was 29.6 years for males and 25.6 years for females, as compared to, respectively, 29.3 years and 25.2 years in 2010, while in 2011 the average age of the first marriage was 28.7 years for males and 25.0 years for females, as compared to, respectively, 28.4 years and 24.6 years in 2010.

CHAPTER 2: ARMENIA'S ECONOMIC DEVELOPMENTS 2008-2011

2.1. Macroeconomic Environment

Republic of Armenia (RA) witnessed strong economic growth throughout the 2000's. . However, Armenian economy was also hit by the global economic crisis. While cornerstones of the economic stability, such as low level of debt, increased savings and prudent fiscal position, safeguarded the economy against initial impacts of the global recession and financial crisis, negative effects of the decline in terms of lowered external demand and capital inflows became visible since the fourth quarter of 2008. Investments decreased at a faster pace, and the sector of housing construction was the first to suffer from sharp deterioration of the economic environment. The recent economic indicators point at a deep recession, which the economy underwent in 2009. Real GDP dropped by 14.1 percent, followed by a moderate recovery from 2010 (GDP growth 2.2% in 2010 and 4.7% in 2011).

Still, due to sound economic policies implemented over the last decade before crisis, Armenia was able to join the group of middle income economies. The growth resulted in the increase of real wages, stabilized employment, and increased spending on social services. All of this, combined with a growing stream of remittances, contributed to a significant poverty reduction in Armenia.

The decrease of real GDP totaled 14.1 percent in 2009, as opposed to mostly two-digit average growth rates during the 2000's. Almost all sectors of the economy had contributed to the increasing average growth over 2004-2008 (11.6 percent), which had brought about significant structural changes in GDP. Growth rates were particularly significant in the construction sector, which secured 39.1 percent of GDP growth in 2008, thus increasing its share in GDP to 25.3 percent.

However, the sizeable downturn of construction in 2009 (41.6 percent) accounted for 74.5 percent of GDP reduction, decreasing its share in GDP to 18.6 percent (Table 2.1). In 2010, positive changes observed in this sector resulted in 3,3% growth rate over 2009, however share of construction within GDP still remained low (17,3%), as compared to 25.3% in 2008.

In 2010, 9.2% growth was observed in industry as compared to 6.9% drop in 2009, contributing to 1.2 percentage point GDP increase. At the same time, reflected by unfavorable weather conditions, agricultural sector, where situation was relatively better in 2009, witnessed a 16.0% decline, leading to a 2.7 percentage point negative impact over GDP growth.

In the result of actions taken by the Government of RA (promotion of agriculture, investments for industrial organizations, relief in tax policy, payment delay for value-added tax etc.) there were considerable changes in GDP structure in 2011. |Due to economic increase of 113.7% and 113.5%, respectively in agricultural and industrial sectors, in 2010 the share of agriculture in GDP accounted for 20.2% from 17.1%, and of industry from 15.4% to 16.3%. The share of construction within GDP remained low (12.5%).

Table 2.1 Armenia: GDP Structure and Shares of Contributions to Growth by EAS-95[1] A6 Grouping through Production Method, 2008-2011

	Real Volume Indices over the Previous Year				Contribution to GDP growth (percentage points)				GDP composition			
	2008	2009	2010	2011[2]	2008	2009	2010	2011[2]	2008	2009	2010	2011[2]
Domestic product (gross, in market prices)	106.9	85.9	102.2	104.7	6.9	-14.1	2.2	4.7	100.0	100.0	100.0	100.0
Products of agriculture, hunting, forestry, fishing and fish breeding	103.3	106.0	84.0	113.7	0.6	1.0	-2.7	2.4	16.3	16.9	17.1	20.2
Industry, including energy sector	102.1	93.1	109.2	113.5	0.3	-0.9	1.2	2.1	13.3	13.5	15.4	16.3
Construction	111.3	58.4	103.3	87.5	2.7	-10.5	0.6	-2.2	25.3	18.6	17.3	12.8
Trade; repair services of motor vehicles, motorcycles and personal and household goods, hotels and restaurants, transport and communication	108.2	94.0	104.9	104.1	1.5	-1.1	1.0	0.8	18.8	20.5	20.1	20.4
Financial intermediation services, real estate, renting and services to users	112.3	99.2	108.2	112.6	0.8	-0.1	0.7	1.1	7.1	8.8	8.6	9.2
Other activities in services sphere	93.5	98.9	101.8	107.3	-0.6	-0.1	0.3	0.8	9.3	12.7	12.2	12.8
FISIM[3]	109.1	89.8	119.0	145.5	-0.1	0.1	-0.3	-0.8	-1.5	-1.6	-1.9	-2.6
Net taxes on production	117.1	77.5	113.4	104.3	1.7	-2.5	1.4	0.5	11.4	10.6	11.2	10.9

Source: *RA NSS*

Parallel to economic decline, there was a noticeable increase in economy's final consumption relative to GDP (average 95.0% in 2009-2011, as compared to 81.8% in 2008).

During 2006-2008, Armenian national currency dram continued to appreciate over the US dollar and other foreign currencies, reflected inter alia by growing foreign exchange inflows (in form of remittances, grants and FDI), while dram deppreciated over 2009-2010 due to lower remittances in 2009 and reduced FDI during 2009-2010. In 2011, average annual inflation totaled 7.7%.

[1] European System of Accounts.

[2] Preliminary data .

[3]. Financial intermediation services indirectly measured

Table 2.2. Armenia: Macroeconomic Indicators, 2008-2011

	2008	2009	2010	2011
Nominal GDP (billions of dram)	3568.2	3141.7	3460.2	3776.4
Nominal GDP (millions of US$)	11662.0	8648.0	9260.3	10138.1
Real GDP (2005 prices, billions of dram)	3088.6	2651.6	2709.9	2837.3
Real GDP growth (annual % change)	6.9	-14.1	2.2	4.7
Exchange rate (dram vs. US$, period average)	305.97	363.28	373.66	372.50
Official unemployment rate, %	16.4	18.7	19.0	18.4
Average nominal wage (000 drams)	87406	96019	102652	108092
Inflation (period average)	9.0	3.4	8.2	7.7
Consolidated public expenditures (% of GDP)	23.2	30.2	28.2	26.8
Consolidated public deficit (% of GDP)	-0.7	-7.5	-5.0	-2.8

Source: *RA NSS*

Starting 2010, there is a growth in consolidated budget revenues (in absolute numbers).

Table 2.3 Armenia: Consolidated Budget Indicators, 2008-2011

(in % to GDP)

	2008	2009	2010	2011
Total revenues and grants	22.5	22.7	23.0	24.0
of which, taxes and duties	17.8	17.2	17.7	17.8
Total expenditures	23.2	30.2	28.2	26.8
Deficit	-0.7	-7.5	-5.0	-2.8

Source: *RA NSS*

Fiscal restructuring and economic growth had improved fiscal performance, enabling the Government to channel more resources to social sectors and thus to better align the composition of state budget expenditures with poverty reduction strategy priorities. As a result, the share of social sectors in total consolidated budget expenditures increased to 47.9 percent in 2008. In 2009-2010 this share declined and accounted for to 46.9 and 46.3 percent, respectively. In 2011, the share of social sectors in total consolidated budget expenditures increased and reached to the level of 2008 (Table 2.4). Access to primary health care, general education and social services has been particularly important for the improvement of living standards of the poor.

Table 2.4 Armenia: Actual Spending from Consolidated Budget* on Social Sectors, 2008-2011 (percent of total consolidated budget expenditures)

	2008	2009	2010	2011
Education and science	13.7	12.8	13.0	13.3
Health	6	6	5.8	6.3
Culture, information, sport, religion	2.4	2.2	2.2	2.9
Pensions**	18.8	18.9	18.5	18.7
Pensions, as percent of GDP	4.4	5.8	5.2	5.0
Other social programs	7	7.0	6.8	6.7
Total actual spending from consolidated budget on social sectors	47.9	46.9	46.3	47.9

Source: *RA NSS*

Note:

* Includes expenditure on social sectors from both state and local community budgets.

** Refers to age, disability and survivors' pensions

2.2. Economic Growth/ Recession and Poverty

The global economic crisis seriously threatened the economic growth and poverty reduction achieved in Armenia over recent years.

In order to express the impact of economic growth over poverty reduction as a numeric value, poverty to GDP elasticity coefficients were applied. Economic decline in 2009 and 2010 over 2008, created prerequisites for deteriorated living conditions and increased poverty incidence. The coefficient of elasticity showed that for each percentage point of the economic recession observed during 2008-2009; general poverty incidence grew by 1.61 percentage points, by 2.35 percentage points during 2009-2010 and by 3.20 percentage points during 2010-2011(Table 2.5). The elasticity coefficient in 2010-2011 was stronger in Yerevan.

Calculations show that the poor benefit from economic growth over 2009-2010, but to a lesser extent than the rich do. On the other hand, under the global economic crisis, as the economy has been going down, the poor were those to suffer the most, while the rich increased their wealth even further (figures 3.3, 3.4, 3.5, 3.6).

Table 2.5 Armenia: Poverty-to-GDP Elasticity Estimates Before and During the Global Economic Crisis (2008-2009, 2009-2010 and 2010-2011)

(percentage points)

	2008-2009	2009-2010	2010-2011
General poverty reduction-to-GDP elasticity	-1.61	-2.35	-3.20
a) Urban poverty reduction-to-GDP elasticity	-1.47	-2.29	-3.24
1) Yerevan poverty reduction-to-GDP elasticity	-2.31	-2.74	-4.39
2) Other urban poverty reduction to GDP elasticity	-1.04	-2.08	-2.56
b) Rural poverty reduction-to-GDP elasticity	-1.81	-2.42	-2.98
c) Rural poverty reduction-to-agriculture value-added elasticity	4.33	-2.62	33.26

Source: *RA NSS, ILCS*

CHAPTER 3: GLOBAL ECONOMIC CRISIS AND POVERTY PROFILE IN ARMENIA OVER 2008-2011

3.1. Introduction

The global economic crisis since the forth quarter of 2008 also hit the Armenian economy. In 2008, GDP real annual growth totaled only 6.9 percent as compared to mostly two-digit average annual growth rates during the 2000's. Furthermore, in 2009 Armenia saw a 14.1 percent deep recession of the economy. As a result, in the same year poverty started to grow for the first time since 1998. Armenia continued to suffer from spill-over effects of crisis in 2010. Armenian economy observed modest recovery in 2010 with growth totaling 2.2 percent, however poverty level continued to grow. In 2011 the Armenian economy was improved in 4.7%, as compared to the previous year. As a result, in the same year the poverty level was reduced.

A key indicator used to estimate the welfare and living standards of the population in a country is poverty incidence. Poverty is manifested in different ways and touches upon various aspects of life: consumption, food safety, health, education, rights, including the right to vote, security, life and work of dignity.

Similar to previous reports, changes of population welfare dynamics are described both in terms of material and non-material poverty.

Indicators of non-material poverty are poor health, low level of education or illiteracy, social disregard or banishment, vulnerability, inability to exercise constitutional rights and freedoms, i.e. practical impossibility to signal about one's problems. The main way to overcome non-material poverty is to upgrade affordability and access to educational, health care and social services through perfect targeting of free assistance to the poor and higher ability to benefit from paid services.

This report evaluates poverty by means of material (monetary) indicators. In that context, according to the World Bank definition, "**poverty** is the inability to ensure an acceptable minimum of certain living standards."

In order to asses the level of well-being in Armenia consumption aggregate is used. International experience shows that consumption serves as a more reliable source of information, since, compared to income indicator, it is not so sensitive to short-term variations, particularly in transition economies. Consumption aggregate includes the following components: (a) cost of consumed food and non-food goods, including own production, aid from charitable organizations and other sources, and (b) estimated cost of durable goods.

In order to assess poverty level in Armenia, concept of absolute poverty was used. According to living standards, population of Armenia is dvidede into poor and non-poor. Poor include two groups: very poor and extremely poor. Poverty in Armenia is being assesses since 1996. Starting 2009 the three-tier method of poverty assessment is used by the World Bank (indicators calculated by the three-tier method are not comparable and are presented in Table A3.6 of the Annex, Box 3.2 Table 2 and Table 3.1).

The poor are defined as those with consumption per adult equivalent below the upper general poverty line; **the very poor** are defined as those with consumption per adult equivalent below the lower general poverty line, whereas **the extremely poor** or the undernourished are defined as those with consumption per adult equivalent below the food poverty line.

In 2011 the povertly level was reduced as compared to the previous year. In 2011 the poverty level accounted for 35.0%, which is lower as compared to the previous year (35.8%).

In 2011, more than third of population (35.0 percent) was poor, 19.9 percent was very poor and 3.7 percent was extremely poor. While in 2011 the poverty level was reduced against 2010, both the

incidence of poverty and its gap and severity increased as compared to 2008. Just in two years (2009-2011) some 250 thousand people became poor as compared to 2008, thus raising the number of the poor in 2011 to around 1.1 million (per resident population), over the same period, some 240 thousand became very poor, thus raising the number of the very poor to 650 thousand. In those three years, around 70 thousand became extremely poor, thus raising the number of the extremely poor in 2011 to around 120 thousand.

In 2011 the number of poor was decreased in 22 thousand, as compared to the previous year, the number of very poor in 43 thousand, and the number of extremely poor in 23 thousand. In 2011 poverty indicators did not significantly differ by urban (35.2 percent) and rural (34.5 percent) areas.

This report presents poverty profile in Armenia for 2011 and 2008. The adjusted methodology providing for the assessment of consumption aggregate and poverty lines (by means of more detailed components and a three-tier method of poverty assessment) was used for 2008-2011 with the technical assistance of the World Bank.

3.2. Poverty Indicators and Their Trends

Poverty trends: The share of the very poor in 2011 amounted to 35.0 percent as compared to 27.6 percent recorded in 2008. The share of the very poor in 2011 was 19.9 percent as compared to 12.6 percent observed in 2008 and the share of the extremely poor in 2011 was 3.7 percent as compared to 1.6 percent observed in 2008 (Table 3.1).

In 2011, extreme poverty incidence demonstrated even a faster increase over 2008, growing by 2.3 times (or by 2.1 percentage points); for very poor it has grown by increased by 1.6 times (or by 7.3 percentage points), and general poverty grew by 26.8 percent (or by 7.4 percentage points). Poverty in 2011 turned both deeper and more severe. Estimated poverty gap in 2011 was 7.9 percent as compared to 5.1 percent in 2008 (an increase of 1.5 times), whereby the severity of poverty was estimated 2.4 percent as compared to 1.4 percent in 2008 (an increase of 1.7 times).

The deficit of the additional consumption for the poor due to the difference between their actual consumption and the poverty line, in percentage of poverty line, amounted to 22.5 percent.

The poverty lines used in the calculation of poverty indicators are provided in Table 3.3. Poverty line in 2011 was computed by using the actual minimum food basket and the estimated share of non-food consumption in 2009.

Table 3.1 Armenia: Poverty Incidence, 2008-2011

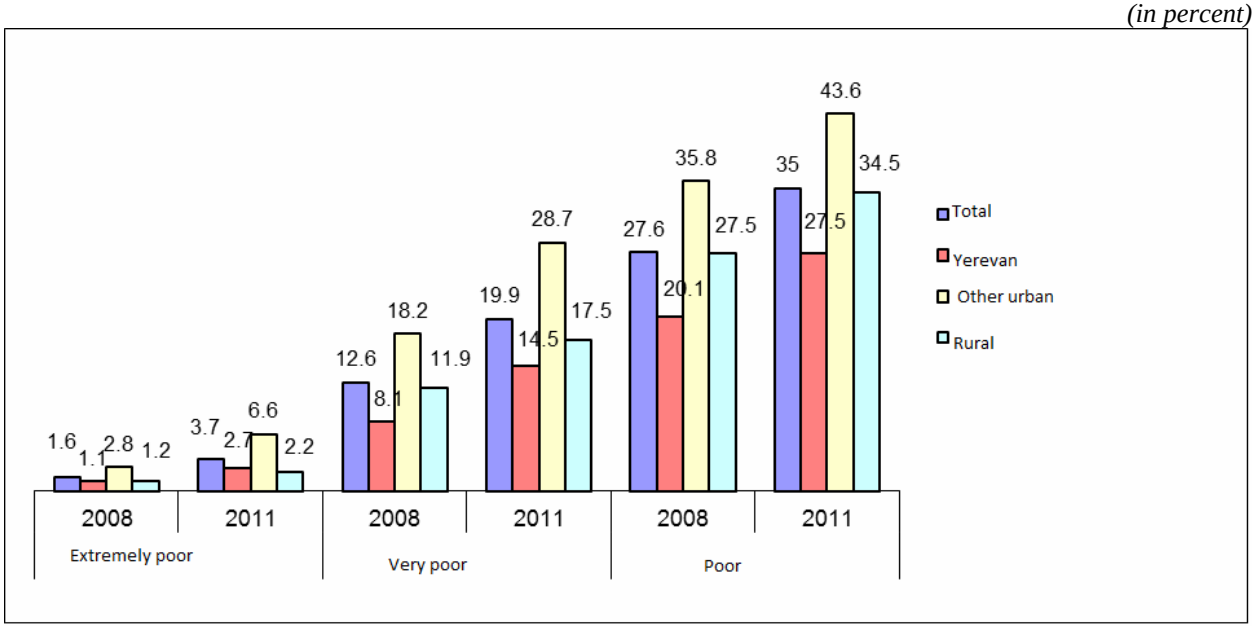
(in percent)

	2008			2010			2011					
	Extre-mely poor	**Very poor**	**Poor**	**Extre mely poor**	**Very poor**	**Poor**	**Extre-mely poor**	**Very poor**	**Poor**	**In % to total popula-tion**	**Poverty gap**	**Poverty severity**
Urban areas	1.9	13.0	27.6	4.1	21.1	35.7	4.6	21.3	35.2	64.8	8.4	2.7
Yerevan	1.1	8.1	20.1	2.2	14.3	27.1	2.7	14.5	27.5	34.0	5.8	1.7
Other	2.8	18.2	35.8	6.1	28.9	45.4	6.6	28.7	43.6	30.8	11.2	3.8
Rural areas	1.2	11.9	27.5	1.1	21.5	36.0	2.2	17.5	34.5	35.2	6.9	2.0
Total	**1.6**	**12.6**	**27.6**	**3.0**	**21.3**	**35.8**	**3.7**	**19.9**	**35.0**	**100.0**	**7.9**	**2.4**

Source: *ILCS 2008-2011.*

Figure 3.1 Armenia: Poverty Incidence by Urban/Rural Areas, 2008 and 2011

(in percent)



Source: *ILCS 2008 and 2011*

Table 3.2 Armenia: Dynamics of Poverty Incidence, 2004 and 2008-2011
(according to 2009 Methodology)

(percent)

Years	Poor	including	Of which	Non-poor
		Very poor	Extremely poor	
2004	53.5	32.6	4.4	46.5
2008	27.6	12.6	1.6	72.4
2009	34.1	20.1	3.6	65.9
2010	35.8	21.3	3.0	64.2
2011	35.0	19.9	3.7	65.0

Source: ILCS 2004 and 2008-2011

During 2004-2011, poverty incidence fell by 34.6 percent (from around 54 percent to around 35 percent). Extreme poverty declined by 16 percent (from 4.4 percent in 2004 to 3.7 percent in 2011). Poverty lines for 2008 and 2011 were adjusted for inflation[1].

Table 3.3 Armenia: Poverty Lines and their Changes, 2008-2011,
(Per Adult Equivalent, Per Month)

(in AMD)

Poverty lines	2008	2009	2010	2011
Food or extreme poverty line	17644	17483	19126	21306
Lower general poverty line	24388	25217	27410	29856
Upper general poverty line	29903	30920	33517	36158

Source: ILCS 2008-2011

In 2011, the general - both upper and lower - and the extreme poverty lines per adult equivalent per month were estimated at AMD 36,158 (USD 97.1), AMD 29,856 (USD 80.2) and AMD 21,306 (or, USD 57.2), respectively.

One should not confuse poverty line defined by ILCS with poverty standard line, which is used not for statistical but administrative purposes based on minimum standard health and social requirements. It have to be mentioned that Poverty Lines in Table 3.3 were calculated according to average annual country

[1] For further details see Chapter "Methodological Explanations".

prices from 2011 ILCS, which including both urban and rural prices. At the same time in Box 3.1 there are the same Minimum Consumption Basket, calculated by 2011 Average Current Urban Prices from Price statistics and international comparisons division of NSS RA. This is the reason of differences between costs of two poverty lines.

Box 3.1. Monthly Per Capita Minimum Consumption Basket in 2010 Average Current Urban Prices (Calculations were made in accordance with the World Bank methodology, based on actual consumption of 7872 households involved in the Integrated Living Condition Survey carried out in 2009 by the NSS).

(in AMD)

	Food category	*Actual daily per capita consumption; gram*	*Daily per capita caloric value; kcal*	*Cost of per capita monthly food consumption; AMD*	*Cost of monthly food consumption per adult equivalent; AMD*
1.	*Bakery*	*461.1*	*1355.0*	*6805.2*	*578.2*
2.	*Meat*	*48.3*	*87.6*	*2521.9*	*2808.3*
3.	*Fish*	*2.5*	*2.4*	*523.3*	*582.7*
4.	*Dairy products*		*144.3*	*2749.7*	*3062.1*
5.	*Egg*	*18.6*	*27.2*	*671.8*	*748.1*
6.	*Oil and grease*	*30.5*	*229.9*	*1137.9*	*1267.1*
7.	*Fruits*	*113.9*	*47.7*	*1964.1*	*2187.2*
8.	*Vegetables*	*203.7*	*76.0*	*4262.3*	*4746.4*
9.	*Potato*	*145.6*	*109.2*	*1182.1*	*1316.4*
10.	*Sugar*	*24.4*	*94.4*	*310.0*	*345.2*
11.	*Non-alcoholic drinks*	*4.2*	*1.1*	*20.8*	*23.2*
12.	*Other food*	*35.6*	*57.2*	*476.1*	*1643.8*
	Total		*2232*	*23625.2*	*26308.7*

Monthly value of food basket in AMD	*23625.2*	*26308.7*
Monthly value of minimum consumption basket in AMD	*41816.6*	*46566.4 (1.77 coefficient)*

The poverty gap of 7.9 percent indicates that, once the country were to mobilize for each individual (both poor and non-poor) resources equivalent to the poverty line of 7.9 percent and these resources were allocated to the poor, poverty theoretically would be eliminated, assuming that the assistance aimed for the poor would fully reach them. If calculated as per the poor population only, the poverty gap indicates the poverty deficit, i.e. it shows how much the average income (or consumption) of the poor falls short of the poverty line.

The severity of poverty indicator is used to measure the inequality of consumption among the poor, some poor people may have consumption close to the poverty line, while some may be far from it. In 2011 severity of poverty in Armenia was 2.4%.

Factors behind poverty increase: Over 2008-2011, the key factor behind the increase in the poverty incidence was the deep recession of the economy in 2009 of 14.1 percent. In 2010, Armenian economy witnessed modest 2.2 percent growth on a year-to-year basis, and in 2011 it was 4.7 percent as compared to 2010. In conjunction with the increasing income inequality, deep economic recession contributed to decreased consumption of the population. ILCS 2011 results show that the average monthly real consumption of the whole population decreased by 6.1 percent as compared to 2008. Such decrease was observed in all quintiles of consumption.

Box 3.2 Poverty Trends in Armenia over 2004-2011 According to Previous (Two-Tier Poverty Incidence) Methodology

Poverty incidence indicators referred to in Sustainable Growth Program and other documents were assessed according to the methodology used by the NSS over 2004-2008. As already set forth, this methodology has been revised, and a new methodology for poverty incidence assessment has been used since 2009. Consequently, a new poverty line has been defined (see Methodological Interpretations). For the monitoring of the poverty indicators, the NSS will further calculate poverty incidence indicators using the previous methodology, as well. Thus, the tables below present poverty lines and poverty indicators assessed according to the previous methodology.

Table 1 - Armenia: Poverty Lines and Their Changes, 2004-2011

Per Adult Equivalent, Per Month (AMD)

Poverty lines	*2004*	*2005*	*2006*	*2007*	*2008*	*2009*	*2010*	*2011*
Extreme (food) poverty line	*12467*	*13266*	*14300*	*15753*	*17232*	*17141*	*20203*	*21623*
General poverty line	*19373*	*20289*	*21555*	*23168*	*25188*	*25877*	*29332*	*31017*

Source. ILCS 2004-2011

Table 2 Armenia: Dynamics of Poverty Indicators over 2004-2011 according to the

Previous Methodology (in %)

Years	*Povert Incidence*					*Poverty gap*	*Poverty severity*
	Total	*Urban areas*	*Yerevan*	*Other urban*	*Rural areas*		
The extremely poor							
2004	*6.4*	*7.5*	*6.1*	*9.2*	*4.4*	*X*	*X*
2005	*4.6*	*5.3*	*3.6*	*7.2*	*3.2*	*X*	*X*
2006	*4.1*	*5.0*	*3.5*	*6.6*	*2.4*	*X*	*X*
2007	*3.8*	*4.6*	*3.2*	*6.1*	*2.3*	*X*	*X*
2008	*3.1*	*3.9*	*3.2*	*4.6*	*1.7*	*X*	*X*
2009	*5.2*	*6.1*	*3.7*	*8.8*	*3.4*	*X*	*X*
2010	*5.3*	*6.6*	*4.3*	*9.1*	*2.9*	*X*	*X*
2011	*5.2*	*6.5*	*4.0*	*9.3*	*2.7*	*X*	*X*
The poor							
2004	*34.6*	*36.4*	*29.2*	*43.9*	*31.7*	*7.4*	*2.4*
2005	*29.8*	*30.7*	*23.9*	*37.8*	*28.3*	*5.4*	*1.6*
2006	*26.5*	*28.2*	*21.0*	*35.8*	*23.4*	*3.8*	*1.1*
2007	*25.0*	*24.7*	*20.0*	*29.8*	*25.5*	*4.9*	*1.5*
2008	*23.5*	*23.8*	*19.7*	*28.3*	*22.9*	*3.1*	*0.8*
2009	*28.7*	*28.4*	*22.0*	*35.5*	*29.1*	*4.2*	*1.2*
2010	*28.9*	*29.2*	*22.0*	*37.3*	*28.4*	*4.6*	*1.3*
2011	*25.4*	*27.1*	*20.2*	*34.7*	*22.2*	*4.8*	*1.4*

Source: *ILCS 2004-2011*

Note: The methodology used by the NSS RA over 2004-2008 had the following characteristics: (i) It was based on a broader coverage of the consumption aggregate, which, in addition to food and non-food components, also incorporated estimated the rental value of durables—the value of the flow of services from durables owned by a household; (ii) the consumption aggregate was adjusted for differences in the consumption of adults and children, and adjusted for shared household expenditures: the consumption per adult equivalent was measured, instead of applying the previously used per capita approach, and (iii) a new minimum food basket is developed based on the 2004 ILCS. The 2004 minimum food basket was used to calculate the extreme (food) poverty line for 2004, which was applied to assess poverty incidence for the next years and adjusted only for inflation. Findings (trends) of the previous methodology (used 2004-2008) are compliant with those resulting from the methodology revised in 2011. Hence in 2011, the shares of both poor and extremely poor population, as well as the indicators reflecting the depth and severity of poverty had increased as compared to 2008. Overall poverty incidence was the lowest in Yerevan and the highest in other urban areas. In terms of urban/rural distinction, there is a difference in overall poverty incidence. Urban poverty as per the previous methodology is by 4.9 percentage points higher than rural and by 0.7 percentage points per the new one. In terms of urban/rural distinction, there is a difference in extreme poverty incidence. Urban extreme poverty as per the previous methodology is by 3.8 percentage points higher than rural and by 2.4 percentage points per the new one.

Poverty by urban/rural areas. Over 2008-2011, poverty incidence in rural areas increased faster than in the urban areas (7.6 vs. 7.0 percentage points). The capital Yerevan, with the lowest poverty incidence (27.5%) in the country, suffered the less due to the global economic crisis if compared with other urban areas. In 2011, poverty in Yerevan as compared to 2008 increased by 7.4 percentage points, while in other urban areas the increase totaled 7.8 percentage points. In terms of urban-rural differences of welfare, majority of the poor (64.8 percent) were urban residents (Table 3.1).

In 2011, the lowest incidence of extreme poverty was observed in Yerevan and the highest was observed in other urban areas (14.5 percent and 28.7 percent, respectively).

In terms of urban/rural difference, majority of the extremely poor (80 percent) are urban residents. This situation could be explained by the fact that subsistence agriculture played an important role in safeguarding people against extreme poverty. Yet, it should be noted that the rural poor were mostly involved in agriculture, with only a negligible share engaged in the non-agricultural sector. Nonetheless, involvement in the non-agricultural sector, as shown by empirical evidence from Europe and Central Asia country case studies (Alam et al., 2005), in average is more rewarding than any type of agricultural activity and can be a major factor behind increased incomes for the rural poor and, consequently, rural poverty reduction.

Poverty by regions and in Yerevan. Administrative division of Armenia comprises 10 regions and Yerevan. Table 3.4 presents the basic poverty indicators by regions and in Yerevan for 2011, as well as the dynamics of poverty indicators over 2008-2011. The results of the Integrated Living Condition Survey carried out by the NSS in 2008-2011 provide for minimum representativeness by regions and in Yerevan. Bearing in mind that poverty incidence indicators are characterized by minimum representativeness, they should be considered by taking into account standard irregularities.

In 2011, poverty incidence as compared to the national average varied by regions and in Yerevan. Poverty incidence in Shirak, Kotayk, Lori, Ararat, Gegharkunik and Armavir regions was higher than the national average. With almost 47.7 percent of the population below the poverty line, Shirak - a high altitude region devastated by the earthquake in 1988 - was still the poorest in Armenia.

Over 2008-2011, poverty incidence grew in all regions and in Yerevan; however, some of the regions saw higher rates of such increase, among them Armavir region by 1.5 times, Vayotz Dzor region by 1.4 times, Yerevan, Lori and Syunik regions by 1.3 times.

Over the same period, extreme poverty also grew in all regions (except Syunik and Vayotz Dzor regions) and in Yerevan, but the highest rates of such increase were observed in Armavir, Gegharkunik, Kotayk regions and in Yerevan.

Table 3.4 Armenia: Basic Poverty Indicators by Regions and in Yerevan, 2008 and 2011
{95% confidence interval in curly brackets}

(in %)

	2008		2011			
	Extre-mely poor	**Poor**	**Extre-mely poor**	**Poor**	**Percent, poor population**	**Percent, total population**
Yerevan	1.1 {0.3;1.9}	20.1 {17.3;22.9}	2.7 {1.4;4.0}	27.5 {23.5;31.5}	26.7	34
Aragatsotn	0.5 {-0.3;1.3}	20.3 {13.9;26.7}	1.1 {0.0;2.3}	20.7 {12.3;29.1}	2.2	3.8
Ararat	1.6 {0.2;3.0}	31.3 {25.5;37.1}	2.5 {1.0;4.1}	39.3 {32.0;46.5}	9.3	8.3

	2008		2011			
	Extre-mely poor	**Poor**	**Extre-mely poor**	**Poor**	**Percent, poor population**	**Percent, total population**
Armavir	0.7 {0.1;1.3}	24.5 {19.7;29.3}	5.6 {2.7;8.6}	37 {29.8;44.3}	9.3	8.8
Gegharkunik	0.4 {0.2;0.6}	32 {25.8;38.2}	1.5 {-0.4;3.4}	37 {28.4;45.7}	6.5	6.1
Lori	2.8 {1.2;4.4}	34.2 {29.2;39.2}	4.7 {2.3;7.2}	45.4 {38.5;52.3}	12.3	9.4
Kotayk	2.1 {0.7;3.5}	39.5 {34.7;44.3}	7.1 {3.4;10.8}	45.5 {38.5;52.5}	13.3	10.2
Shirak	4.6 {2.0;7.2}	42.4 {37.2;47.6}	7 {3.7;10.2}	47.7 {41.1;54.4}	12.2	8.9
Syunik	1.3 {0.5;2.1}	20.3 {14.3;26.3}	1.1 {-0.7;2.8}	26.8 {20.0;33.5}	3.2	4.2
Vayotz Dzor	1.9 {0.1;3.7}	21.1 {14.9;27.3}	1.5 {0.03.0}	29.9 {20.3;39.4}	1.6	1.8
Tavush	1.7 {0.3;3.1}	23.2 {18.0;28.4}	2 {-0.4;4.5}	26.7 {20.0;33.4}	3.4	4.5
Total	1.6 {1.2;2.0}	27.6 {26.0;29.2}	3.7 {2.9;4.5}	35 {32.7;37.2}	100	100

Source: ILCS 2011

Hereinafter, only overall and extreme poverty incidence will be presented. As already noted, poverty incidence will be construed in terms of upper poverty line indicators, and extreme poverty incidence will be construed in terms of the indicators on population with consumption below the food poverty line.

Poverty incidence sensitivity to changes in poverty line: The extreme poverty incidence appears to be more sensitive to the changes in the poverty line than the general poverty incidence, which indicates a higher concentration of population around the extreme poverty line than around the general poverty line. Table 3.5 presents the changes in poverty incidence with respect to changes in the poverty line. Table 3.5 presents the changes in poverty incidence with respect to changes in the poverty line. A 5 percent increase in the poverty line would result in an increase of extreme poverty by 46 percent and an increase of general poverty by 23 percent. The changes in poverty incidence are statistically significant (at 1 percent significance level) when the poverty line decreases or increases by 5 percent, 10 percent, or 20 percent.

Table 3.5 Armenia: Changes in Poverty Incidence with Respect to Changes in Poverty Line, 2011

(in %)

Changes in poverty line	Extremely poor	Poor
Unchanged, 0%	3.7	35.0
+5%	5.4	43.1
-5%	2.7	32.1
+10%	6.9	48.1
-10%	1.8	27.4
+20%	10.7	53.9
-20%	0.7	17.7

Source: *ILCS 2011*

Consumption vs. income poverty: Table 3.6 illustrates comparisons between consumption and income poverty in Armenia over 2008-2011. As expected, income-based poverty estimates were higher than those based on consumption as welfare measure. The difference is mostly explained by higher inequality in income than consumption distribution (see Table 3.17).

Table 3.6 Armenia: Poverty Incidence by Consumption and Income Indicators, 2008-2011

	2008	2009	2010	2011
Monthly consumption per adult equivalent (AMD, in average national prices of 2008)	42870.2	40250.2	39459.8	40262.0
Monthly income per adult equivalent (AMD, in average national prices of 2008)	42484.4	43824.7	44887.2	45936.7
Income/consumption	1.0	1.1	1.1	1.1
Consumption Poor (percent)				
Extremely poor	1.6	3.6	3.0	3.7
Poor	27.6	34.1	35.8	35.0
Income Poor (percent)				
Extremely poor	12.1	12.2	12.1	13.2
Poor	38.1	38.2	38.4	37.1

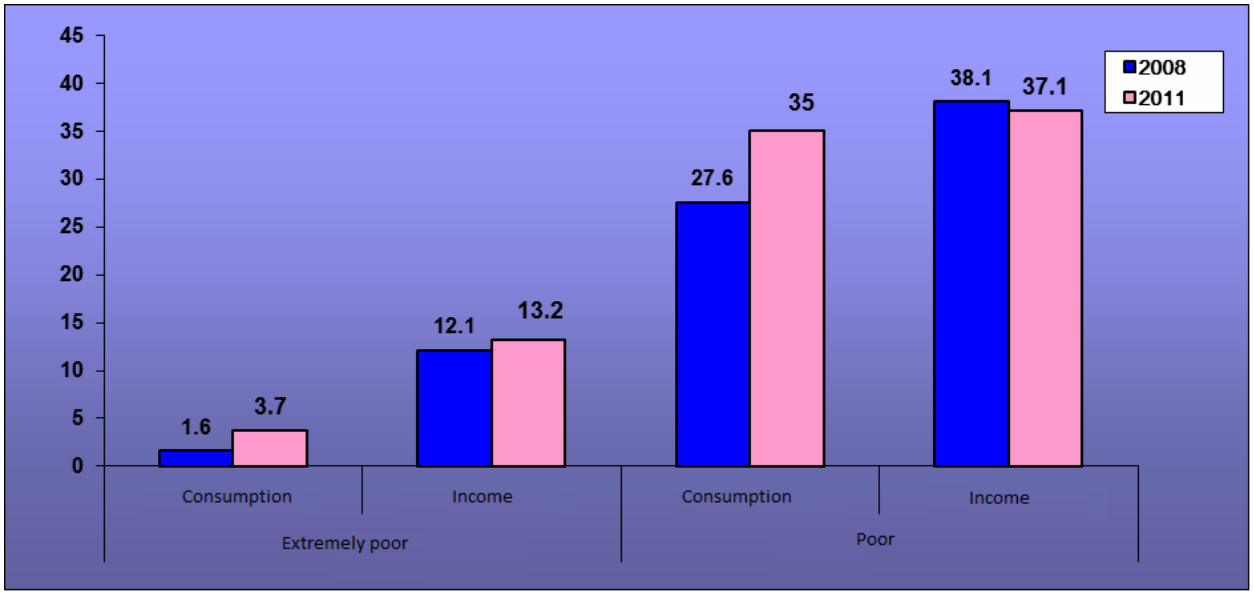
Source: ILCS 2008-2011

Note: Income is defined as total disposable income and includes monetary income, monetary value of consumption in kind, and consumed savings.

Comparison of indicators on consumption and income poverty in 2011 showed that a large fraction of individuals with their income below the poverty line had consumption above it. Among those assessed as income poor and extremely poor, only 49 percent and 11 percent, respectively, have been assessed as consumption poor and extremely poor. The situation is just the opposite when considering those who were assessed as consumption poor and extremely poor. Among them, around 44 percent was also income poor. Around 56 percent of consumption extremely poor have been assessed as income extremely poor. In 2011, average monthly income per adult equivalent exceeded consumption by 13.8 percent, while in 2008 it was below consumption by 0.9 percent

. **Figure 3.2. Armenia: Poverty Incidence by Consumption and Income Indicators, 2008 and 2011**

(in percent)



Source: ILCS 2008 and 2011

What would be the cost of overcoming poverty in 2011? To overcome poverty, Armenia would need AMD 111.5 billion, or 3 percent of GDP, in addition to the resources already allocated to social assistance, assuming that such assistance would be efficiently targeted to the poor only (Table 3.7).

Eradication of extreme poverty would require about AMD 3.9 billion, or 0.1 percent of GDP, in addition to social assistance already channeled to the extremely poor and assuming efficient targeting.

As proposed by international experience, perfect targeting is almost impossible; therefore, the actual resources needed to overcome poverty would be significantly higher.

In market economies, the minimum resources required to overcome poverty should be at least doubled given the concerns related to efficient targeting.

Table 3.7 Armenia: Monetary Cost of Overcoming Poverty, 2011

	2011	
	Extremely poor	**Poor**
Average consumption by the poor (AMD, per adult equivalent, per month)	18619	28038
Poverty line (AMD, per adult equivalent, per month)	21306	36158
Additional consumption for the poor (AMD, per month)	2687	8120
Deficit of additional consumption for the poor, as compared to poverty line (percent)	12.6	22.5
GDP (AMD billion)	3776.4	3776.4
Required budget (AMD billion)	3.9*	111.5*
Required budget as percent of GDP	0.1	3.0

Source: NSS and ILCS 2011

** This figure is calculated by multiplying the average annual number of resident population with the poverty incidence and the additional annual consumption required for the poor. (Table 3.7 shows monthly required additional consumption).*

3.3. Poverty and Economic Decline Linkages

Overall, changes in poverty incidence are driven by changes in the consumption aggregate and by the inequality of its distribution. Following a methodology developed by Datt and Ravallioni (1992), the change in poverty incidence in Armenia is conditioned by the change of two components - consumption and inequality of its distribution. The first component, that is consumption, shows the impact of the change in consumption on poverty provided that inequality of distribution remains unchanged, while the second component that is inequality of distribution, shows the impact of distribution on poverty provided that consumption remains unchanged. The results of the analysis suggest that the observed increase in poverty incidence in Armenia over 2008-2011 can be mainly attributed to deteriorated living standards as measured by the consumption per adult equivalent.

The 7.38 percentage point growth of poverty incidence in Armenia over 2008-2011 is derived predominantely by distribution component. Thus, the decrease of the first component, that is the average consumption level, resulted in a 5.34 percentage point increase in poverty incidence, while the growth of the second component, that is the inequality of distribution, resulted in a 2.04 percentage point growth of poverty incidence (see Table A3.7).

Table 3.8. Armenia: Annual Consumption Growth Rates by Urban/Rural Areas, 2008-2011

(in percent)

Annual decline	**Total**	**Yerevan**	**Other urban**	**Rural**
Average growth rate (regular decline rate)	-1.0	1.8	-2.7	-3.2
Average percentage growth rate	-1.8	-0.1	-3.0	-4.3
Average growth rate in the lowest quintile	-0.1	0.0	-0.2	0.0
Average growth rate for P(0), extreme poverty line	-1.6	-0.9	-3.2	-1.1
Average growth rate for P(0), general poverty line	-2.3	-2.4	-3.0	-1.5

Source: ILCS 2008-2011

Note: *Growth rates refer to the increase in consumption; P (0) denotes poverty incidence (Foster, Green and Thorbecke, 1984).*

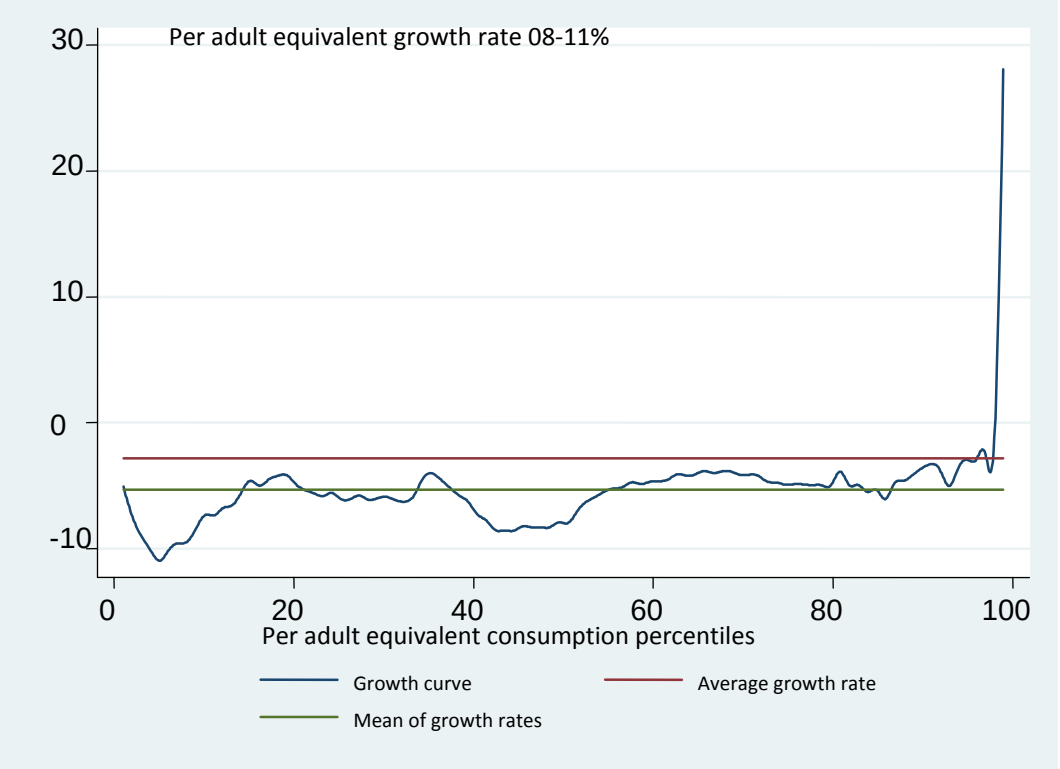
Economic growth in Armenia can be measured through the increase of average consumption by various components (Ravallioni and Cheng, 2002). Table 3.8 shows that consumption of the poor decreased faster than overall consumption (-2.3 percent and -1.0 percent per annum, respectively) indicating that the poor were hit more by the economic crises than the overall population. On the other hand, consumption of the extremely poor decreased slower when compared with that of the poor (-1.6 and -2.3 percent per annum, respectively).

Nevertheless, in 2011 poverty incidence grew by 7.4 percentage points as compared to 2008, while the incidence of extreme poverty grew by 2.1 percentage points.

From the standpoint of urban/rural distinction, consumption of the poor over 2008-2011 in Yerevan and other urban areas than (Table 3.8) decreased faster than overall consumption (-2.4 and -3.0 percent respectively vs. -2.3 percent per annum). Consumption of the poor in rural areas over the same period decreased slower than the overall consumption (-1.5 percent vs. -2.3 percent per annum).

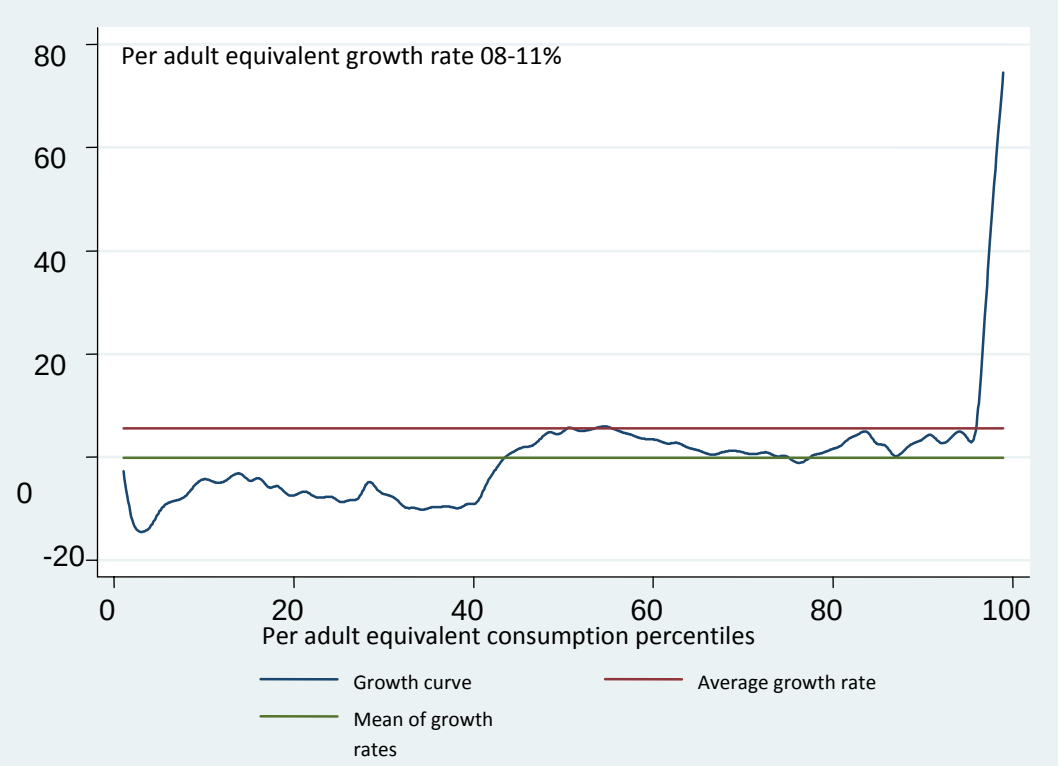
As illustrated by the growth curves presented below, at national level the richest 10th decile did not suffer from recession, whereas the poorest 1st decile suffered more than the others (Figures 3.3-3.6). The poorest decile suffered most in urban areas, while the richest decile benefited during the crises only in Yerevan and in other urban areas.

Figure 3.3. Armenia: Consumption Growth Curve, 2008-2011



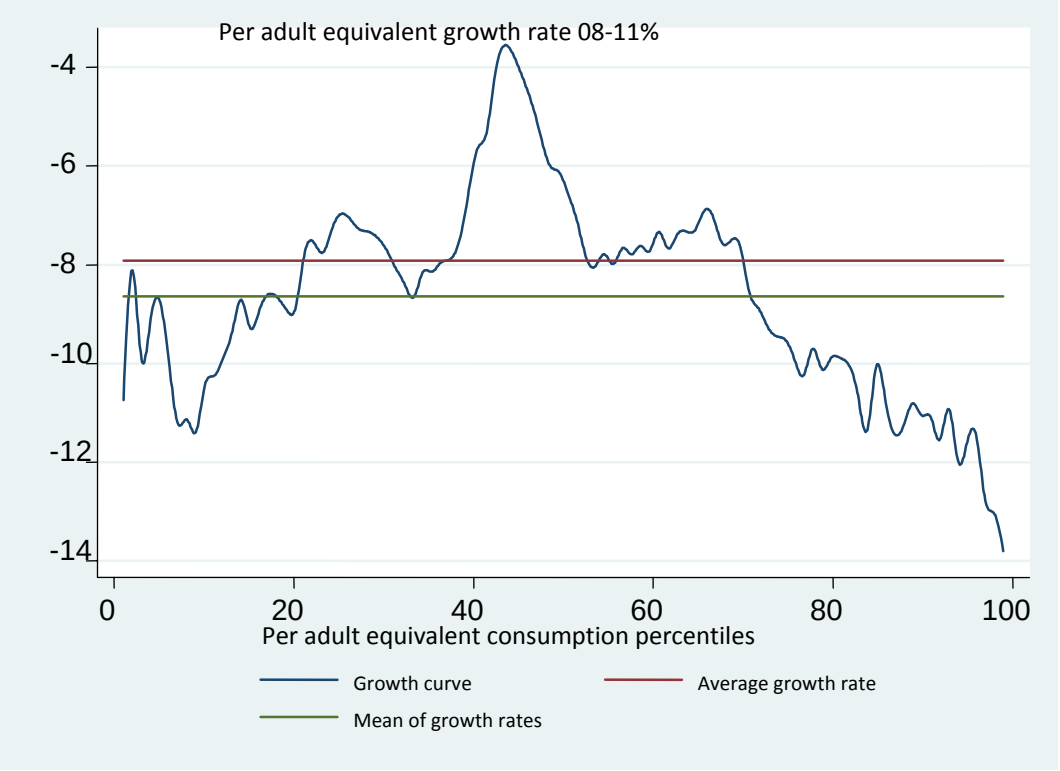
Source: ILCS 2008-2011

Figure 3.4. Armenia: Consumption Growth Curve in Yerevan, 2008-2011



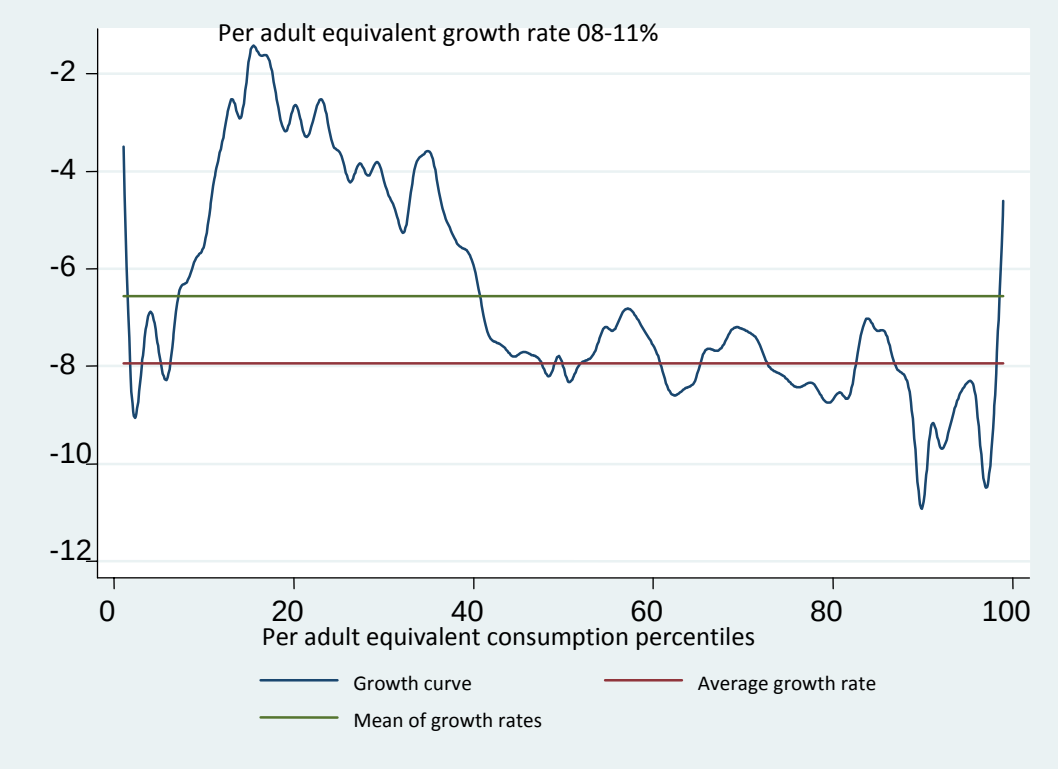
Source: ILCS 2008-2011

Figure 3.5. Armenia: Consumption Growth Curve in Other Urban Areas, 2008-2011



Source: ILCS 2008-2011

Figure 3.6 Armenia: Consumption Growth Curve in Rural Areas, 2008-2011



Source: ILCS 2008-2011

3.4. Poverty Structural Profile and Its Changes over 2008-2011

The structure of poverty has not changed significantly over the considered period:

(a) There were no significant gender differences in poverty incidence both in 2008 and 2011 (Table 3.9);

(b) Poverty incidence of children age groups of 0-5 years, 6-9 years and 15-17 children was higher than in other groups. Poverty in 2011 was the lowest in the age group of 60-64 years.

Table 3.9 Armenia: Poverty Incidence by Gender and Age Groups, 2008 and 2011

(in percent)

Gender	2008		2011			
	Extremely poor	Poor	Extremely poor	Poor	Percent, poor population	Percent, total population
Gender						
Female	1.7	27.3	3.7	34.5	46.0	45.4
Male	1.6	27.8	3.7	35.5	54.0	54.6
Age groups (year)						
0-5 (children)	1.9	32.0	4.4	45.3	10.2	7.9
6-9	1.8	30.3	4.7	42.2	4.1	3.4
10-14	1.5	29.7	4.5	39.1	6.8	6.1
15-17	2.3	32.4	4.7	40.1	4.8	4.2
18-19	0.7	26.1	5.3	33.7	2.8	2.9
20-24	1.3	26.0	3.4	33.6	8.8	9.1
25-29	2.1	27.0	3.7	37.1	8.6	8.1
30-34	1.1	25.7	4.1	38.8	7.2	6.5
35-39	1.9	27.6	4.5	36.2	6.2	6.0
40-44	1.9	29.3	3.8	34.8	5.6	5.6
45-49	1.9	25.7	3.0	30.3	6.4	7.4
50-54	1.2	22.2	3.2	29.5	7.0	8.3
55-59	0.7	21.7	3.4	32.5	6.1	6.5
60-64	1.3	24.8	1.6	27.5	3.9	4.9
65+	2.0	29.5	2.8	30.8	11.5	13.1
Total	**1.6**	**27.5**	**3.7**	**35.0**	**100**	**100**

Source: ILCS 2008 and 2011

(c) Larger households with children faced a higher poverty risk. The relative risk of poverty increases with household size (Table 3.10). An important factor behind poverty is the dependency ratio in large households Larger households have more children and, therefore, a lower ratio of income earners as compared to smaller households, which causes their consumption levels to be lower.

Table 3.10 Armenia: Poverty Incidence by Household Size, 2008 and 2011

(in percent)

	2008		2011			
	Extremely poor	Poor	Extremely poor	Poor	Percent, poor population	Percent, total population
Number of household members						
1	0.9	17.2	1.2	10.7	1.1	3.6
2	0.8	19.0	1.0	17.0	5.1	10.6
3	1.0	18.8	1.0	21.2	8.2	13.5
4	0.9	23.6	2.1	31.6	19.2	21.2
5	1.9	30.3	3.8	39.4	24.7	21.9
6	2.8	34.7	5.9	45.2	21.2	16.4
7 and more	2.4	38.2	9.2	55.8	20.5	12.8
Total	**1.6**	**27.6**	**3.7**	**35.0**	**100**	**100**

Source: ILCS 2008 and 2011

(d) In Armenia, the presence of children increases poverty incidence (Table 3.11). Households with three or more children (0-5 years of age) are exposed to a higher poverty risk (78 percent) than the national average (35.0 percent) and higher than those with fewer children (for example by 1.8 percent than households with 1 child, and by 1.6 percent than the ones with 2 children). Nevertheless, these results should be treated with certain caution since the outcomes largely depend on assumptions regarding equivalence scales and economies of scale (Lanjouw and Ravallioni, 1995).

Table 3.11 Armenia: Poverty Incidence by Number of Present Children (under 6) and Number of Elderly (over 60), 2008 and 2011

(in percent)

Number of children and elderly	2008		2011			
	Extremely poor	Poor	Extremely poor	Poor	Percent, poor population	Percent, total population
Number of children						
0	1.5	25.4	3.0	29.7	57.8	68.0
1	1.9	31.3	5.9	43.7	26.4	21.1
2	1.6	34.4	3.8	48.6	13.9	10.0
3 and more	5.3	34.8	6.5	77.7	1.9	0.9
Number of elderly						
0	1.3	24.7	3.7	33.7	51.0	52.8
1	1.6	30.0	3.6	35.6	30.9	30.4
Number of elderly	3.0	33.9	3.9	37.7	18.1	16.8
Total	**1.6**	**27.6**	**3.7**	**35.0**	**100.0**	**100.0**

Source: ILCS 2008 and 2011

(e) Presence of elderly members (over 60 years old) in a family increases poverty incidence. A household consisting of two adults and two children below 6 is exposed to a poverty risk higher than the national average (45.5 percent and 35.0 percent, respectively). Adding one elderly member into that household would increase the poverty incidence by 26 percent or 12.0 percentage points (Table 3.12). Households consisting solely of elderly people experience significantly lower poverty incidence (1.9 percent below the national average).

Table 3.12 Armenia: Poverty Incidence by Household Composition, 2008 and 2011

(in percent)

Household composition *	2008		2011			
	Extremely poor	Poor	Extremely poor	Poor	Percent, poor population	Percent, total population
1 adult, no children	1.5	18.7	0.1	17.8	1.3	2.5
1 adult, children	3.8	21.0	3.8	26.0	0.4	0.5
2 adults, no children	0.9	20.5	1.2	20.5	6.4	10.9
2 adults, 2 children	-	25.4	2.7	45.5	1.5	1.2
2 adults, 2 children, 1 elderly	-	37.8	6.1	57.5	1.1	0.6
2 adults, 2 children, 2 elderly	0.4	47.2	4.9	39.0	0.7	0.6
1 elderly, no children, no adults	1.1	23.4	1.3	18.8	3.1	5.8
3 adults	1.6	25.9	2.8	35.0	23.6	23.6
4 adults	1.0	28.3	5.9	42.2	22.7	18.8
Other	2.4	31.9	4.5	38.9	39.2	35.5
Total	**1.6**	**27.6**	**3.7**	**35.0**	**100**	**100**

***** adult` under 18 and above, child up to 6 years, elderly: above 60 years.
Source: ILCS 2008 and 2011

(f) Female-headed households are more likely to be poor as compared to male-headed households (34.3 percent vs. 35.2 percent in 2011). Female-headed households comprised 24 percent of the poor and of the

total population in 2011. Within female-headed households, those with children (under 6 years) are more likely to be poor (34.6 percent) (Table 3.13).

Table 3.13 Armenia: Poverty Incidence by Gender of Present Household Head, 2008 and 2011

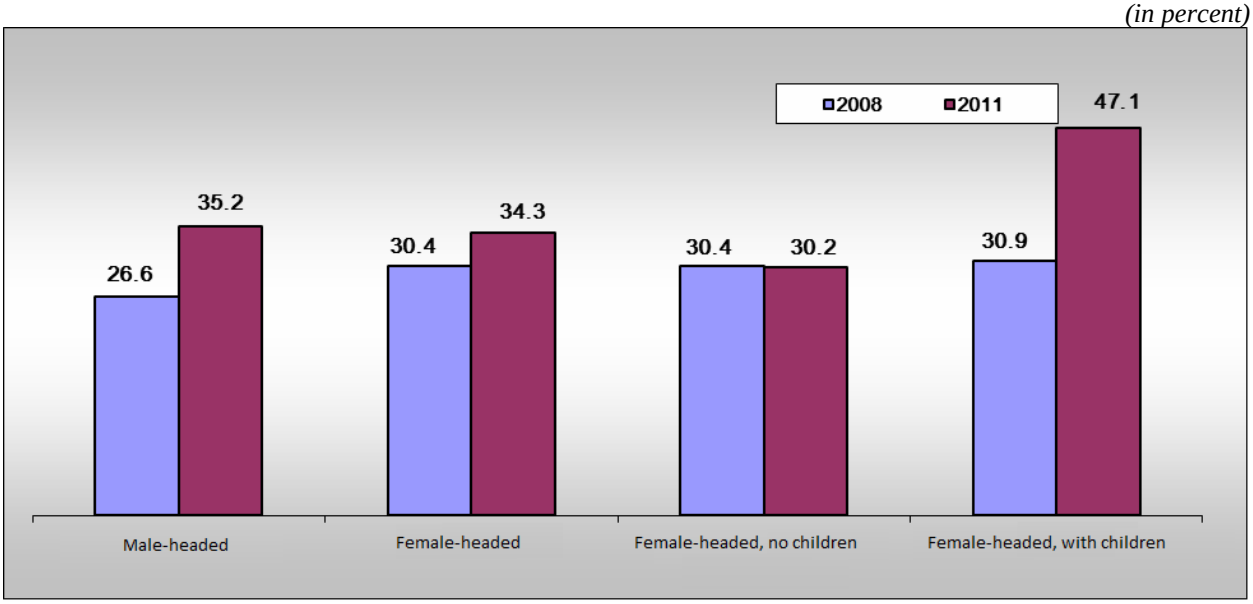
(percent)

	2008		2011			
	Extremely poor	**Poor**	**Extremely poor**	**Poor**	**Percent, poor population**	**Percent, total population**
Male-headed	1.5	26.6	3.6	35.2	76.1	75.7
Female-headed, including:	2.0	30.4	4.2	34.3	23.9	24.3
Female-headed, no children (under 6 years of age)	1.6	30.4	3.4	30.2	66.7	75.7
Female-headed, children (under 6 years of age)	3.0	30.9	6.8	47.1	33.3	24.3
Total	**1.6**	**27.6**	**3.7**	**35.0**	**100**	**100**

Source: ILCS 2008 and 2011

Figure 3.7. Armenia: Poverty Incidence by Gender of Household Head, by Permanent Residence, 2008 and 2011

(in percent)



Source: ILCS 2008 and 2011

(g) People with better education are less likely to be poor (Table 3.14). Poverty incidence is the lowest among those with tertiary education - around 14 percentage points lower than the national average for population over 16 years of age, and 23-27 percentage point lower than those with elementary, primary or lower secondary education. When compared to 2008, extreme poverty increased among all educational levels except for those with elementary and primary education. Persons with upper secondary education comprised the largest group among the poor (48 percent). Among the population over 16 years of age, this group was facing difficulties in finding jobs.

Table 3.14 Armenia: Poverty Incidence by Educational Level, 2008 and 2011
(Population 16 Years of Age and over)

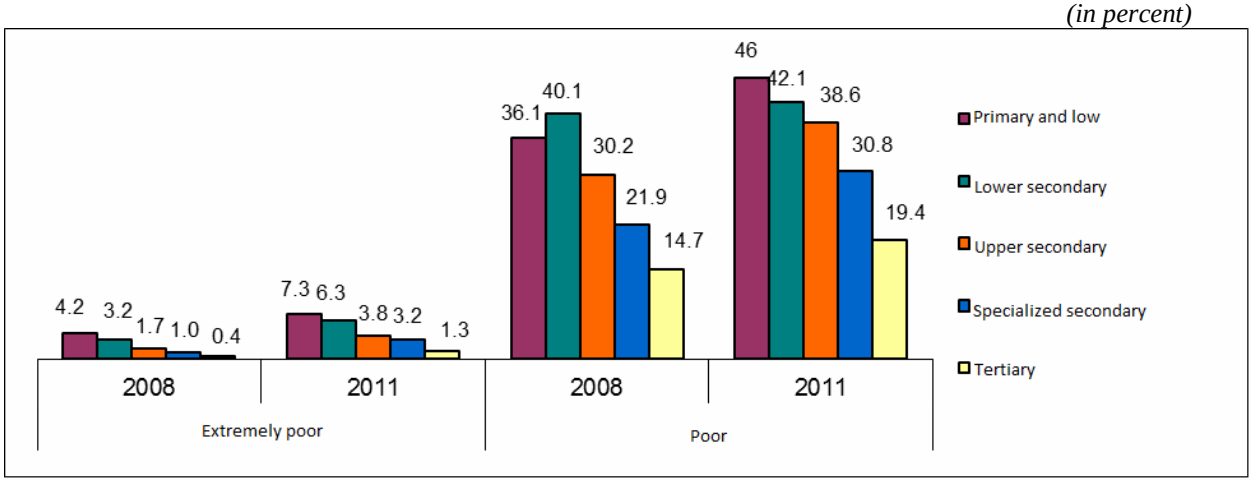
(in percent)

Education level	2008		2011			
	Extremely poor	Poor	Extremely poor	Poor	Percent, Poor reference population	Percent, reference population
Elementary and primary	4.2	36.1	7.3	46.0	4.3	3.1
Lower secondary	3.2	40.1	6.3	42.1	12.6	9.9
Upper secondary	1.7	30.2	3.8	38.6	47.7	41.0
Specialized secondary	1.0	21.9	3.2	30.8	23.0	24.8
Tertiary	0.4	14.7	1.3	19.4	12.4	21.2
Total	**1.6**	**26.6**	**3.5**	**33.2**	**100.0**	**100.0**

Source: ILCS 2008 and 2011

Figure 3.8 Armenia: Poverty Incidence by Educational Level, 2008 and 2011
(Population over 16 Years of Age)

(in percent)



Source: ILCS 2008 and 2011

(h) Labor market participation plays an important role in determining poverty status. Particularly lack of employment increases the risk to be poor or extremely poor. This is evidenced by the fact that in 2011 poverty incidence among households with no employed members was 41.0 percent, i.e. 21 percent higher than the national average (Table 3.15). During the same period, extreme poverty incidence among households with no employed members was 7.4 percent, which is 2.1 times higher than the national average.

Table 3.15. Armenia: Poverty Incidence of Population (15-75 Years of Age) by the Number of Household's Employed Members, 2008 and 2011

(in percent)

Number of employed members in households	2008		2011			
	Extremely poor	Poor	Extremely poor	Poor	Share in the poor (reference population)	Share in the reference population
No employed members	5.7	46.6	7.4	40.6	15.2	12.6
1 employed member	2.8	32.5	4.0	34.6	29.9	28.9
2 employed members	0.7	26.0	2.7	30.4	31.3	34.4

Number of employed members in households	2008		2011			
	Extremely poor	Poor	Extremely poor	Poor	Share in the poor (reference population)	Share in the reference population
3 and more employed members	1.1	24.9	2.3	32.8	23.6	24.1
Total	**1.9**	**29.5**	**3.6**	**33.5**	**100.0**	**100.0**

Source: ILCS 2008 and 2011

Over 2008-2011, poverty incidence increased both among labor market participants: the employed and unemployed and non-participants: the economically inactive population (table 3.16).

Job generates income and thus reduces poverty incidence. Research data show that majority of the poor have no job, while a significant part of the non-poor are involved in some type of economic activity. It should be noted that in 2008-2011 increase of the poverty incidence of the labor market participants was faster than the one observed among non-participants (31.4 percent compared to 21.4 percent).

While the unemployed faced the highest poverty risk (44.1 percent) among the economically active population(participants of the labor market) (Table 3.16), from the standpoint of urban/ rural distinction it appears that in 2011 poverty incidence among the unemployed living in other urban areas is 1.3 times higher than that among the unemployed living in Yerevan and among rural area.

Poverty incidence declined among pensioners also. Pensioners living in Yerevan were exposed to lower poverty risk as compared to those living in other urban and rural areas. The highest incidence of extreme poverty was observed pensioners living in other urban areas.

Table 3.16. Armenia: Labor Force Participation and Poverty Incidence (15-75 Years of Age Population), 2008 and 2011

(in percent)

Labor force participation	2008		2011			
	Extremely poor	Poor	Extremely poor	Poor	Percent, Poor reference population	Percent, reference population
Total population						
Participants	1.0	23.9	2.9	31.4	59.8	64.0
Employed	0.8	22.2	2.1	28.5	44.3	52.2
Wage employees	1.0	20.7	2.4	26.8	23.2	29.0
Self-employed	0.6	23.3	1.9	28.7	13.6	15.9
Other employed	0.4	27.2	1.2	34.7	7.5	7.3
Unemployed	2.1	32.6	6.8	44.1	15.5	11.8
Non participants	2.4	30.8	4.8	37.4	40.2	36.0
Pensioners	2.8	34.5	4.4	35.3	10.4	9.9
Students	1.5	22.4	3.6	32.5	7.4	7.6
Other non participants	2.7	33.1	5.4	40.6	22.4	18.5
Yerevan						
Participants	0.6	17.6	2.4	25.5	58.9	60.6
Employed	0.5	15	1.2	19.1	30.9	42.3
Wage employees	0.6	16	1.2	19.2	28.0	38.1
Self-employed	-	7.1	1.1	17.8	2.8	4.1

Labor force participation	2008		2011			
	Extremely poor	Poor	Extremely poor	Poor	Percent, Poor reference population	Percent, reference population
Other employed	-	5.4	-	30.7	0.1	0.1
Unemployed	1.1	25.7	5.2	40.2	28.0	18.3
Non participants	1.7	22.3	2.3	27.3	41.1	39.4
Pensioners	2.8	27.4	3.1	30.1	15.2	13.2
Students	0.7	14.6	1.8	20.5	6.7	8.5
Other non participants	1.6	23.2	2.0	28.5	19.2	17.7
Other urban areas						
Participants	1.8	31.2	5.4	40.0	52.2	55.8
Employed	1.3	28.1	4.0	36.3	36.6	43.0
Wage employees	1.3	27.1	4.2	37.4	28.6	32.7
Self-employed	1.5	30.5	3.6	33.8	7.3	9.2
Other employed	-	38.8	-	26.9	0.7	1.1
Unemployed	3.6	41.5	10.1	52.4	15.6	12.8
Non participants	3.6	38.6	8.0	46.4	47.8	44.2
Pensioners	3.3	40.7	6.6	40.3	11.8	12.5
Students	2.7	30.3	7.5	44.1	7.6	7.4
Other non participants	4	40.6	9.0	50.2	28.4	24.3
Rural areas						
Participants	0.8	24.3	1.8	30.5	69.6	74.8
Employed	0.8	23.7	1.6	30.0	64.4	70.5
Wage employees	1.5	20.8	1.8	25.9	12.9	16.3
Self-employed	0.5	23.6	1.6	28.9	29.8	33.9
Other employed	0.5	27.3	1.3	35.1	21.7	20.3
Unemployed	1.5	32.2	4.9	39.3	5.2	4.3
Non participants	1.7	32.4	3.4	39.6	30.4	25.2
Pensioners	1.8	39	2.8	38.6	4.8	4.1
Students	1.3	24.2	2.1	36.5	7.7	6.9
Other non participants	1.9	35.3	4.2	41.4	17.9	14.2
Total	**1.9**	**29.5**	**3.6**	**33.5**	**100**	**100**

Source: ILCS 2008 and 2011

Box 3.3

ILCS is not the only source of data about poverty and food consumption. Nutritional status of children was analysed according to 2010 Demographic and Health Survey, conducted by NSS and Ministry of Health of RA. The Box 3.3 presents the Nutritional status of children by sex, age, regions and mother`s education.

Table. Nutritional status of children (according to Armenia Demographic and Health Survey 2010)

Percentage of children under age 5 classified as malnourished according to three anthropometric indices of nutritional status: height-for-age, weight-for-height, and weight-for-age, by background characteristics, Armenia, 2010.

Background characteristic	Height-for-age[1]			Weight-for-height				Weight-for-age				
	Percentage below -3 SD	Percentage below -2 SD[2]	Mean Z-score -SD	Percentage below -3 SD	Percentage below -2 SD[2]	Percentage above+2 SD	Mean Z-score -SD	Percentage below -3 SD	Percentage below -2 SD[2]	Percentage above +2 SD	Mean Z-score -SD	Number of children
Age in months												
<6	5.1	16.1	-0.6	7.2	12.3	8.7	0.2	3.5	13.5	1.1	-0.4	128
6-8	6.2	8.1	-0.5	2.4	3.0	9.3	0.4	5.9	12.3	2.7	-0.1	67
9-11	1.0	3.0	-0.2	0.0	3.6	10.3	0.5	0.0	0.0	1.6	0.2	68
12-17	10.2	18.7	-0.7	0.1	2.0	20.1	0.9	0.9	3.3	5.3	0.3	163
18-23	6.1	15.3	-0.7	0.9	2.2	13.8	0.9	0.0	1.9	1.1	0.3	135
24-35	8.9	21.0	-0.8	0.3	2.5	13.5	0.8	0.9	2.9	4.1	0.1	290
36-47	10.9	25.5	-0.9	1.3	3.4	15.1	0.7	0.8	4.6	2.9	-0.1	247
48-59	8.7	17.4	-0.9	3.5	4.9	22.7	0.7	0.7	3.8	1.9	-0.1	235
Sex												
Male	7.9	20.2	-0.8	2.1	4.7	17.0	0.8	1.4	4.3	3.3	0.1	694
Female	8.5	18.3	-0.7	1.5	3.3	13.7	0.6	1.0	5.1	2.4	0.0	639
Residence												
Urban	6.9	17.3	-0.7	1.6	3.2	15.0	0.7	0.8	2.8	2.3	0.1	777
Rural	10.0	22.0	-0.8	2.2	5.1	16.0	0.6	1.8	7.4	3.6	-0.0	556
Region												
Yerevan	4.7	11.3	-0.6	1.2	2.5	11.4	0.6	0.8	2.1	1.7	0.1	423
Aragatsotn	8.8	32.3	-1.1	3.8	6.0	8.9	0.6	2.5	6.2	0.3	-0.2	56
Ararat	16.2	29.2	-0.5	5.4	11.8	16.8	0.0	3.2	16.8	1.3	-0.3	86
Armavir	8.3	21.5	-0.8	1.6	4.1	9.9	0.5	0.4	8.3	0.5	-0.2	121
Gegharkunik	15.8	25.3	-1.1	5.1	7.4	23.1	0.8	4.6	7.0	1.4	-0.1	104
Lori	11.6	23.4	-0.5	2.6	2.6	35.3	1.3	1.3	5.3	15.9	0.5	90
Kotayk	3.6	17.3	-0.6	0.0	1.4	10.7	0.7	0.0	1.7	2.3	0.2	146
Shirak	10.2	21.4	-1.0	1.7	6.6	17.5	0.8	0.4	2.6	1.4	-0.0	153
Syunik	15.8	36.5	-1.5	0.0	2.3	22.2	0.8	1.1	5.6	0.0	-0.3	49
Vayots Dzor	4.9	16.0	-0.8	0.0	1.8	18.4	0.9	0.0	3.0	6.2	0.2	39
Tavoush	4.5	16.1	-0.6	1.0	1.0	14.7	0.8	1.8	4.6	7.8	0.2	67
Total	8.2	19.3	-0.7	1.8	4.0	15.3	0.7	1.2	4.7	2.9	0.0	1,333

Note: The table is based on children who slept in the household the night before the interview. Each of the indices is expressed in standard deviation units (SD) from the median of the WHO Child Growth Standards adopted in 2006. The indices in this table are NOT comparable to those based on the previously used 1977NCHS/CDC/WHO reference. The table is based on children with valid dates of birth month and year and valid measurement of both height and weight. An asterisk indicates that a figure is based on fewer than 25 unweighted cases and has been suppressed.

1 Recumbent length is measured for children under age 2 and less than 85 cm; standing height is measured for all other children.

2 Includes children who are below -3 standard deviations (SD) from the WHO Growth Standards population median

3.5. Determinants of consumption

This section examines factors that are closely associated with welfare and poverty rather than establishing causal relationships. Identifying these factors is an important step in designing economic and social policy aimed at reducing poverty and preventing households from falling into poverty. The examined factors comprise comprise (i) characteristics of the household including age composition, size, presence of migrant members, labor market status of the household members, and location of the household; as well as (ii) characteristics of the household head such as age, gender, education, labor market status, and disability. These factors are used as explanatory variables in a simple regression model, where natural logariphm of consumption per adult equivalent represents dependent variable.

The following factors were estimated as significantly related to consumption per adult equivalent:

Household demographics

- Household size had a negative impact on household consumption both in 2008 and 2011: larger households had lower consumption, being similar in all other characteristics.

- *Household head gender:* female-headed households had lower welfare than male-headed households in years considered, being similar in all other characteristics.

- *Age composition:* The share of children up to five years old in a household had significant negative effect on consumption both in 2008 and 2011. Thus, the larger the share of those children in the household, the lower the consumption of the household relative to the base category (the share of those between 46 and 60 years of age), keeping the household size constant. The share of elderly in the household did not affect consumption in 2008, 2010 and 2011, but had a rather important impact in 2009.

Education

Consumption was higher for households whose head had higher education. Households headed by individuals holding university degree on average had consumption level 24 percent above those headed by individuals with primary or lower secondary education (reference category) in 2011.

Migration

- In 2011, households with members having migrated to and returned from abroad during the last 12 months prior to the survey demonstrated higher (by 23 and 18 percent) consumption than those with no migrants.

Labor market participation

In 2011, labour market status of household members had an important impact on household consumption. A larger share of the unemployed members in a household resulted in lower household consumption relative to the share of wage employed members. These factors had an essential impact strongly reflected on the distribution of consumption.

Household Location

- Location played an important role in explaining household welfare in Armenia. The substantial location effects on consumption remain after controlling for all other household characteristics included in the model. In 2011, living standards of the households residing in all regions deteriorated as compared to those living in Yerevan**.**

3.6 Consumption, income and inequality in their distribution

Inequality is estimated for the whole population. During the considered period (2008-2011), income inequality increased. Inequality indicators measured by the Gini coefficient indicate that polarization of population in Armenia is deeper in terms of income distribution than that in terms of consumption distribution.

Consumption inequality measured by the Gini coefficient increased from 0.242 in 2008 to 0.267 in 2011. Income inequality, in turn, increased from 0.339 in 2008 to 0.371 in 2011.

Table 3.17 Armenia: Consumption and Income Inequality, 2008-2011

	Consumption			Income		
	2008	2010	2011	2008	2010	2011
Coefficient of variation	0.592	0.775	0.762	0.847	2.410	1.115
Gini coefficient	0.242	0.265	0.267	0.339	0.362	0.371
Theil mean log deviation E(0)	0.096	0.119	0.120	0.201	0.227	0.247
Theil entropy E(1)	0.110	0.152	0.151	0.215	0.308	0.280

Source: ILCS 2008, 2010-2011

Other methods for assessing inequality, such as the Theil entropy index and the Theil mean log deviation also showed an increase in polarization of population in terms of income and consumption distribution.

3.7 Poverty Assessment by Alternative Methods

For a more comprehensive understanding of poverty incidence in the country and for facilitating international comparisons, the NSS also assesses poverty incidence by using alternative methods.
The method of minimum norms of daily per capita consumer expenditures is one of such methods.
Conditional consumer expenditures method
When using this method, the share of population below the poverty line is estimated by the following three options, defining per capita per day poverty line equal to:

Option one: USD 1,25
Option two: USD 2,50
Option three: USD 5,00

Analyses take into account the US dollar purchasing power parity as defined by the World Bank (WB methodology). According to WB estimates, in 2005 purchasing power of USD 1 was equal to AMD 196.19. The table below presents the changes in per capita poverty incidence according to that approach.

Table 3.18 Armenia: Poverty Incidence by Purchasing Power Parity of US dollar, 2008-2011

(in percent)

Per capita per day poverty line	As per purchasing power parity in 2005 USD 1 = AMD 196.19			
	2008	2009	2010	2011
USD 1,25	0.2	0.2	0.5	0.3
USD 2,50	12.1	17.4	19.7	17.5
USD 5,00	67.2	71.2	76.6	73.0

Source: *ILCS 2008- 2011*
Note: *Per capita measurement of consumption is presented.*

Table above illustrates an increase in poverty incidence using estimates of international poverty lines; that is per capita per day purchasing power parity of the US dollar equal to USD 1.25, USD 2.50, and USD 5.00. In 2011, 10 thousand people were poor using the poverty line estimate under Option one, 519 thousand - under Option two, 2,165 thousand - under Option three. According to these indicators, poverty incidence increased in 2011 as compared to 2008 if estimated at USD 1.25 equivalent, by 0.1 percentage point, by 5.4 percentage point if estimated at USD 2.50 equivalent and by 5.8 percentage point if estimated at USD 5.00 equivalent.

In addition to the above-mentioned poverty assessment alternative method, there are other alternative methods. They are:

1. Per capita per day consumed energy (non-monetary indicator);
2. Share for food costs (see Chapter 7);
3. Antropometric indicators (see Chapter 3, Box 3.3);

4. Subjective poverty indicators (see Chapter 12).

Box 3.4 presents poverty incidence recalculated by present (de facto) population.

Box 3.4

Alignment of ILCS Population Counts with Official Data on Population

A methodology revised in 2008 (elaborated and implemented by MCC-Armenia consultants Frederic Scheuren and Ali Mushtaq, and by the relevant NSS staff) enabled alignment of 2008-2011 annual population estimates (through the "raking" method) as per the ILCS and the official statistics (current records).

Purpose of alignment: *Aligning survey-generated and official estimates on gender and age composition of population contributes to the reduction of survey bias and inconsistencies, thus resulting in significantly smaller average irregularities in ILCS estimates. At that, alignment exercised for several years enables improvement of dynamic series on the numbers of population, especially when combined with the data of the upcoming 2011 Armenian Census.*

Reasons for alignment: *In Armenia, current records on population are kept using permanent (de jure) residence information, whereas surveys generate data on both permanent (de jure) and present (de facto) residence. To address this de facto/de jure difference there has to be a statistical alternative, which in the given case is the fact that the ILCS collects both de jure and de facto residence information.*
To apply the said methodology, the ILCS sample has to be as large as possible, which became doable only recently with doubling the number of sample regions (outside Yerevan).

Approach used: *Five ILCS rounds (2004 - 2008) have been involved in this pilot work. For each ILCS round,the survey weights have been aligned so that their sum total is equal to the annual average of independent population estimates for the end of the year before and for the year in question. Thereafter, the method called "raking ratio estimation" has been used where marginal totals by, for example, population age are adjusted for the given ratio, and survey weights are changed accordingly.*

Results. *Three tables below present the results of applying the raking method for de jure and de facto population and for poverty incidence over 2008-2011.*

Table 1 Permanent (De Jure) Population Counts Before and After Raking

(persons)

Year	Population estimates		
	Current records	Before raking based on ILCS	After raking basd on ILCS
2008	3,234,031	3,308,268	3,234,031
2009	3,243,729	3,277,666	3,243,729
2010	3,256,066	3,318,058	3,256,066
2011	3,274,285	3,162,084	3,274,285

The raking brings the ILCS de jure totals in alignment with the data from current records

Table 2 Present (De Facto) Population Counts Before and After Raking

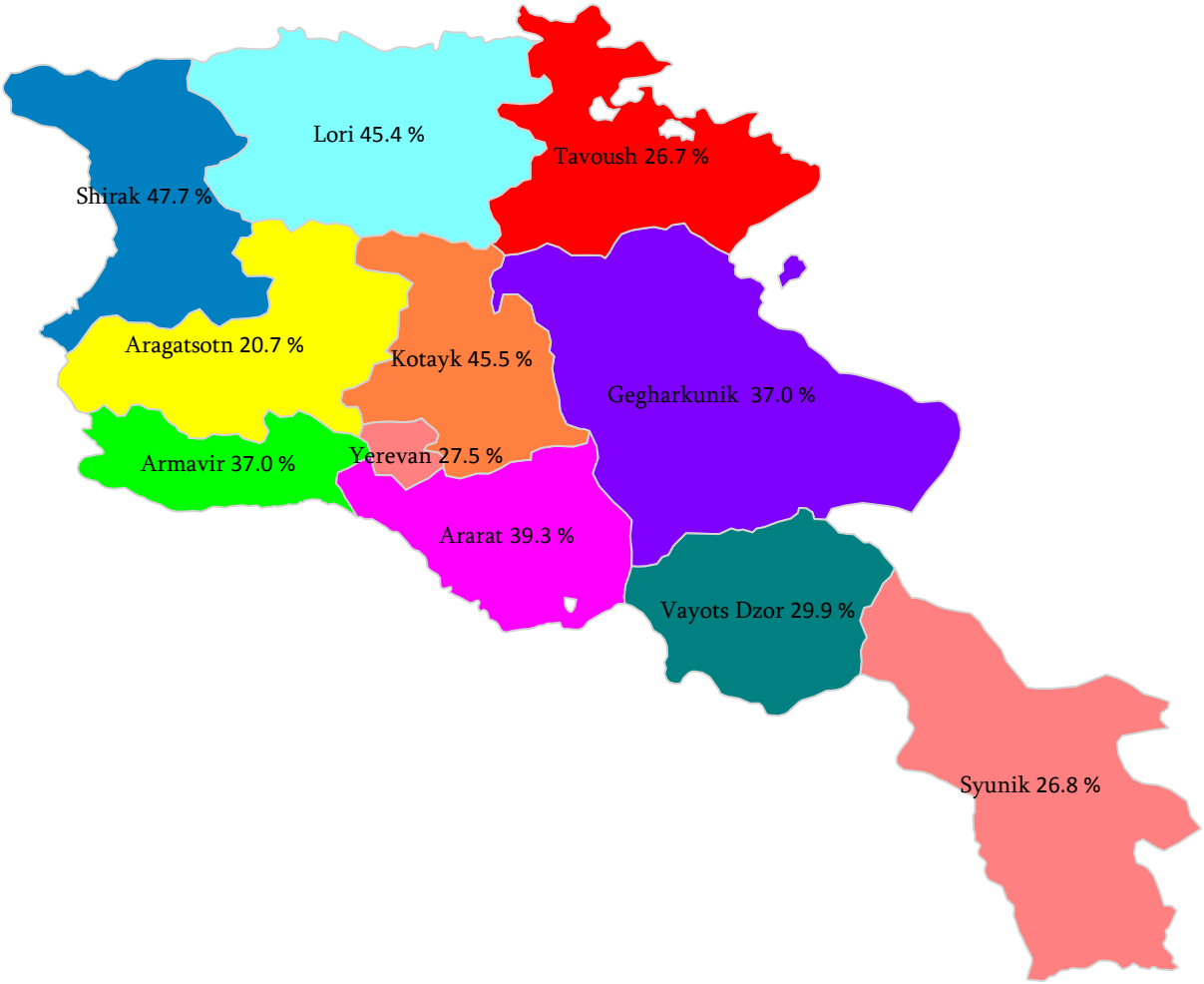
(persons)

Year	Population estimates	
	Before raking based on ILCS	After raking basd on ILCS
2008	3,067,742	2,996,225
2009	3,070,286	3,035,166
2010	3,099,327	3,031,306
2011	2,965,467	2,927,585

Table 3 Poverty Incidence and (Present) Poor Population Counts Before and After Raking

Year	Poverty incidence, percent	Poor population counts before raking, persons	Raked poverty incidence, percent	Poor population counts after raking, persons
2008	27.8	854,223	27.2	815,272
2009	34.1	1,046,736	33.6	1,019,464
2010.	35.8	1,109,228	34.9	1,058,309
2011	35.0	1,036,500	34.9	1,021,472

Map 1. Poverty Incidence by Regions and in Yerevan, 2011



Source: ILCS 2011

Chapter 4: Poverty in Rural Communities

According to 2011 estimates, poverty rate in rural communities was higher than the national average. During the survey period, rural population managed to provide for their food needs due to internal resources better than urban population. In 2011, 70% of rural households that owned land or livestock reported income from their agricultural activities.

In 2011, 90.7% of rural households were engaged in plant cultivation and 63.0% in livestock breeding activities. At that, 61.2% of rural households were engaged in both types of activities at the same time.

4.1 Poverty Rate Trends in Rural Communities

The global financial-economic crisis influenced living conditions of rural population, as well. In particular, poverty rate in rural communities increased in 2011 by 7.0 percentage points, as compared to 2008. Such increase was bigger in urban communities (7.6 percentage points). In 2011, 34.5% of rural population was poor (Table 4.1; Figure 4.1) as compared to 35.2% poverty rate in urban communities.

Table 4.1 - Armenia: Poverty Rate Trends, 2008 and 2011

(in percent)

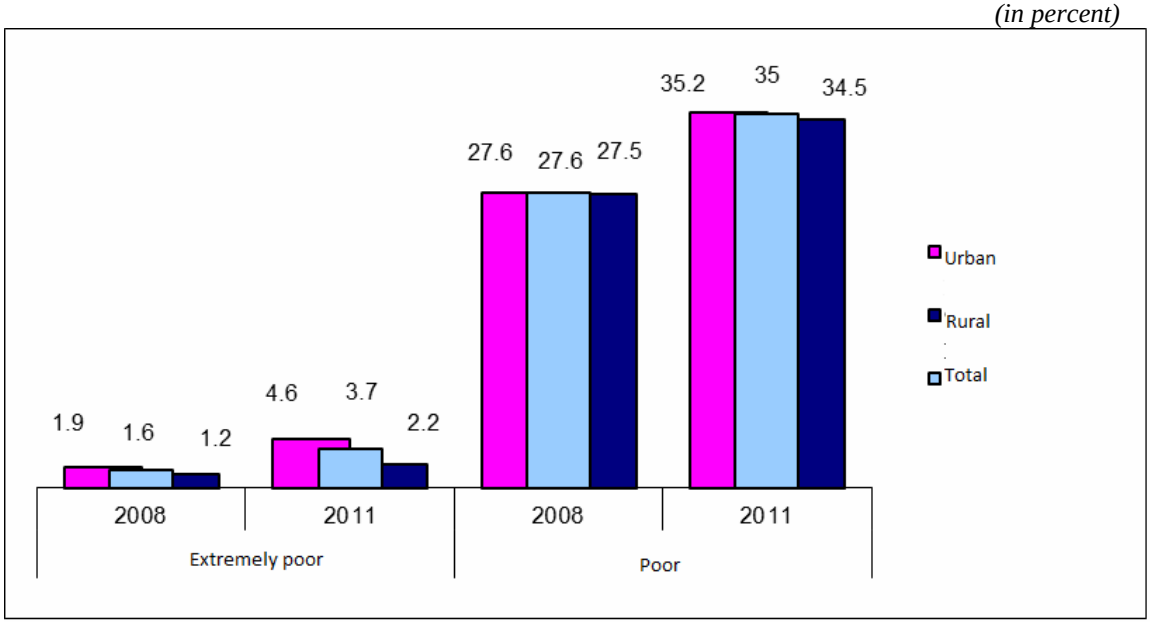
Communities	2008		2011		2011 / 2008 change, in percentage points	
	Extremely poor	Poor	Extremely poor	Poor	Extremely poor	Poor
Rural communities	1.2	27.5	2.2	34.5	1.0	7.0
Urban communities	1.9	27.6	4.6	35.2	2.7	7.6
Total	**1.6**	**27.6**	**3.7**	**35.0**	**2.1**	**7.4**

Source: ILCS 2008 and 2011

In 2011, only 2.2% of rural population was extremely poor, which was the lowest level of extreme poverty observed in Armenia. While the difference in total poverty level between urban and rural communities is small, level of extreme poverty in urban communities is significantly higher. In 2011 as compared to 2008, the level of extreme poverty in urban communities was increased in 2.7 percent, and in rural communities in 1.0 percent.

Figure 4.1 - Armenia: Poverty Rate, by Urban and Rural Communities, 2008 and 2011

(in percent)



Source: ILCS 2008 and 2011

4.2. Income and Consumption of Rural Households over 2008-2011

Over 2008-2011, the average total income in real terms increased in rural communities by 6.8% (Table 4.2), mostly due to higher earnings on sale of crops and meat.

On average, in rural communities only 32.4% of the total (per capita) household income was generated in 2011 through agricultural activity (agricultural production, sales of livestock, consumption of own production food) as compared to 38.8% in 2008 , and 35.6 % registered in 2009 and 29.4% in 2010 (Chapter 7, Table 7.2). At the same time, the share of income from hired employment slightly decreased, from 29.6% in 2008 to 27.0% in 2011. Over the period of 2008-2011, the share of income from self-employment didn't change (3.9 - 4.1%)

Within the composition of total income, the share of state transfers, that is pensions and social assistance, increased from 17.3% in 2008 to 19.3% in 2011. The importance of remittances as a source of income in rural communities slightly increased, from 6.6% of total income in 2008 to 10.6% in 2011. The share of remittances from relatives residing in Armenia also decreased by 0.2 percentage points (from 0.7% in 2008 to 0.5% in 2011) (Chapter 7, Table 7.2).

Table 4.2 presents change in monthly income and consumption of rural population per adult equivalent over 2008-2011. Real consumption has increased in all quintiles, except the fifth. Real consumption has decreased in all quintiles. Overall, compared to 2008, average level of consumption in rural communities, in 2011 dropped by 11 percent, while average level of income increased by 7.9%.

Table 4.2 - Armenia: Income and Consumption of Rural Population in 2008 and 2011, by Quintile Groups (per Adult Equivalent, per month, in 2008 prices)

(AMD)

	Quintile					
	1-st	**2-nd**	**3-rd**	**4-th**	**5-th**	**Average**
Per adult equivalent consumption						
2008	23335	30780	38164	46672	69418	41691
2011	21504	28538	34125	41489	59852	37102
Per adult equivalent income						
2008	30663	36036	41639	45090	60239	42745
2011	39957	39201	43187	48607	59567	46105
Difference from 2008 to 2011 (percent)						
Consumption	**-7.8**	**-7.3**	**-10.6**	**-11.1**	**-13.8**	**-11.0**
Income	**30.3**	**8.8**	**3.7**	**7.8**	**-1.1**	**7.9**

Source: ILCS 2008 and 2011

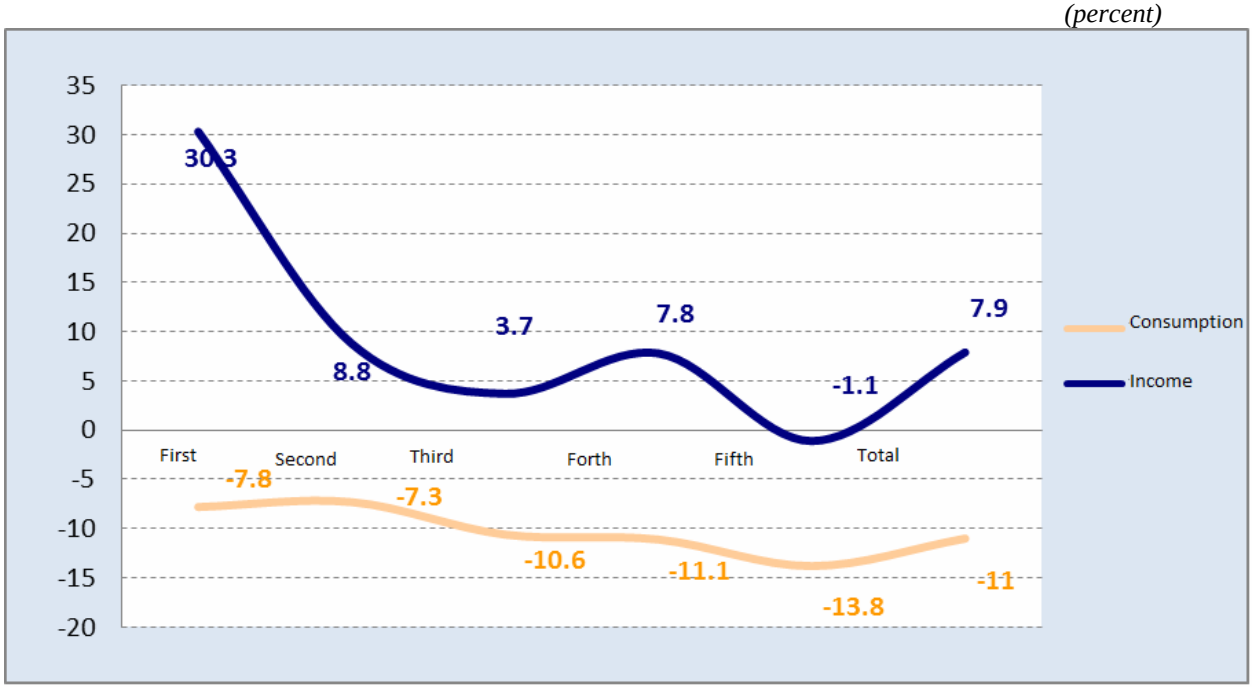
Note: * The quintiles of consumption aggregate are ranked within rural population

As already mentioned, there was a growth of income in all quintiles, except the fifth reachest. Income of the first and second quintiles has increased (30.3% and 8.8%), while incomes of the third and fourth quintiles has increased (3.7% and 7.8%), while income of the fifth quintiles has decreased (-1.1%). Higher incomes of the first to fourth quintiles resulted to 7.9 percent average growth of income in rural communities in 2008-2011.

Real consumption dropped in all quintiles, and the highest drop was observed in the fifth quintile (11.1%).

Figure 4.2 - Armenia: Difference in Consumption and Income of Rural Households, 2008 and 2011

(percent)



Աղբյուրը .*ՏՏԿԱՀ 2008 և 2011թթ.*

4.3. Poverty Profile in Rural Areas for 2011

According to available data, the underdeveloped condition of both physical and financial infrastructures (roads, communication, irrigation systems, availability of facilities for the processing, storage, and preservation of agricultural products, access to finance etc) is one of the key factors impeding rural development in Armenia. Hence, poverty rate is higher among households, which are deprived of land or own only a small piece of land, have limited access to irrigation, lack or very limited access to agricultural machinery or production capacities, and to sources of financing.

Geographical location: As in earlier years, rural population living in the regions less favorable for agriculture tended to be poorer. For instance, poverty rate was higher in communities located at 1.300-1.700 meters above the sea level (Table 4.3).

Table 4.3 - Armenia: Poverty Rate in Rural Communities, by Geographical Location, 2008 and 2011

(in percent)

	Total		Including: above sea level					
			Up to 1300 m		1300-1700 m		1700 m and higher	
	2008	2011	2008	2011	2008	2011	2008	2011
Non poor	72.5	71.3	77.5	71.9	71.8	69.1	67.3	72.1
Poor (excluded the extremely poor)	26.3	27.1	21.9	26.9	26.4	28.8	31.2	26.1
Extremely poor	1.2	1.6	0.6	1.2	1.8	2.1	1.5	1.8

Source: ILCS 2008 and 2011

Access to land: Land ownership plays an important role in the reduction of rural poverty. Poverty rate among landless households comprised 40.3%, which was higher than the average rural poverty rate at 27.1% and that among owners of 1 ha and more land at 27.0%. (Table 4.4).

Table 4.4 - Armenia: Poverty Rate of Households in Rural Communities, by Access to and Size of Land, 2008 and 2011

(in percent)

Size of land (hectare)	2008		2011			
	Extremely poor	Poor	Extremely poor	Poor	Share in poor population (percent)	Share in total rural population (percent)
0	0.5	21.4	2.0	40.3	4.9	3.3
Up to 0.2	1.1	24.3	0.7	28.8	19.6	19.0
0.2 – 0.5	0.9	20.9	1.9	29.8	14.8	13.4
0.5 – 1	1.7	20.5	1.8	22.3	19.1	22.8
More than 1	0.5	28.2	1.8	27.0	41.6	41.5
Total	**1.4**	**24.4**	**1.6**	**27.1**	**100**	**100**

Source: ILCS 2008 and 2011

In 2011, access to and use of land among rural households was as follows: 90.6% of households fully or partially used their land, 6.0% failed to use their land, while the rest had no land.

Land quality: The household survey failed to provide sufficient information on the quality of land; therefore, availability of watering was regarded as an indicator of land quality, as it predicted harvest and fertility outcomes. Irrigation was one of the watering methods. According to survey findings, 61.7% of households had irrigated land. Meanwhile, the share of irrigated land accounted for only 25.5% of all cultivated land.

Table 4.5. Armenia: Cultivated Land, by Watering Method, 2011

(in percent)

Share of cultivated land, which has	Total cultivated land	Including	
		Adjacent to house	Adjacent to house
Irrigation water (waterway/ channel)	25.4	58.4	20.4
Drinkable water or deep-water well	1.5	10.7	0.1
Natural sources only (rivers etc.)	0.8	4.4	0.2
Both irrigation and drinkable water or deep-water wells	0.0	0.1	0.0
Both irrigation and natural sources (rivers etc.)	0.1	0.0	0.1
Other combinations of irrigation regimes	0.0	0.0	0.0
Collected rain water, melted snow	1.4	3.0	1.2
Rain water only	70.8	23.4	78.0
Total land	**100**	**100**	**100**

Source: ILCS 2011

Proportion of irrigated cultivated land as presented below shows that only 45 percent of land plots was 75-100 percent irrigated, while around two fifth (40 percent) was less than 25 percent irrigated.

Table 4.6. Armenia: Irrigated Land, by Poverty Rate, 2011

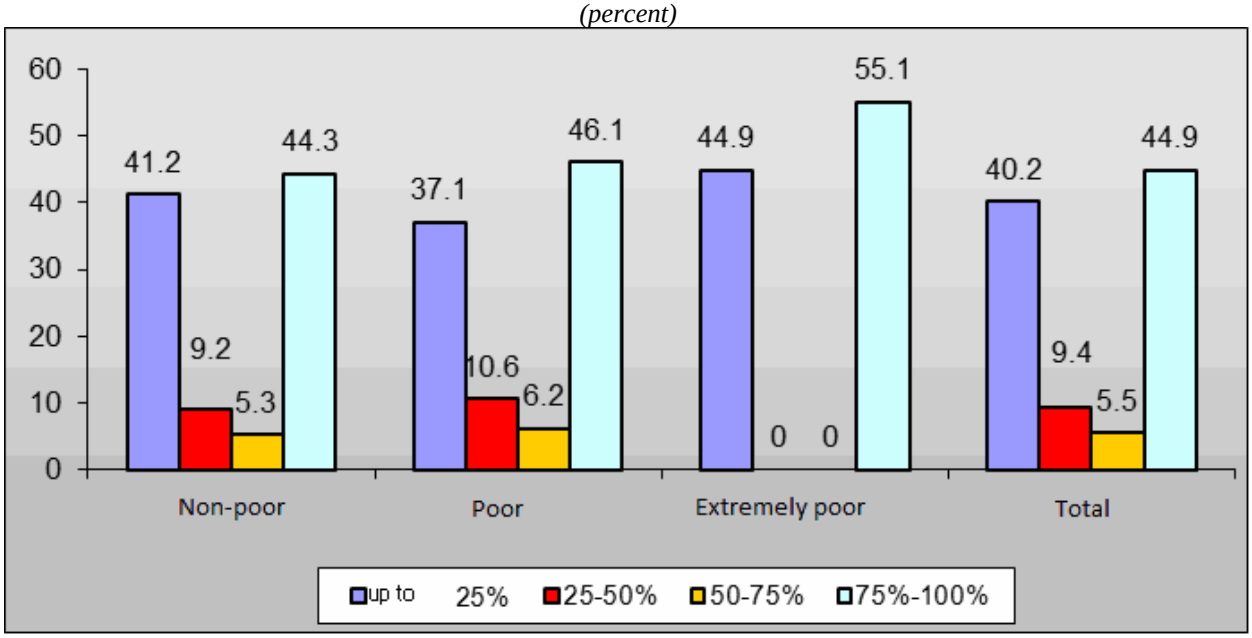
(in percent)

Distribution of irrigated land	Non poor	Poor	Extremely poor	Total
Up to 25%	41.2	37.1	44.9	40.2
25-50%	9.2	10.6	-	9.4
50-75%	5.3	6.2	-	5.5
75%-100%	44.3	46.1	55.1	44.9
Total	**100**	**100**	**100**	**100**

Source: ILCS 2011

Figure 4.3 - Armenia: Irrigated Land, by Poverty Rate, 2011

(percent)



Source: ILCS 2011

A larger proportion of of fertile land (75-100%) in Ararat Valley (Ararat and Armavir regions) was irrigated (Table 4.7). The lowest proportion of land was irrigated in Lori and Gegharkunik regions.

Table 4.7 - Armenia: Irrigated Land, by Regions, 2011

(percent)

	Up to 25%	25-50%	50-75%	75%-100%	Total
Aragatsotn	31.2	5.5	11.3	52.0	**100**
Ararat	7.6	5.5	6.8	80.1	**100**
Armavir	10.6	6.3	4.9	78.2	**100**
Gegharkunik	92.0	4.0	-	4.0	**100**
Lori	52.0	35.0	11.7	1.3	**100**
Kotayk	46.4	18.4	6.6	28.6	**100**
Shirak	68.9	6.2	3.1	21.8	**100**
Syunik	80.8	9.3	0.9	9.0	**100**
Vayotz Dzor	40.3	21.1	8.0	30.6	**100**
Tavush	42.7	32.1	11.6	13.6	**100**
Total	**40.2**	**9.4**	**5.5**	**44.9**	**100**

Source: ILCS 2011

According to ILCS 2011 data, among rural households, which fully or partially (in conjunction with other methods) irrigated their land, 58% were affiliated with water user associations. . Some 40% of non-

member households responded that such associations did not exist in their village, whereas 58% did not wish to become a member of a water user association, and the rest referred to other reasons.

According to survey findings, 65% of households received irrigation water in sufficient quantities and in time (these indicators have improved over the previous year- 53% in 2010), 21% - in sufficient quantities, but not in time, 3% - in time, but not in sufficient quantities, and 11% of households received irrigation water neither in sufficient quantities nor in time.

The most important reasons identified for disruptions in irrigation water supply included technically deficient waterlines (32%), problems with the local network (26%), non-payments (12 percent) and absence of intra-community irrigation schedules (11%). Some 90% of households made a full or partial payment for used irrigation water (against 91% of the previous year), while 10% of households failed to make any payment, of which 53% failed to pay due to the lack of money, 8% - for not having received the necessary quantity of irrigation water, and 8% - due to irregular, in terms of timing, supply of irrigation water. As part of the survey, households were asked about the operation of irrigation systems during the agricultural seasons in the past two years (for 2010 the respective indicators were compared with those of 2009). As stated by 30% of respondents, the quality of operation of the irrigation system changed during the 2010 agricultural season, as compared to 2009, and the overwhelming majority (99%) was of the opinion that it had improved significantly or to a certain extent.

Among the respondents, 8% were of the opinion that the sizes of land changed, while 50% of this category of respondents believed that it was downsized significantly or to a certain extent.

Access to agricultural machinery:

Most agricultural machinery possessed and used by rural households was rather more then - ten years (Table 4.8). Availability of agricultural machinery is very low in rural areas. 2.2 percent of household have tractor mini tractor, 1.8 percent: truck, 1.4 percent: cart, the availabilty of other agricultural machinery is from 0.1 to 0.7 percent

Table 4.8 - Armenia: Availability of Agricultural Machinery, by Period of Use, 2011

(percent)

	Total	**Up to 2 years**	**3-5 years**	**6-10 years**	**More than 10 years**
Tractor, Mini tractor	100	0.2	6.2	36.7	56.9
Truck	100	9.7	7.2	18.5	64.6
Grain harvesting machine	100	-	-	32.2	67.8
Cart	100	0.2	7.9	41.3	50.6
Seed Drill	100	13.0	15.4	30.2	41.4
Combine	100	-	-	-	100
Other harvesting machine	100	-	46.3	0.0	53.7
Tractor	100	1.0	20.3	5.2	73.5
Plough	100	0.7	11.0	29.9	58.4
Cultivator	100	0.7	25.2	52.4	21.7
Total	**100**	**3.6**	**9.4**	**30.9**	**56.1**

Source: *ILCS 2011*

Naturally, non-poor households had better opportunities to acquire or rent agricultural machinery than poor households. Among households having agricultural machinery, within the 12 months preceding the 2011 survey only the extremely poor did not acquire any new machinery items. Some 72% of non-poor households and 28% of poor households acquired certain items of agricultural machinery.

Access to agricultural machinery varied depending on poverty status. Thus, extremely poor households did not possesse and use any type of agricultural machinery presented in Table 4.9, excluding trucks. Generally, it was only the non-poor households that had access to all types of agricultural machinery.

4.9 - Armenia: Availability of Agricultural Machinery, by Poverty Rate, 2011

(percent)

	Total	Non poor	Poor	Extremely poor
Tractor, Mini tractor	**100**	67.1	32.9	-
Truck	100	78.6	21.4	-
Grain harvesting machine	100	78.5	21.5	-
Cart	100	74.5	25.5	-
Seed Drill	100	77.8	22.2	-
Combine	100	100	-	-
Other harvesting machine	100	100	-	-
Tractor	100	52.1	47.9	-
Plough	100	65.9	34.1	-
Cultivator	100	57.5	42.5	-
Total	**100**	**72.1**	**27.9**	**-**

Source: *ILCS 2011*

***Access to agricultural lending or borrowing*:** According to ILCS 2011 data, 14.3% of households, including some 17.3% of rural and 1.2% of urban households received loans or borrowed funds for engaging in agricultural activity. In the mentioned group of households, 95.5% received loans from banks (including loans funded under government programs or projects of international organizations) and 4.5% borrowed funds from friends, parents, or other sources. More detailed data, by poverty rate, is presented in Table 4.10. Access to banking services varied highly dependent on poverty rate. Thus, 97.1% of borrowers were non-poor households, whereas extremely poor households comprised 2.9% only.

Table 4.10 - Armenia: Access to Agricultural Lending or Borrowing, by Poverty Rate, 2008 and 2011

(percent)

	Non poor		Poor		Extremely poor	
	2008	2011	2008	2011	2008	2011
Total lending or borrowing, including from:	13.3	14.5	7.6	14.6	1.5	4.2
▪ Banks (including loans funded under government programs or projects of international organizations)	79.6	97.1	86.5	93.0	65.9	2.9
▪ Parents	0.0	-	-	-	-	93.8
▪ Friends and relatives	19.6	1.5	12.2	6.1	-	3.3
▪ Other sources	0.8	1.4	1.3	0.9	34.1	-

Source: ILCS 2008 and 2011

On average, the key reasons for non-cultivation of land in 2011 included low earnings from farming, lack of access to irrigation and funding as indicated by, respectively, 23.8%, 15.8%, and 22.0% of respondents. Other key reasons for non-cultivation of land include poor health of household members and poor quality of soil accounting for 11.2% and 9.2% of responses, respectively. The reasons for non-cultivation of land by quintile groups are presented in Table 4.11.

Table 4.11 - Armenia: Reasons for Non Cultivation of Land, by Quintile Groups, 2011

(percent)

Reasons for non-cultivation	Quintile groups of consumption aggregate *					
	I	II	III	IV	V	Total
Distance	4.1	12.8	10.3	8.7	9.5	9.2
Poor quality of soil	10.0	12.3	12.0	10.6	11.1	11.2
Non irrigated land	19.3	14.5	13.3	14.6	17.4	15.8
Unprofitable business	21.1	23.0	23.0	26.2	24.1	23.8
Lack of funding for cultivation	33.0	25.3	23.4	20.7	15.9	22.0
Farmer's poor health, age	8.9	10.0	13.4	14.1	14.5	12.9
Other	3.6	2.1	4.6	5.1	7.5	5.1
Total	**100**	**100**	**100**	**100**	**100**	**100**

Source: ILCS 2011

*) *breakdown of consumption aggregate quintile groups was made among rural households.*

The most common problems of the last agricultural season as indicated by rural households by order of priority are: lack of wholesale markets (12.6), lack of labor force (12.6 percent), acquisition of agricultural machinery (11.6), difficult to sell (7 percent), cost of irrigation water (7 percent) and problems with dealers (4 percent).

4.4. Rural Road Infrastructure and Transportation Means

The impact of infrastructure on rural communities appears to be mostly predictable: rural households residing near hard-surface roads and in the vicinity of markets are better off, than those residing in relatively distant communities.

According to ILCS 2011 data, 28.1% of rural households had some type of transportation means - a passenger car, a truck or other vehicle. Within the 12 months preceding the survey, these households spent AMD 116.000 on fuel, AMD 102.000 on maintenance (including the cost of spare parts and labor), and AMD 40.000 on traveling by bus, fixed-run taxi, and taxi.

ILCS 2011 findings also revealed that, during a typical month, a member of rural household usually used transportation means to purchase fertilizers and seeds - for 2.2 days, to sell agricultural products - for 5.7 days, to work outside the community - for 18.2 days, other purposes - for 4.3 days. Rural households assessed the quality of road infrastructure and transportation means as indicated in Table 4.12.

Table 4.12 - Armenia: Quality of Roads and Transportation Means as Assessed by Rural Household, 2011.

(percent)

	Total	Bad	Average	Good	Excellent
Intra-community roads	**100**	66.7	28.0	5.3	-
Roads linking with regional centers, towns, markets	**100**	14.2	58.9	26.0	0.9
Buses, vans, other transportation means	**100**	13.8	58.5	26.5	1.2

Source: ILCS 2011

ILCS data demonstrated that 67% of rural households (as compared to 69% of the previous survey) assessed the condition of intra-community roads as bad (Table 4.12). The quality of roads to regional centers, cities and markets was assessed as bad by 14% of rural households, which was 16 percentage points lower that the same indicator of the previous year. The quality of transportation means (buses, vans, and others) was assessed as bad by 14% of rural households, which was 7 percentage points lower that the same indicator of the previous year.

Accessibility of social-economic infrastructures for rural households is presented in the table below.

Table 4.13 - Armenia: Distance to Nearest Service Facilities in Rural Communities, 2011

(percent)

Service facilities	Up to 1 km	1-3 km	4-5 km	6-10 km	10 km and more
Medical station	73.8	23.4	0.9	0.7	1.2
Hospital	3.4	2.4	10.8	31.7	44.7
Pharmacy	28.8	18.4	5.4	17.4	30.0
Community administration	76.7	22.6	0.2	0.4	0.1
Preschool facility	46.3	22.9	4.5	10.3	16.0
Secondary school	73.3	23.8	0.6	1.4	0.9
Elementary/ basic school	-	-	-	-	-
Agricultural market	0.8	4.3	11.4	27.2	56.3
Bank/ financial service	0.5	7.0	12.3	31.8	48.4

Source: ILCS 2011

A member of a rural household spent on average 11 minutes to reach a medical station, 18 minutes - a hospital, 17 minutes - a drugstore, 11 minutes - the community administration, 15 minutes - a kindergarten, 12 minutes - a secondary school, 27 minutes - an agricultural market, and 22 minutes - a bank/ financial service provider.

In rural communities the average distance to the nearest medical station was 1.0 km, to a hospital - 12.0 km, to a drugstore - 8.1 km, to the community administration - 0.7 km, to a kindergarten - 4.9 km, to a secondary school - 0.9 km, to an agricultural market – 17.3 km, and to a bank/ financial service provider – 12.9 km.

Most part of rural households do not use car or bus/van in order to reach such Service Facilities as medical station, community administration, secondary school, preschool facility. But in order to reach hospital, bank, agricultural market and pharmacy most part of rural households had to use car or bus/van (Table 4.14).

Table 4.14- Armenia: Transportation Means Used for Reaching Service Facilities in Rural Communities, 2011

(percent)

Service facilities	Car	Bus/ van	Other (on foot, by taxi, carriage, bicycle, motorcycle, horse, donkey)
Medical station	4.4	2.9	92.7
Hospital	57.7	12.7	29.6
Pharmacy	19.4	34.8	45.8
Community administration	2.5	1.3	96.2
Preschool facility	8.6	28.1	63.3
Secondary school	2.9	3.8	93.3
Agricultural market	33.6	64.0	2.4
Bank/ financial service	29.6	66.4	4.0

Source: ILCS 2011

Chapter 5. Child Poverty

5.1 Child Poverty

This chapter assesses child poverty in terms of consumption aggregate, material and housing deprivation as well as role of social protection benefits in poverty mitigation.

Some 4.7% of children (under 18) live below the extreme poverty line and 41.9 % below the poverty line, while extreme poverty and poverty rates in Armenia are 3.7% and 35.0%, respectively (Table 5.1). Thus, children are exposed to a higher risk of poverty than the population as a whole.

Data for 2011 show also a difference in child poverty incidence by sex: 42.9% of girls were poor, vs. 41.1% of boys (all children 41.9%). There are differences in child poverty incidence by regions: 6.1% of children in urban areas were extreme poor, vs. 2.4% of children in rural areas, 41.6% of children in urban areas were poor, vs. 42.5% of children in rural areas.

Table 5.1. Poverty Rates, 2011

(percent)

	All children of age under 18 year	including		Total population
		girls	boys	
Extreme poverty	4.7	4.7	4.7	3.7
Total poverty	41.9	42.9	41.1	35.0

Source: *ILCS,2011*

Table 5.2 shows dynamics of child poverty indicators in 2008-2011, reflecting the impact of 2009-2011 global economic crisis over child poverty growth.

Table 5.2. Armenia: 2008-2011 Dynamics of Child Poverty Indicators

(percent)

	Extremely poor	Poor	Non-poor
2008	1.6	29.8	70.2
2009	3.8	35.7	64.3
2010	3.7	41.4	58.6
2011	4.7	41.9	58.1

Source: *ILCS,2008-2011*

Average poverty rates reflect the substantial dependence of poverty and adverse living conditions on various household characteristics. Child poverty rates significantly vary with the number of children in the household, the age group of the youngest child, the presence of disabled children, as well as the characteristics of the household head such as sex, educational level and employment status. There is also significant variation by the proportion of employed household members and by household domicile.

Children in larger families are more likely to be poor. Children with 2 or more siblings are exposed to a higher risk of poverty both in terms of extreme and total poverty. Thus, 56.8% of children in families with 3 or more children of the age 0-18 years are poor, compared to 41.9% total child poverty rate, while some 8.8% of children in large families are extremely poor, compared to 4.7% extreme child poverty rate (Table 5.3).

Younger children are more likely to be poor. Children in families where the youngest child is 5 years old or younger are exposed to a higher risk of poverty. Thus, 46.9% of children in such families are poor, while the child poverty rate in families where the youngest child is 15-18 years old is 35.8%. A similar pattern is observed using the extreme poverty threshold.

Households with one or more disabled children are imposed to the highest risk of poverty. Although only 1.2% of children are disabled or live with other disabled children, 64.8% of them are poor and 8.4% are extremely poor. Disabled children comprise 1.9% of poor children and the poverty gap for them comprise on average 14%.

Children in female-headed households are substantially more likely to be poor. Although one-quarter (24.1%) of all children live in female-headed households, 44.3% of them are poor and 5.9% are extremely poor. The child poverty and extreme poverty rates in male-headed households are, respectively, 42.1% and 4.7%.

Marital status of the household head is an important predictor of child poverty. Children in households with a single (never married), widowed or divorced head are more likely to be poor (46.0%) than those in households with married or cohabiting heads (41.2%). Besides, the likelihood for them to fall below the extreme poverty line is higher by 10%.

Living in a household with a more educated head reduces the risk of poverty. Children living in households where the household head has no education or has primary education (for whom poverty rate is 58.1%), incomplete secondary education (48.8%), complete secondary education (48.2%), specialized secondary or incomplete higher education (40.4%) are substantially more likely to be poor than those in households where the head is a university graduate (22.9%). Children in households where the head has incomplete secondary education are imposed to the highest risk of extreme poverty. However, 43.4% of all children live in households where the head has complete secondary education.

Employment status of the household head is another crucial predictor of child poverty. Children in households where the head did any profitable work within the past 7 days are at the lowest risk of poverty in terms of both total and extreme poverty. Thus, 36.7% of children whose head of household is working are poor, compared to 48.2% of children with non-working heads. However, 45.9% of all children live in households where the head does not work.

The number of adult household members in employment also appears to affect child poverty rates. Children in households where no adults of the age 19-60 years are employed are exposed to the highest risk of poverty, while children in households where not only working age adults are employed are exposed to the lowest risk of extreme poverty (0.8%). However, about half of all the children (49.7%) live in households where not all adults (19-60 years) are working.

Table 5.3. Poverty Rates, Gaps and Composition, by Type of Household, 2011

(percent)

	Child poverty rate (extreme)	Child poverty rate	Poverty gap	%- in poor population	Composition of all children
Number of children (of the age 0-18 years)					
One	3.0	32.8	7	18.8	24.0
Two	3.6	39.2	9	48.2	51.6
Three or more	8.8	56.8	14	33.0	24.4
Sex					
Girl	4.7	42.9	10	46.6	47.7
Boy	4.7	41.1	10	53.4	52.3
Age of the youngest child					
0-5	4.7	46.9	11	49.6	44.3
6-14	5.1	38.5	9	42.2	46.1
15-18	3.1	35.8	8	8.2	9.6
Number of adults (of the age 19 - 60 years)					
None/ one	3.7	35.5	8	8.9	10.5
Two	3.1	37.7	8	43.2	48.2
Three	4.2	42.3	10	20.5	20.3
Four or more	9.5	54.5	13	27.4	21.0
Number of retired household members					
None	4.6	40.9	10	65.7	67.4
One	5.1	43.8	10	24.2	23.1
Two or more	4.7	44.8	10	10.1	9.5
Number or disabled adults					
None	4.5	40.3	9	79.9	83.1
One or more	5.6	50.0	11	20.1	16.9
Number of disabled children					
None	4.7	41.7	10	98.1	98.8
One or more	8.4	64.8	14	1.9	1.2
Gender of household head					
Male	4.7	42.1	10	74.9	75.9
Female	5.9	44.3	11	25.1	24.1
Marital status of head					
Married/ cohabiting	4.9	41.2	10	69.2	71.5
Single/ widowed/ divorced	5.4	46.0	11	30.8	28.5
Educational level of household head					
Elementary and primary	6.6	58.1	16	7.9	5.8
Incomplete secondary	5.3	48.8	12	12.1	10.5
Complete secondary	6.3	48.2	12	49.0	43.4
Specialized secondary	4.2	40.4	9	21.5	22.7
Higher	2.2	22.9	4	9.5	17.6
Employment of household head					
Not worked in the past 7 days	7.3	48.2	12	52.7	45.9
Worked in the past 7 days	2.5	36.7	8	47.3	54.1
Employment of adults (of the age 19-60 years)					
No adult works	10.2	57.9	15	16.2	11.7
Not all adults work	6.0	45.5	11	53.7	49.7
All adults work	1.7	30.7	6	22.3	30.4
Not only adults work	0.8	39.8	8	7.8	8.2
Total	**4.7**	**41.9**	**10.0**	**100**	**100**

Source: *ILCS,2011*

Child poverty rates substantially vary across regions. Table 5.4 shows a descriptive analysis of child poverty across 10 regions and Yerevan City. The differences by regions are significant both in terms of extreme and total poverty. Extreme child poverty rates range from the lowest 1.5% in Aragatsotn to the highest 8% in Shirak and Kotaik. There were no extremely poor children recorded in the sampled

households of Syunik marz. A similar pattern is observed for total poverty rates. Poverty rates are the lowest below average in Aragatsotn (18.0%) and the highest are in Shirak marz (56.0%).

Table 5.4. Poverty Rates, Gaps and Composition, by Regions, 2011

(percent)

	Child poverty rate (extreme)	Child poverty rate	Poverty gap	%- in poor population	Composition of all children
Yerevan	3.8	33.1	7	24.4	30.8
Aragatsotn	1.5	18.0	3	1.5	3.5
Ararat	3.8	49.2	10	10.0	8.5
Armavir	5.6	47.0	12	10.1	9.0
Gegharkunik	1.8	43.5	8	6.1	5.9
Lori	6.8	52.1	13	12.4	10.0
Kotayk	8.1	51.3	16	14.3	11.7
Shirak	8.2	56.0	13	13.0	9.8
Syunik	-	31.7	6	3.1	4.1
Vayotz Dzor	2.4	33.6	5	1.5	1.9
Tavush	2.0	31.5	6	3.6	4.8
Total	**4.7**	**41.9**	**10**	**100**	**100**

Source: *ILCS 2011*

5.2. Material Deprivation

To complement the consumption poverty analysis, this section analyses the problems related to material deprivation of children in Armenia. The latter is measured as households' lack of durable goods. The following 9 durable goods have been included in the analysis: refrigerator, washing machine, mobile telephone, vacuum cleaner, video recorder, photo camera, audio system, car and personal computer. These items are chosen because at least 10% of all households in the 2009-2011 Integrated Living Conditions Survey owned them. However, it is not clear whether the households that lack these items cannot afford them or choose not to have them.

As compared to all children, poor children are substantially more likely to live in households lacking any one of the above-mentioned durable goods. Children in extremely poor households are the most likely to lack all of these items. For example, while 4.9% of all children live in households without a refrigerator, 7.6% of poor and 19.2% of extremely poor children live in households lacking this item. While 73.4% of children live in households without a car, the same indicator for the poor and extremely poor children is 85.3% and 90.8%, respectively.

Table 5. 5. Durable Goods Lacked, 2011

(percent)

	All children	Poor children	Extremely poor children
Refrigerator	4.9	7.6	19.2
Washing machine	9.2	15.6	34.0
Mobile phone	1.7	3.4	11.7
Vacuum cleaner	33.1	43.8	68.1
Video recorder	46.2	55.8	76.1
Photo camera	60.9	73.1	88.1
Audio system	58.8	66.3	78.2
Car	73.4	85.3	94.1
Personal computer	67.5	82.3	90.8

Source: *ILCS 2011*

There are noticeable differences in deprivation rates between all children and poor children. Poor children are more likely to live in households lacking durable goods than children overall. Around 3.7% of all children live in households not lacking any of these durable goods, for households with poor children 0.7 %, while no such households of poor and extremely poor children were identified (Table 5.6). Extremely poor children are more likely to lack all 9 items (2.5%) than poor children (0.4%). However, since the extreme (food) poverty measure picks up only 4.7% of all children and may not be a sufficiently reliable indicator of extreme poverty, to achieve a deprivation rate that is comparable with the estimated consumption child poverty rate of 41.9% the deprivation threshold is drawn at lacking 5 or more items. This results in 32.2% of all children experiencing material deprivation[1]. The corresponding rates for poor and extremely poor children are higher, at 48.8 and 74.8%, respectively.

Table 5.6. Number of Durable Goods Lacking, 2011

(percent)

	All children	Poor children	Extremely poor children
0 (all 9 are present)	3.7	0.7	-
1	10.7	4.8	.4
2	17.2	12.0	3.3
3	18.5	16.2	9.8
4	17.7	17.6	11.7
5	16.1	21.0	16.4
6	10.1	17.0	27.1
7	4.6	8.2	20.3
8	1.2	2.2	8.5
9	0.2	0.4	2.5

Source: *ILCS 2011*

An obvious problem with this methodology is that the items included in the simple count index may not be of equal importance to the households' welfare, whereas ILCS 2011 provides no information about the desirability or importance of these durable goods. Furthermore, there is no information on whether the item is lacking because the household cannot afford or choose not to have it. Using the prevalence weighted deprivation index helps to overcome this drawback at least in part because it is based on the assumption that households are relatively more deprived if they lack an item that most other household have. For example, lacking a refrigerator carries more weight than lacking a personal computer because more households have a refrigerator than a personal computer. Each score of 1 given for a lacked item is multiplied by the proportion of children in the weighted sample who live in households having this item. The scores are then summed across all items and divided by the total number of items - that is 9 - for each household. The resulting score is multiplied by 100 to create a continuous variable that ranges from 0 (not lacking any items) to 100 (lacking all items that everybody else owns). Unfortunately, the resulting index does not comprise certain values for those households, which have missing information on any of the 9 durable goods.

On average, poor children have a higher prevalence weighted deprivation score. While the average score for all children is 10.8, it is 13.7 and 20.4 for poor and extremely poor children, respectively (Table 5.7). This suggests that poor children live in households lacking more of the items that other households usually own.

[1] If the threshold is drawn at 4 items or more, then material deprivation rate will be substantially higher at 50%.

Table 5.7. Average Prevalence Weighted Deprivation Score and Deprivation Rates, 2011

(percent)

	All children	Poor children	Extremely poor children
Average	10.8	13.7	20.4
Standard deviation	7.7	8.5	10

Source: *ILCS 2011*

5.3. Housing Deprivation

Housing problems can have an adverse impact on children's health, safety, education and social development. ILCS 2011 included questions about housing, such as the number of amenities and rooms in use as well as questions about housing problems and perceived quality of living conditions.

Poor children often live in accommodation lacking important amenities. Children in poor households are consistently more likely to live in dwellings without essential housing amenities[1], such as kitchen, centralized gas supply, landline telephone, flush toilet, bathtub or shower, cold and hot running water (Table 5.8). Extremely poor children are more likely to live in households without hot running water, centralized gas supply and landline telephone than poor children. On the other hand, extremely poor children are more likely to live in dwellings without any of the amenities specified in Table 5.8 than all children, except for a flush toilet.

Table 5.8. Housing Amenities Lacking or not in Working Order, 2011

(percent)

	All children	Poor children	Extremely poor children
Centralized water supply	4.7	5.6	1.7
Hot running water	45.9	58.0	75.4
Flush toilet	32.6	34.6	16.6
Centralized gas supply	19.5	22.6	22.7
Bathtub or shower	21.9	29.9	35.1
Kitchen	4.7	6.8	3.2
Landline telephone	30.2	36.1	45.7

Source: *ILCS 2011*

Poor children are more likely to lack more of the housing amenities than all children. More than one-third (38%) of all children live in houses not lacking any of these amenities, while 28% and 18% of poor children and extremely poor children, respectively, live in such households (Table 5.9). Children in extremely poor households are the most likely to lack 2 amenities out of the 7 (25.5%), but they are the least likely to live in households lacking 5 amenities (6.9%). To achieve a housing deprivation rate that is comparable with the consumption child poverty rate for 2011 (41.9%), the deprivation threshold is drawn at lacking 2 or more amenities. This definition results in 43% of all children experiencing housing deprivation. The corresponding rates for poor and extremely poor children are substantially higher at 52% and 60%, respectively.

[1] The amenity is either not available or not in working order.

Table 5.9. Household Amenities Lacked or Not in Working Order, 2011

(percent)

	All children	Poor children	Extremely poor children
0	38.1	28.0	17.5
1	19.1	20.5	22.3
2	14.1	15.6	25.5
3	12.5	15.6	19.0
4	8.6	10.0	8.8
5	5.2	6.9	6.9
6	2.0	2.9	0.0
7	0.4	0.5	-

Source: *ILCS 2011.*

Poor children are more likely to live in worse housing conditions. Children in consumption poor households are generally more likely to live in dwellings with reported housing problems than all children (Table 5.10). For example, 33% of poor children and 50% of extremely poor children live in households that report rot in window frames and doors, compared to 25% of all children. Some housing problems are almost equally prevalent amongst all households, such as poor garbage disposal. 55 percent of poor children and 66 percent of extremely poor children live in households that report heating problems, compared to 45% of all children.

Table 5.10. Housing Problems Reported, 2011

(percent)

	All children	Poor children	Extremely poor children
1. Not enough space	36.2	41.3	57.8
2. Noise from neighbors or outside	4.8	4.8	3.8
3. Insufficient day light	13.7	16.4	22.9
4. Insufficient heating	44.7	54.5	65.8
5. Dampness	35.6	39.7	40.6
6. Leaking roof	20.5	26.0	28.7
7. Rotten walls and floors	27.2	34.3	45.4
8. Rot in window frames and doors	25.2	33.3	49.8
9. Heavy traffic	1.9	1.7	0.2
10. Industrial pollution	3.1	3.2	2.5
11. Frequent breakdowns of the elevator	19.4	21.6	42.5
12. Poor water supply	25.4	30.3	22.5
13. Poor garbage disposal	20.2	20.3	13.2
14. Problems with using public space and yards in multifamily housing	22.1	25.7	24.5
15. Other problems	5.0	4.9	5.4

Source: *ILCS 2011.*

Besides, poor children are also more likely to live in households reporting more housing problems than all children. Only 15% of extremely poor children live in households that do not report any of the 15 housing problems, while 17% of all children and 13% of poor children live in such households (Table 5.11).

Children in poor and extremely poor households are less likely to live in houses with only 1, 2 or 3 reported housing problems than all children, while they are more likely to live in households reporting 4 or more problems. However, almost no child lives in households reporting 10 or 15 problems, while 0.9-1.2% of all children lives in households reporting 9 or more problems. In order to reach a housing deprivation rate comparable with the consumption child poverty rate for 2011 (41.9%), the deprivation

threshold is drawn at households reporting 3 or more problems (46%). This definition results in the deprivation rates of 54% for poor children and 65% for extremely poor children. When housing deprivation is defined based on the number of reported problems, the resulting indicator is closer to the consumption poverty indicator than the one defined based on the number of housing amenities lacking.

Table 5.11. Number of Housing Problems Reported, 2011

(percent)

	All children	Poor children	Extremely poor children
0	17.3	12.6	14.8
1	19.3	17.2	10.4
2	17.0	15.9	10.2
3	13.8	13.6	8.1
4	11.1	12.4	14.8
5	7.5	9.1	13.1
6	5.5	6.9	13.1
7	5.0	6.5	8.1
8	2.6	4.6	6.2
9	0.8	1.2	1.2
10	0.0	-	-
11	0.1	0.0	-

Source: *ILCS 2011*

Poor children are more likely to live in perceived worse housing conditions. While about 25% of all children live in households that describe their dwelling conditions as bad or very bad, 31% of poor children and 43% of extremely poor children live in such households. At the same time, 64% of all children live in households with "satisfactory" housing conditions, but only 63% of poor children and 55% of extremely poor children live in such households. Conversely, the percentage of poor children likely to live in households with housing conditions described as good or very good is half the percentage of all children and the percentage of extremely poor children is 5 times lower.

Table 5.12. Perceived Quality of Housing Conditions, 2011

(percent)

	All children	Poor children	Extremely poor children
Good or very good	11.7	5.3	2.2
Satisfactory	63.6	63.3	54.8
Bad or very bad	24.7	31.4	43.0

Source: *ILCS 2011*

Poor children are more likely to live in overcrowded accommodation. The average number of rooms (excluding kitchens, bathtubs and toilets) per person in the primary dwelling is higher for all children (0.61) than for poor children (0.55) or extremely poor children (0.44). If the threshold is drawn at 0.43 or fewer rooms per person, the overcrowding rate for all children is 27%, as compared to 35% for poor children and 56% for extremely poor children (Table 5.13).

Table 5.13. Average Number of Rooms per Person and Overcrowding Rates, 2011

	All children	Poor children	Extremely poor children
Mean (SD)	0.61 (0.25)	0.55 (0.22)	0.44(0.19)
Overcrowding rate (percent)	26.5	34.5	55.9

Source: *ILCS 2011*

Some 21% of non-poor children live in overcrowded accommodation. The rate is the highest (56%) for children in households below the extreme poverty line (Table 5.14).

Table 5.14. Overcrowding Indicators, by Poverty Status, 2011

(percent)

	Non-poor children	Poor (without extremely poor children)	Extremely poor children
Not overcrowded	79.4	68.2	44.1
Overcrowded	20.6	31.8	55.9

Source: *ILCS 2011*

Note: *The correlation between overcrowding and poverty status is statistically significant at p<0.001*

5.4. Children Needs

Further to consumption poverty and material deprivation analysis, this chapter reviews children needs. This is another way to measure child poverty, which focuses more on the social and cultural dimensions of poverty, likely to affect children's development more than the deprivation of objects or facilities.

ILCS 2011 questionnaire provides a new section "Children Needs" where responses received from 6-17 years old children are presented. The analysis includes 13 types of children needs presented in Tables 5.15 and 5.16.

There is a significant difference between some of children needs by characteristics of the household head, while in terms of some other ones, there is almost no difference. Thus, children in families where household head has elementary or primary education, 31% of children lack books, which they could read at their leisure, which is 2.4 times higher than in families where household head has higher education (13%): The difference is also high in terms of lack of shoes for different occupational purposes, totaling to 41% and 18% respectively (2.3 times lower). 60% of children in families where household head has elementary or primary education does not receive "pocket money", while in families where household head has higher education this figure is equal to 37% (1.6 times less). About half (52%) of children in families where household head has elementary or primary education lack entertainment items, such as bicycle, games, etc., while in families where household head has higher education, only 31% of children lack them (1.7 times less).

At the same time, there is almost no difference in terms of some children needs by education of household head. Thus, 96-99% of all children have the basic school stationery.

Table 5.15. Armenia: Unsatisfied Needs of Children Aged Between 6-17 by Education Level of Household Head, 2011

(percent)

	All children	Education Level of the Household Head			
		Elementary and primary	Incomplete secondary	Complete secondary and specialized secondary	Higher
1.The child does not receive "pocket money" for daily expenses	47	60	56	47	37
2. The child does not regularly visit a dentist (at least once in a year)	67	80	71	68	52
3. There is no separate suitable place for the child to learn and make school assignments	39	42	44	42	28
4. There is no safe place outside the house where the child can play	35	21	35	35	38
5. The child does not have items for entertainment, e.g. bicycle, games, etc.	46	52	54	47	31
6. The child does not have items for his/her hobbies	72	83	77	73	62
7. The child does not attend sporting club or similar club at least once a month	75	74	79	76	67
8. The child does not have books that can be read in free time	24	31	37	23	13
9. Parents do not buy children's newspaper, magazine or similar periodicals	67	76	75	66	56
10. The child does not spend a week-long vacation away from home at least once in a year.	61	56	67	64	53
11. The child does not invite friends to his house for entertainment at least twice a month, and neither is invited by them	51	46	58	52	45
12. The child does not have the necessary school stationery	2	3	4	3	1
13. The child does not have shoes for different occupational purposes	32	41	39	35	18

Source: *ILCS 2011*

Child needs by poverty level and by different social groups (such as disabled, children of single mothers, and households with three and more children) are different.

As Table 5.16 shows, among all children, the highest number of negative responses was provided regarding attending sport clubs or other similar clubs at least once a month (75%): This figure is higher among children from poor and extremely poor households, as well as households with three and more children (79-89%).

Lack of hobby items occupies the second place in responses about unsatisfied needs (72%). This figure is higher among children from poor and extremely poor households, as well as households with three and more children (82-95%). Lack of regular visits to dentist is on the third place (67%). Again, this figure is higher among children from poor and extremely poor households, respectively 76% and 96%.

The same proportion of responses (67%) was received regarding the fact that parents do not buy children's newspaper, magazine or similar periodicals. The proportion of negative responses to this question is higher among children from poor and extremely poor households, respectively 87% և 85%.

In terms of some needs, the unsatisfied demand almost does not differ by poverty level and different social groups. Thus, 96-98% of all children have the basic school stationery.

Table 5.16. Armenia: Unsatisfied Needs of Children Aged Between 6-17 by Household Poverty Level and Social Groups, 2011

(percent)

	All children	Poor	Extremely poor	Disabled	Children of single mothers	Children from households with three and more children
1. The child does not receive "pocket money" for daily expenses	47	59	41	66	45	53
2. The child does not regularly visit a dentist (at least once in a year)	67	76	96	62	72	77
3. There is no separate suitable place for the child to learn and make school assignments	39	58	88	46	39	55
4. There is no safe place outside the house where the child can play	35	36	44	42	36	37
5. The child does not have items for entertainment, e.g. bicycle, games, etc.	46	60	72	62	50	53
6. The child does not have items for his/her hobbies	72	88	95	75	74	82
7. The child does not attend sporting club or similar club at least once a month	75	80	89	77	74	79
8. The child does not have books that can be read in free time	24	28	32	44	26	27
9. Parents do not buy children's newspaper, magazine or similar periodicals	67	77	87	85	67	74
10. The child does not spend a week-long vacation away from home at least once in a year.	61	73	89	64	64	66
11. The child does not invite friends to his house for entertainment at least twice a month, and neither is invited by them	51	59	50	64	50	58
12. The child does not have the necessary school stationery	2	4	2	3	2	2
13. The child does not have shoes for different occupational purposes	32	49	70	46	32	43

Source: *ILCS 2011*

5.5. Role of Social Protection Benefits in Poverty Mitigation

Old age pensions

Old-age pensions make a difference to average child poverty rates. Some 48% of all children live in households where at least 1 person is reportedly receiving an old-age pension. Table 5.17 shows the difference that pensions make to average consumption child poverty rates. If pensions were deducted from total monthly household expenditure and the remaining amount is then brought into equivalent terms, the extreme child poverty rate would increase from 5% to 17%, while the total child poverty rate would go up from 42% to 53%. Thus, pension income makes significant difference to households with relatively low consumption levels, with the average extreme poverty rate more than tripling if pension income is not counted in consumption. This analysis assumes that all of the pension income is consumed by households.

Table 5.17. Child Poverty Rates with and without Old-Age Pension Income, 2011

(percent)

Threshold	Child poverty rate	
	With pension	Without pension
Extreme poverty line	4.7	17.0
Total poverty line	41.9	52.7

Source: *ILCS 2011*

Old-age pension income can make a difference to whether a child is poor or not (only for those households who are old-age pension recipient). Table 5.18 shows the difference that old-age pensions can make to children in poor (old-age pension recipient) households. If pensions were deducted from their household consumption, 27% of children not classified as extremely poor at present would fall below the extreme poverty line. At the same time, 38% of children who are not considered poor at present would fall below the total poverty line if pension income were deducted from their household consumption.

Table 5.18. Poverty Rates with and without Old-Age Pension Income for Those in Old-Age Pension Recipient Households, 2011

(percent)

	Lifted above extreme poverty line (with pension)	Lifted above total poverty line (with pension)
Below extreme poverty line (without pension)	27.2	
Below total poverty line (without pension)		38.3

Source: *ILCS 2011*

Family benefits

Family benefit income makes a difference to average child poverty rates. Around 18% of all children live in households that receive family benefits. Table 5.19 shows that family benefit income makes a bigger difference in mitigating the average extreme child poverty rate than the total child poverty rate. If

family benefits were deducted from the total household expenditure, the extreme child poverty rate would double, going from 5% to 10%. The total child poverty rate would go up by 5 percentage points, from 42% to 47%. This suggests that family benefit income is quite important to households with very low consumption (below the food poverty line).

Table 5.19. Child Poverty Rates with and without Family Benefit Income, 2011

(percent)

Threshold	Child poverty rate	
	With benefit	Without benefit
Extreme poverty line	4.7	10.3
Total poverty line	41.9	46.6

Source: *ILCS 2011*

Family benefit income can also make a difference to whether a child is poor or not (only for those households who are family benefit recipient). Table 5.20 shows the re-calculated poverty rates for children in family benefit recipient households who are not considered poor. If benefit income was deducted from their household consumption, 32% of children who are not considered extremely poor would fall below the extreme poverty line. At the same time, 44% of children who are not considered poor based on the total poverty line would have been classified as poor if family benefit income was deducted from their household consumption.

Table 5.20. Poverty Rates with and without Family Benefit Income for Those in Family Benefit Recipient Households, 2011

(percent)

	Lifted above extreme poverty line (with family benefit)	**Lifted above total poverty line** (with family benefit)
Below extreme poverty line (without family benefit)	32.7	
Below total poverty line (without family benefit)		43.9

Source: *ILCS 2011*

Child Allowances

Child allowance income given at birth does not make any difference to average child poverty rates. Only around 1.6% of all children live in households reportedly receiving child allowance. Table 5.21 shows the difference that child allowance income makes to average child poverty rates. The total child poverty rate would almost not change (1.8 percentage points).

Table 5.21. Child Poverty Rates with and without Child Allowance Income, 2011

(percent)

Threshold	**Child poverty rate**	
	With child allowance	**Without child allowance**
Extreme poverty line	4.7	4.8
Total poverty line	41.9	43.7

Source: *ILCS 2011*

Child allowance income makes hardly any difference to whether a child is poor or not (only for those households who are child allowance recipient). Table 5.22 shows the re-calculated poverty rates for children in child allowance recipient households who are not considered as poor. If child allowance income were deducted from their household consumption, 4% of children who are not considered as extreme poor based the extreme poverty line would have been classed as extremely poor. At the same time, 9% of children who are not considered as poor based on the total poverty line would have been classed as poor if child allowance income were deducted from their household consumption. Given the small number of families in receipt of child allowance, it is not surprising that child allowance income does not make a difference to average child poverty rates.

Table 5.22. Poverty Rates with and without Child Allowance Income for Those in Child Allowance Recipient Households, 2011

(*percent*)

	Lifted above extreme poverty line (with child allowance)	**Lifted above total poverty line** (with child allowance)
Below extreme poverty line (without child allowance)	4.2	
Below total poverty line (without child allowance)		9.3

Source: *ILCS 2011*

Chapter 6: Labor Market[1]

6.1. Labor Market Developments

6.1.1. Brief Methodology

This section presents labor market developments in Armenia over 2010-2011 based on ILCS data. The indicators of labor force participation are based on the responses of household members of 15-75 years of age (surveyed group). Reference period was the last one week preceding the survey. Each respondent is classified into the following mutually exclusive groups, according to the status of economic activity - **employed, unemployed and economically inactive.**

The concepts, the set of indicators, and the calculation methodology underlying the survey basically comply with the definitions and concepts recommended by the ILO and (or)[2] by Eurostat, while taking into account, to the extent possible, peculiarities of their application in Armenia.

An employed person is defined as someone, who during the reference week:

- Did have paid or self-employment job, regardless of whether the job was permanent, temporary or seasonal, one-off, or casual, even if that job constituted only one hour during the reference week;
- Was temporarily absent from work for various reasons;
- Was engaged in household or farming activities, while the production was intended for full or partial sale or exclusively for own final use, provided that the production had a significant share in household consumption.

The analysis of informal employment is based on the number of jobs (exercised as either a main or an additional activity) instead of the number of employed population. Therefore, total employment by job nature (formal, informal) would have a larger quantitative expression than the number of employed population.

Informal employment is defined as the sum total of informal jobs in the reference period, regardless of whether they are with organizations and households in the formal or informal sector.

Informal employment includes: a) employees holding informal jobs (including paid domestic workers), b) employers and own-account workers, self-employed persons having informal sector enterprises, c) contributing (unpaid) family workers, d) members of informal producers' cooperatives, and e) self-employed persons producing goods exclusively for own final use, if they are recognized as employed. As informal employed were considered also those contributing (unpaid) family workers engaged in the household production for own final use, if their production comprised a significant share in the total household consumption.

[1] In isolated cases, insignificant differences between the constituents and summary results of data presented in this section are the result of rounding.

[2] In isolated cases, there are certain differences in the definitions proposed by the ILO and by Eurostat. Specifically, according to the ILO methodology (see ILO, ISCO-88), conscripts on mandatory military service are classified into the group of the employed population, whereas the Eurostat methodology (see European Commission, The European Union labor force survey, Methods and definitions, 2001) classifies them into the group of the economically inactive population. In this case, the NSS bases itself on the second option, which is applied in EU member countries.

An unemployed person is defined as someone, who (according to the ILO standard definition) **simultaneously** met the following three conditions during the last four weeks preceding the survey (including the reference week):

- Did not have a job or was not engaged in any income-generating activity
- Was actively searching for a job by any means, i.e. applied to a state and (or) a private employment service, searched for a job through acquaintances, relatives, announcements or in any other way;
- Was available for work immediately (i.e. within the next two weeks).

An unemployed defined also person without job, who currently available for work but did not search for a job during 4 weeks preceding the survey because hade made arrangements to take up paid employment or undertake self-employment activity during the coming two weeks.

Economically active population comprises all employed and unemployed persons who furnish the supply of labour for the production of economic goods and services during a specified time-reference period.

An economically inactive person is defined as someone, who was not either employed or unemployed in the reference period.

Labor resources (working age population) are defined as the sum of the economically active and inactive population.

Diagram 6.1 - Main Groups of Population Based on Survey Results, 2011

Total de facto population 100%, of which						
< 15 years old 18%	**15-75 years old (labor resources)** 77%, of which					75 > years old 5%
	Economically active population 63%, of which		**Economically inactive population** 37%, of which			
	Employed 82%	**Unemp-loyed** 18%	Student, pupil 20%	Household keeper 24%	Pensioner 26%	Other jobless 29%
	By status					
	Employee 56%					
	Employer, self-employed 30%					
	Contributing (unpaid) family worker, other 14%					
	By sector					
	Agriculture 39%					
	Industry 11%					
	Construction 6%					
	Services 44%					
	By sector					
	Public 23%					
	Community 2%					
	Private 74%					
	NGOs 1%					

Source: ILCS 2011

6.1.2. Summary Data

- In 2011 **labor resources / working age population totaled 2.3 million persons** or 77 percent of Armenian population, dropping by 1 percent compared to 2010.

- **1.4 million person were economically active** out of labor resources, thus establishing labor market of the country, while **0.8 million economically inactive population** did not participate in labor market.

Compared to 2010, out of economically active population, 22.4 thousand people have left the labor market. 45 percent were employed and have lost their job due to various reasons, and 55 percent have stopped to seek job actively. However, 2 percent growth of economic active population was observed, as compared to 4 percent reduction of job labor resources compared to 2010. .

- **1.2 million were employed** from the 1.4 million labor force, of which 71 percent on a permanent basis, which is by 10 percent less than in the previous year.

    - **265.7 thousand persons were unemployed**, of which 61 percent have lost their job due to various reasons, while 39 percents were never employed in the past. The average age of never employed accounted for 26 years old.
    - The indicator among employed male and unemployed female is approximately the same, it accounted for 52 percent.
    - Agriculture continues to be the top supplier of jobs in the country (39 percent or 457.4 thousand persons), of which 36 percent were temporary jobs.
    - Around **3 percent of the employed had a second job**, of which 90 percent in the agricultural sector.
    - Classification of the employed by age shows that 27 percent of them were between 45-54 years old, while among the unemployed 36 percent were 20-29 years old. Average age of the employed was 43.7 and the unemployed 36.8.
    - A prevailing part of the employed and unemployed population had general secondary education (41 percent employed, and 38 percent unemployed).
    - Young persons (15-29 years old) constituted 21 percent of the employed and 42 percent of the unemployed population.
    - Majority of labor force was concentrated in Yerevan (28 percent of the employed and 54 percent of the unemployed population).
    - **50.4 percent of the jobs were estimated as informal**, remaining the same over the previous year. 79 percent of informal jobs were in the agricultural sector and 21 percent in other sectors.
    - 2.1 percent of the employed and 6.8 percent of the unemployed were assessed as extremely poor. 28.5 percent of the employed and 44.1 percent of the unemployed were assessed as poor (Table 3.16).
    - Average weekly work hours of 36% employed population was higher than statutory 40 hours. Subsequently, average weekly actually hours worked per person totaled 35.
    - Labor market was specified for long-term unemployment, as 53 percent of the unemployed were looking for job for more than 1 year. Average duration of job-search was 24.4 months.
- While **average monthly earnings (wage / income) in 2011 were equal to AMD 74,408**, growing by 8.3 percent over 2010, 50 percent had income less than AMD 650,000. Male/female earnings ratio was 1.6.

Table 6.1 - Armenia: Key Indicators of Labor Market

	Total		Male		Female		Urban		Rural	
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
Labor resources (in thousands persons)	2389.7	2286.3	1075.7	1017.0	1314.0	1269.3	1554.5	1498.3	835.1	788.0
Economically active population	1463.3	1440.9	777.2	739.0	686.1	701.8	869.7	864.3	593.7	576.6
Employed	1185.2	1175.1	644.8	610.9	540.4	564.2	627.7	631.8	557.5	543.3
Unemployed	278.2	265.7	132.5	128.1	145.7	137.7	242.0	232.5	36.2	33.3
Economically inactive population	926.3	845.4	298.4	278.0	627.9	567.5	684.9	634.0	241.5	211.4
Economic activity rate[1] (percent)	61.2	63.0	72.3	72.7	52.2	55.3	55.9	57.7	71.1	73.2
Employment rate[1] (percent)	49.6	51.4	59.9	60.1	41.1	44.4	40.4	42.2	66.8	68.9
Unemployment rate[2] (percent)	19.0	18.4	17.0	17.3	21.2	19.6	27.8	26.9	6.1	5.8

Source: ILCS 2010- 2011

Table 6.2 - Armenia: Economic Activity of Population by Age Groups

	Economically active population (in thousands)		Including				Economic activity rate (percent)		Employment rate (percent)		Unemployment rate (percent)	
			Employed		Unemployed							
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
Total	**1463.3**	**1440.9**	**1185.2**	**1175.1**	**278.2**	**265.7**	**61.2**	**63.0**	**49.6**	**51.4**	**19.0**	**18.4**
15-19	38.3	29.8	21.3	15.7	17.0	14.1	13.7	13.2	7.6	6.9	44.4	47.3
20-24	158.7	156.1	99.2	97.3	59.5	58.8	53.4	57.0	33.4	35.5	37.5	37.7
25-29	168.9	160.4	127.8	122.7	41.1	37.7	66.7	68.3	50.4	52.3	24.3	23.5
30-34	143.1	142.4	117.5	116.5	25.7	25.8	72.9	75.9	59.8	62.1	17.9	18.1
35-39	143.2	140.1	119.5	118.4	23.7	21.7	79.3	80.4	66.2	67.9	16.6	15.5
40-44	142.4	136.8	122.2	118.5	20.2	18.3	82.9	84.3	71.1	73.0	14.2	13.4
45-49	189.3	174.0	160.9	149.9	28.4	24.2	81.1	80.9	68.9	69.6	15.0	13.9
50-54	186.7	186.0	157.6	162.3	29.1	23.6	78.4	77.2	66.2	67.4	15.6	12.7
55-59	132.3	140.4	111.6	117.7	20.6	22.7	73.5	74.7	62.0	62.7	15.6	16.2
60-64	82.9	85.3	74.5	72.1	8.4	13.3	63.0	59.3	56.6	50.1	10.1	15.5
65-69	32.5	38.5	29.0	34.8	3.6	3.7	41.8	45.0	37.2	40.7	11.0	9.6
70-75	45.0	51.0	44.2	49.2	0.8	1.8	30.0	33.2	29.4	32.0	1.8	3.6

Source: ILCS 2010- 2011

[1] Here and hereinafter: estimated with respect to labor resources (number of de facto population).
[2] Here and hereinafter: estimated with respect to economically active population.

Table 6.3 - Armenia: Economic Activity of Population by Education

	Economically active population (in thousands)		Including				Economic activity rate (percent)		Employment rate (percent)		Unemploy-ment rate (percent)	
			Employed		Unemployed							
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
Total	**1463.3**	**1440.9**	**1185.2**	**1175.1**	**278.2**	**265.7**	**61.2**	**63.0**	**49.6**	**51.4**	**19.0**	**18.4**
Tertiary, post graduate	334.4	366.5	269.2	294.9	65.2	71.6	75.2	75.3	60.5	60.6	19.5	19.5
Secondary specialized, incomplete tertiary	348.4	347.9	277.6	278.1	70.8	69.9	63.6	65.8	50.7	52.6	20.3	20.1
Vocational	40.2	34.9	32.0	28.7	8.2	6.2	75.9	78.7	60.4	64.7	20.3	17.8
General secondary	620.2	579.1	502.5	478.4	117.6	100.7	59.1	60.7	47.9	50.1	19.0	17.4
General basic	103.5	99.0	87.9	81.9	15.6	17.1	42.0	42.3	35.6	35.0	15.1	17.3
Primary, Incomplete primary	16.7	13.4	15.9	13.2	0.8	0.3	34.4	35.0	32.8	34.2	4.5	2.1

Source: ILCS 2010- 2011

Table 6.4 - Armenia: Economically Active Population by Marzes and Yerevan

	Economically active population (in thousands)		Including				Economic activity rate (percent)		Employment rate (percent)		Unemploy-ment rate (percent)	
			Employed		Unemployed							
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
Total	1463.3	1440.9	1185.2	1175.1	278.2	265.7	61.2	63.0	49.6	51.4	19.0	18.4
Yerevan	485.5	477.2	340.2	333.3	145.3	143.9	58.4	60.0	40.9	41.9	29.9	30.2
Aragatsotn	75.7	65.8	69.6	62.1	6.1	3.7	79.5	81.9	73.1	77.2	8.1	5.7
Ararat	126.7	131.7	118.3	120.9	8.4	10.7	69.1	69.1	64.6	63.4	6.6	8.1
Armavir	129.5	135.0	116.0	127.2	13.5	7.9	64.7	66.9	57.9	63.0	10.4	5.8
Gegharkunik	99.9	95.9	91.0	86.8	8.9	9.1	65.1	67.3	59.3	60.9	8.9	9.5
Lori	136.4	126.5	109.5	103.2	26.9	23.3	60.4	59.9	48.5	48.8	19.7	18.4
Kotayk	126.0	133.0	101.8	107.3	24.2	25.7	52.6	58.3	42.5	47.0	19.2	19.3
Shirak	109.6	103.3	85.5	83.4	24.1	19.9	49.9	50.9	38.9	41.1	22.0	19.3
Syunik	73.0	71.8	64.1	62.0	8.9	9.8	75.1	74.4	66.0	64.2	12.2	13.6
Vayotz Dzor	29.3	30.5	25.3	27.2	4.0	3.2	67.6	73.1	58.4	65.3	13.7	10.6
Tavush	71.7	70.1	63.9	61.7	7.8	8.4	72.1	73.5	64.3	64.7	10.9	11.9

Source: ILCS 2010- 2011

Table 6.5 - Armenia: Employed by Types of Economic Activity and Permanency of Job

1000 persons

	Total		Permanent		Non-permanent	
	2010	**2011**	**2010**	**2011**	**2010**	**2011**
Total	1185.2	1175.1	955.0	837.8	230.2	337.4
Section A - B[1]	457.4	457.4	315.9	293.2	141.5	164.2
Section C - E[2]	120.6	128.7	113.4	99.4	7.2	29.2
Section F [3]	85.8	67.4	40.4	25.8	45.4	41.6
Section G - H[4]	128.4	123.9	110.7	86.5	17.7	37.4
Section I[5]	70.6	65.8	64.4	49.6	6.2	16.2
Section J – K[6]	43.5	40.7	41.2	31.8	2.2	8.9
Section L – N[7]	235.0	242.8	232.4	219.0	2.6	23.8
Section O – Q[8]	43.9	48.5	36.5	32.4	7.4	16.1

Source: ILCS 2010- 2011

Table 6.6 - Armenia: Employed by Sector of Activity and Status in Employment

1000 persons

	Total		Agricultural		Non-Agricultural	
	2010	**2011**	**2010**	**2011**	**2010**	**2011**
Total	**1185.2**	**1175.1**	**457.4**	**457.4**	**727.8**	**717.7**
Employee	673.9	653.0	22.2	14.6	651.7	638.4
Employer	6.1	7.5	…	0.5	6.1	7.0
Self-employed	325.5	349.8	259.9	280.0	65.7	69.7
Other	179.6	164.9	175.3	162.3	4.2	2.5

Source: ILCS 2010- 2011

Table 6.7 - Armenia: Second Job Holders by Types of Economic Activity and Permanency of Job

1000 persons

	Total		Permanent		Non-Permanent	
	2010	**2011**	**2010**	**2011**	**2010**	**2011**
Total	**53.2**	**36.2**	**30.9**	**19.9**	**22.4**	**16.3**
Agricultural	48.3	32.4	27.8	17.3	20.5	15.1
Non-agricultural	4.9	3.8	3.1	2.6	1.9	1.2

Source: ILCS 2010- 2011

[1]Agriculture
[2]Industry
[3]Construction
[4]Trade, repair of motor vehicles, hotels and restaurants
[5]Transport and communication
[6] Financial and real estate business activities, rent and consumer services
[7]Public administration, education, health, individual social services
[8]Other services

Table 6.8 - Armenia: Informal Employment by Sector of Activity and Status in Employment (for Main and Additional (Second) Activity)

	Total in thousands	*Including*		Agricultural sectors	*Including*		Non-agricul-tural sector	*Including*	
		employees	non-employees		employees	non-employees		employees	non-employees
2010	623.8	106.2	517.6	494.5	12.7	481.8	129.4	93.5	35.9
2011	610.4	92.4	518.1	482.7	8.0	474.7	127.7	84.3	43.4
11/10. %	2.1	13.0	-0.1	2.4	36.9	1.5	1.3	9.8	-20.8
	Percent to total employment in the respective group								
2010	50.4	15.7	92.3	97.8	56.2	99.7	17.7	14.3	46.3
2011	50.4	14.1	93.3	98.6	53.6	100.0	17.7	13.2	54.0
11/10. %	0.0	10.3	-1.1	-0.8	4.5	-0.3	0.0	8.0	-16.6

Source: ILCS 2010- 2011

Table 6.9- Armenia: Employed by Weekly Hours Actually Worked and Types of Economic Activity, 2011

	Total in thousands	By hours								Weekly average hours
		0*	1-10	11-20	21-30	31-40	41-50	51-60	61>	
Total	**1175.1**	**58.6**	**79.4**	**180.5**	**160.5**	**281.7**	**255.6**	**81.9**	**77.0**	**35.3**
Section A - B[1]	457.4	39.0	73.3	149.4	117.0	49.3	19.2	6.7	3.5	21.1
Section C - E[2]	128.7	2.3	1.2	3.1	3.3	49.8	46.2	12.6	10.1	45.1
Section F[3]	67.4	5.2	0.2	2.0	1.8	16.7	23.6	9.6	8.4	44.9
Section G - H[4]	123.9	2.2	0.4	2.5	6.3	20.3	41.7	23.6	26.9	51.0
Section I[5]	65.8	0.6	0.1	2.0	1.4	16.6	22.3	7.7	15.2	51.6
Section J - K [6]	40.7	0.6	0.0	0.8	2.6	13.9	15.0	4.9	3.0	45.4
Section L - N [7]	242.8	6.9	2.4	16.1	23.4	103.0	76.3	8.4	6.2	39.0
Section O - Q[8]	48.5	1.8	1.7	4.6	4.7	12.1	11.3	8.3	4.0	41.7

Source: ILCS 2010- 2011

Table 6.10- Armenia: Employed by Weekly Hours Actually Worked and Status in Employment, 2011

	Total in thousands	By hours								Weekly average hours
		0	1-10	11-20	21-30	31-40	41- 50	51- 60	61>	
Total	**1175.1**	**58.6**	**79.4**	**180.5**	**160.5**	**281.7**	**255.6**	**81.9**	**77.0**	**35.3**
Employee	653.0	18.6	4.3	23.2	38.1	223.2	225.6	63.7	56.3	44.1
Employer	7.5	0.0	0.1	0.3	0.5	1.2	1.2	1.7	2.6	55.7
Self-emp0loyed	349.8	39.9	39.8	90.9	83.6	40.7	24.2	14.4	16.3	25.1
Other	164.9	0.0	35.2	66.2	38.4	16.6	4.6	2.0	1.8	21.7

Source: ILCS 2011

*Here and hereinafter: those temporary absent during the reference week.

[1] Agriculture, hunting and forestry, fishing, fish breeding
[2] Industry
[3] Construction
[4] Trade, repair of motor vehicles, hotels and restaurants
[5] Transport and communication
[6] Financial and real estate business activities, rent and consumer activities
[7] Public administration, education, health, individual social services
[8] Other services

Table 6.11 - Armenia: Unemployed by Duration of Job Search and Sex, Types of Settlement, 2011

	Total in thousands	Month				Year			Average duration of job search, month
		< 1	1 - 3	3 - 6	6 - 12	1 - 2	2 - 4	4>	
Total	**265.7**	**7.6**	**29.4**	**43.1**	**45.6**	**54.3**	**37.2**	**48.6**	**24.4**
Male	128.1	4.0	15.3	24.4	23.7	24.5	18.7	17.6	27.2
Female	137.7	3.6	14.1	18.8	21.9	29.8	18.5	31.0	21.4
Urban	232.5	6.2	25.4	35.8	40.4	45.1	33.5	46.0	25.4
Rural	33.3	1.4	4.0	7.3	5.2	9.2	3.7	2.5	17.1

Source: ILCS 2011

Table 6.12 - Armenia: Structure of Unemployed by Duration of Job Search, 2011

	Total in thousands	Month				Year			Average duration of job search, month
		< 1	1 - 3	3 - 6	6 - 12	1 - 2	2 - 4	4>	
Total	**265.7**	**7.6**	**29.4**	**43.1**	**45.6**	**54.3**	**37.2**	**48.6**	**24.4**
Student, pupil (full-time)	6.7	0.7	2.3	1.2	0.9	1.5	0.1	…	7.2
Housekeeper	33.4	0.5	4.2	4.6	5.1	6.1	3.9	8.9	29.0
Pensioner	10.6	0.0	0.4	0.9	1.5	2.4	1.5	3.9	37.6
Other jobless persons	215.0	6.4	22.5	36.5	38.0	44.3	31.7	35.7	23.6

Source: ILCS 2011

Table 6.13 - Armenia: Unemployed by Duration of Job Search and Work Experience, 2011

	Total in thousands	Month				Year			Average duration of job search, month
		< 1	1 - 3	3 - 6	6 - 12	1 - 2	2 - 4	4>	
Total	**265.7**	**7.6**	**29.4**	**43.1**	**45.6**	**54.3**	**37.2**	**48.6**	**24.4**
Did have work experience	162.9	3.1	17.0	23.7	25.6	31.8	23.4	38.3	27.9
Did not have work experience	102.8	4.5	12.3	19.4	20.0	22.5	13.8	10.3	18.8

Source: ILCS 2011

Table 6.14 - Armenia: The Formerly Employed, by Reasons for Unemployment and Educational Level, 2011

	Total in thousands	Tertiary, post graduate	Secondary specialized	Vocational	General secondary	Gneral basic
Total	**162.9**	**42.6**	**46.6**	**4.4**	**57.0**	**12.3**
Job reduction, liquidation, bankruptcy of business	88.4	23.7	28.5	2.4	27.4	6.4
Termination of temporary activities	34.4	5.2	6.1	1.0	17.6	4.6
Retirement	3.7	1.1	1.0	0.2	1.2	0.2
Illness, disability	5.5	1.2	2.2	0.3	1.6	0.3
Family circumstances	10.5	4.0	3.0	0.3	3.2	…
Lay-off by the initiative of employer	3.5	1.5	0.9	0.0	1.1	…
Unsolicited dismissal	12.4	5.0	3.4	0.1	3.6	0.3
Other	4.5	0.9	1.5	0.1	1.3	…

Source: ILCS 2011

Table 6.15 - Armenia: Unemployed by Means of Job Search and Age Groups, 2011

	Total in thousands	By age groups					
		15 - 24	25 - 34	35 - 44	45 - 54	55 - 64	65 >
Total [1]	**430.1**	**115.4**	**103.7**	**66.9**	**77.3**	**58.6**	**8.3**
Applied to the State Employment Service	20.3	1.5	2.1	4.1	8.2	4.5	…
Applied to private employment agencies	16.0	4.1	4.5	2.5	2.6	2.0	0.1
Followed job announcements on regular basis	71.8	21.1	17.8	9.7	12.7	8.8	1.6
Placed announcements on regular basis	13.4	4.0	2.9	2.5	2.0	2.0	…
Searched for job through acquaintances, relatives	213.3	56.9	50.0	32.6	38.8	29.9	5.1
Applied directly to employer	64.9	17.8	17.8	10.7	9.2	8.1	1.3
Searched via Internet	24.5	7.9	6.8	4.2	2.6	2.8	0.2
Other	5.9	2.1	1.8	0.6	1.2	0.5	…

Source: ILCS 2011

Table 6.16 - Armenia: Composition of Economically Inactive Population, by Age Groups

	Total in thousands		Student, pupil (full-time)		Housekeeper		Pensioner		Other jobless persons	
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
Total	**926.3**	**845.4**	**196.9**	**171.7**	**224.0**	**205.4**	**226.7**	**222.6**	**278.7**	**245.7**
15-19	241.2	196.5	157.3	136.1	6.0	6.4	2.6	1.1	75.3	52.8
20-24	138.3	117.6	36.6	34.1	36.6	28.1	1.8	2.4	63.3	53.0
25-29	84.4	74.3	2.7	0.8	48.9	40.6	2.3	3.2	30.5	29.8
30-34	53.3	45.3	0.4	0.7	28.2	24.5	3.1	3.1	21.6	17.1
35-39	37.3	34.2	…	…	17.6	15.7	4.8	2.7	15.0	15.8
40-44	29.4	25.5	…	…	16.5	12.6	1.6	2.6	11.3	10.3
45-49	44.1	41.2	…	…	21.5	19.8	6.9	5.8	15.6	15.6
50-54	51.5	55.0	…	…	22.4	23.4	10.4	10.4	18.7	21.3
55-59	47.7	47.5	…	…	17.1	17.2	13.8	14.0	16.8	16.3
60-64	48.8	58.6	…	…	7.5	12.0	32.5	36.3	8.7	10.3
65 >	150.3	149.7	…	…	1.7	5.1	146.9	141	1.9	3.4

Source: ILCS 2010-2011

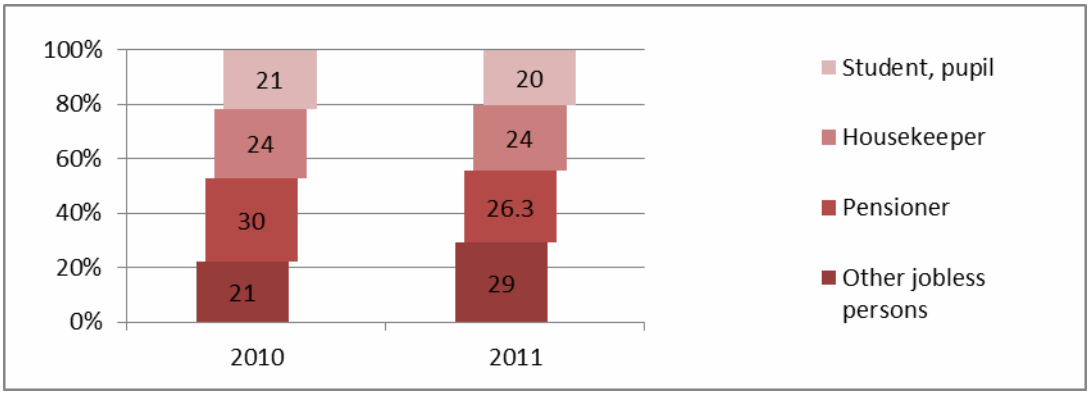
Table 6.17 - Armenia: Composition of Economically Inactive Population by Educational Level

	Total in thousands		Student, pupil (full-time)		Housekeeper		Pensioner		Other jobless persons	
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
Total	**926.3**	**845.4**	**196.9**	**171.7**	**224.0**	**205.4**	**226.7**	**222.6**	**278.7**	**245.7**
Tertiary; post graduate	110.4	120.1	4.8	5.2	37.6	35.8	31.9	41.3	36.2	37.7
Secondary specialized, incomplete tertiary	199.4	180.9	27.4	26.4	63.7	59.5	49.5	49.3	58.8	45.7
Vocational	12.8	9.4	0.3	0.4	5.1	2.9	2.7	2.7	4.6	3.5
Genetral secondary	428.8	375.2	78.8	56.5	106.1	99.0	88.4	82.3	155.4	137.4
General basic	143.2	134.9	73.2	75.1	10.3	7.8	37.8	32.5	21.9	19.5
Preliminary, incomplete preliminary	31.8	25.0	12.4	8.0	1.3	0.5	16.4	14.6	1.8	1.9

Source: ILCS 2010-2011

[1]The same person may have mentioned more than one way of job search.

Figure 6.1 - Armenia: Composition of Economically Inactive Population



Source: ILCS 2010-2011

Table 6.18 - Armenia: Composition of Economically Inactive Population by Marzes and Yerevan

	Total in thousands		Student, pupil (full-time)		Housekeeper		Pensioner		Other jobless persons	
	2010	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**
Total	**926.3**	**845.4**	**196.9**	**171.7**	**224.0**	**205.4**	**226.7**	**222.6**	**278.7**	**245.7**
Yerevan	345.9	317.6	77.2	67.4	97.0	85.2	104.2	104.3	67.5	60.8
Aragatsotn	19.5	14.5	6.1	4.1	2.2	1.6	3.2	2.9	8.0	5.9
Ararat	57.4	59.0	14.5	13.6	16.0	17.9	9.1	10.8	17.8	16.7
Armavir	71.3	66.9	15.8	12.5	19.5	21.8	13.4	12.3	22.7	20.3
Gegharkunik	53.5	46.7	9.3	9.3	12.5	7.5	12.6	8.1	19.2	21.8
Lori	89.4	84.8	16.5	15.0	11.5	12.0	22.4	21.3	39.1	36.5
Kotayk	113.3	95.2	19.6	16.8	36.9	30.5	20.2	22.1	36.7	25.8
Shirak	110.0	99.5	23.2	18.5	14.5	16.2	24.5	23.0	47.7	41.9
Syunik	24.1	24.8	5.6	6.3	6.8	6.4	7.4	9.1	4.4	3.0
Vayots Dzor	14.1	11.2	3.5	2.5	1.7	1.6	3.6	2.8	5.3	4.3
Tavoush	27.7	25.3	5.8	5.8	5.5	4.6	6.0	6.0	10.4	8.8

Source: ILCS 2010-2011

6.2. Employment Incomes (Earnings)

The information as presented below on monetary and in-kind income gained through employment is based on the responses of the **employed** household members of 15-75 years of age as of the last month preceding each reference month.

Both the salary of employees and the income gained by the self-employed (except for contributing (unpaid) family members) are included in income. The data excludes those who failed to gain any employment income in the last month preceding the survey and (or) refused to respond to the questions on amount of income.

Table 6.19 - Armenia: Average Monthly Income of Employed by Types of Economic Activity, Sex, Types of Settlement, 2010-2011

Section	Main Activity									
	Total		Male		Female		Urban		Rural	
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
Average income, AMD	**72425**	**78408**	**87569**	**93936**	**50752**	**59061**	**81852**	**84337**	**56542**	**67362**
A - B[1]	42508	56554	57953	71585	25263	41769	31793	33917	44077	59697
C - E[2]	85483	89948	94658	98158	57450	67708	87563	91751	76078	80135
F[3]	92320	97848	92221	98328	99885	75832	94615	96688	84729	100432
G - H[4]	86710	86828	102790	97748	62518	67810	86686	87738	86863	80969
I[5]	89151	106584	91815	118887	77659	84650	91850	108178	74239	80171
J - K[6]	90638	104451	106582	112387	74173	92773	92080	105187	82077	94809
L - N[7]	73608	75403	98177	102812	58008	60735	75470	77029	68800	70731
O - Q[8]	74872	74551	88930	88323	60259	61302	76290	76216	64936	56883
	Second Activity									
Average income, AMD	**37390**	**46492**	**50937**	**57742**	**22654**	**32499**	**34832**	**42185**	**38373**	**47939**
A - B[1]	31941	42975	43366	51714	19320	31448	8475	17720	36675	47649
C - E[2]	48292	67267	101577	67267	25525	…	34343	…	137590	67267
F[3]	170000	95313	140000	95313	200000	…	170000	100000	…	60000
G - H[4]	112367	64446	118477	66640	30931	46351	112250	78354	113182	58351
I[5]	85866	124237	85866	124237	…	…	100000	150000	5000	16745
J - K[6]	42984	121586	20000	141294	51841	31400	51841	121586	20000	…
L- N[7]	55234	41932	72995	47179	42907	41875	55568	43721	50148	31279
O - Q[8]	73789	59842	100330	100000	21919	21090	30726	59842	149622	…

Source: ILCS 2010-2011

[1] Agriculture, hunting and forestry, fishing, fish breeding
[2] Industry
[3] Construction
[4] Trade, reapir of motor vehicles, hotels and restaurants
[5] Transport and communication
[6] Financial and real estate business activities, rent and consumer services
[7] Public administration, education, health, individual social services
[8] Other services

Table 6.20 - Armenia: Employed by Average Monthly Income and Types of Economic Activity, 2011(Main activity)

Section	Total	By amount of income							
		< 30000	30000-60000	60001-100000	100001-140000	140001-180000	180001-250000	250001-300000	300000 >
Total, 1000 persons	**913.6**	**122.5**	**325.5**	**283.2**	**73.9**	**59.8**	**31.3**	**8.1**	**9.4**
A - B[1]	214.5	97.0	65.7	26.2	10.1	4.5	2.7	2.5	5.9
C - E[2]	125.5	4.1	38.0	54.0	10.9	11.4	5.1	1.1	0.9
F[3]	61.6	1.0	15.8	25.6	8.5	6.9	3.3	0.0	0.5
G - H[4]	168.8	5.2	62.6	64.1	11.9	15.6	6.4	2.2	0.7
I[5]	17.0	0.0	4.8	6.1	2.3	1.8	1.7	0.0	0.2
J - K[6]	40.1	1.0	10.4	13.0	5.7	6.4	2.5	1.1	0.0
L - N[7]	238.2	11.0	105.7	78.9	22.3	11.3	7.7	0.8	0.6
O - Q[8]	47.9	3.2	22.5	15.3	2.0	2.0	1.9	0.4	0.5
		By amount of income							
Average income. AMD	**78408**	**14021**	**45822**	**83148**	**120899**	**157287**	**213691**	**287808**	**438472**
A - B[1]	56554	12274	43849	77903	121667	158443	219760	277089	477037
C - E[2]	89948	20019	47736	84190	121433	158026	211240	295360	356556
F[3]	97848	16852	50079	87062	122247	155437	209368	300000	379582
G - H[4]	86828	20394	47971	84592	122353	154454	206688	289058	401342
I[5]	106584	29000	47949	87074	125626	164906	228681	…	320000
J - K[6]	104451	17565	44281	88158	120703	157006	217422	296647	…
L- N[7]	75403	22327	45079	81051	118609	159861	213796	289119	396590
O - Q[8]	74551	18385	43133	80820	120343	158490	223931	300000	358013

Source: ILCS 2011

Table 6.21 - Armenia: Employed by Average Monthly Income and Status in Employment, 2011 (Main activity)

	Total	By amount of income							
		< 30000	30000-60000	60001-100000	100001-140000	140001-180000	180001-250000	250001-300000	300000 >
Total, 1000 persons	**913.6**	**122.5**	**325.5**	**283.2**	**73.9**	**59.8**	**31.3**	**8.1**	**9.4**
Employee	636.9	22.1	243.5	237.5	59.6	46.2	22.4	3.4	2.1
Employer	6.9	0.0	0.1	2.0	0.4	0.7	1.9	0.9	0.9
Self-employed	269.8	100.4	81.9	43.6	13.9	13.0	6.9	3.8	6.3
		By amount of income							
Average income, AMD	**78408**	**14021**	**45822**	**83148**	**120899**	**157287**	**213691**	**287808**	**438472**
Employee	82500	21133	46206	83283	120616	157690	213750	293396	369517
Employer	197824	…	46801	90538	128329	155677	219616	300000	366430
Self-employed	65697	12453	44679	82077	121918	155938	211845	279898	471710

Source: ILCS 2011

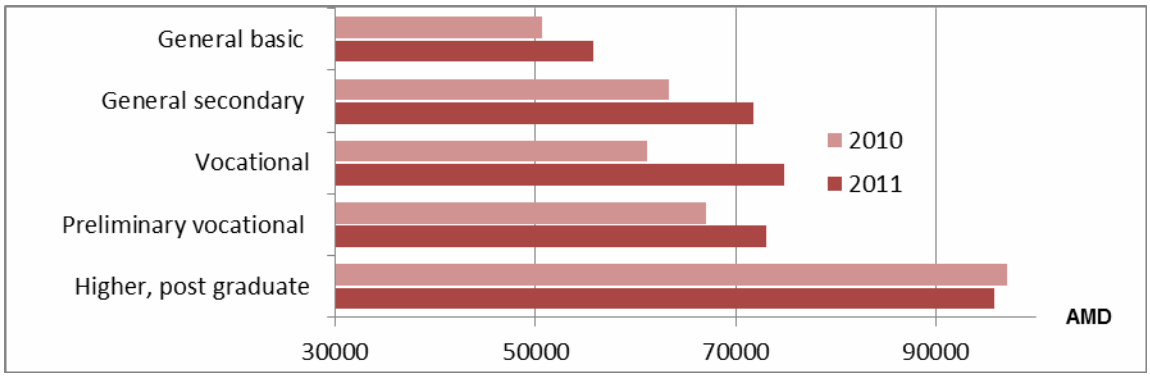
[1] Agriculture, hunting and forestry, fishing, fish breeding
[2] Industry
[3] Construction
[4] Trade, repair of motor vehicles, hotels and restaurants
[5] Transport and communication
[6] Financial and real estate business activities, rent and consumer services
[7] Public administration, education, health, individual social services
[8] Other services

Table 6.22 - Armenia: Average Monthly Income of Employed by Educational Level, 2011 (Main activity)

	Total	By amount of income							
		< 30000	30000-60000	60001-100000	100001-140000	140001-180000	180001-250000	250001-300000	300000 >
Total, 1000 persons	**913.6**	**122.5**	**325.5**	**283.2**	**73.9**	**59.8**	**31.3**	**8.1**	**9.4**
Tertiary, post graduate	277.4	10.3	78.5	109.3	30.8	24.9	16.6	3.7	3.2
Secondary specialized, incomplete tertiary	230.7	28.4	96.4	65.0	15.8	15.5	7.0	1.7	0.9
Vocational	22.1	3.2	8.5	6.1	1.9	1.2	0.7	0.1	0.3
General secondary	326.7	65.3	117.2	90.6	23.3	16.7	6.8	2.4	4.4
General basic	49.4	12.6	21.6	11.1	2.0	1.5	0.1	0.1	0.4
Preliminary, incomplete preliminary	7.3	2.7	3.2	1.0	0.1	0.0	…	0.0	0.2
		By amount of income							
Average income, AMD	**78408**	**14021**	**45822**	**83148**	**120899**	**157287**	**213691**	**287808**	**438472**
Tertiary, post graduate	95794	15485	47455	83081	120479	159068	214085	294204	404170
Secondary specialized, incomplete tertiary	73000	14037	45313	82786	121420	157154	208850	282592	442443
Vocational	74799	14707	44799	83888	121808	156098	201744	300000	358706
General secondary	71704	14024	45422	83451	121147	154706	219216	281243	461934
General basic	55802	12633	44895	83252	119530	158836	204700	281941	442763
Preliminary, incomplete preliminary	52605	13872	44702	81099	119457	150000	…	300000	570000

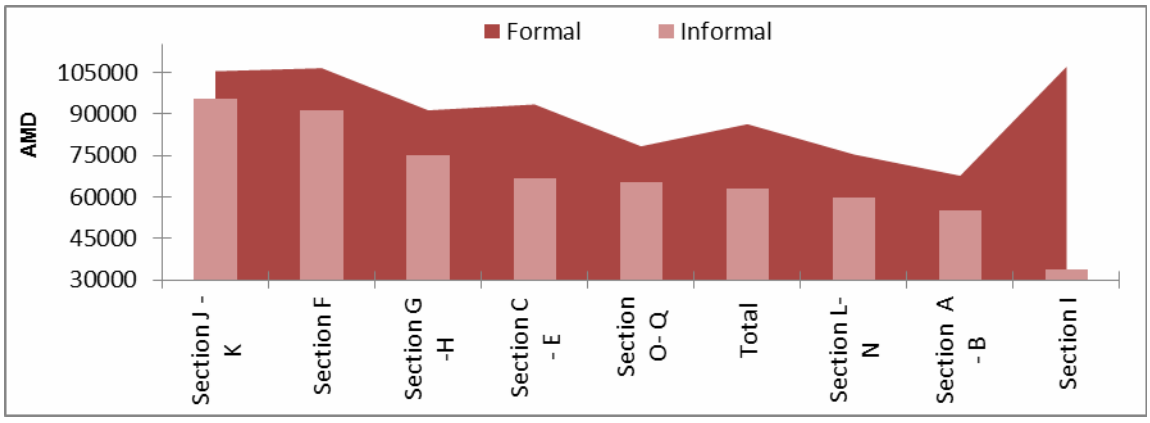
Source: ILCS 2011

Figure 6.2 - Armenia: Average Monthly Income of Employed by Educational Level



Source: ILCS 2010-2011

Figure 6.3 - Armenia: Average Monthly Income by Nature of Employment, 2011



Source: ILCS 2010-2011

Table 6.23. Armenia: Average Monthly Income of Emploed by Marzes and Yerevan (Main activity)

	2010		2011		
	AMD	Share of total (in percent)	AMD	Share of total (in percent)	Relative to 2010 (percent)
Total	**72425**	**100**	**78408**	**100**	**108.3**
Yerevan	91143	125.8	92817	118.4	86.0
Aragatsotn	61023	84.3	67157	85.7	128.5
Ararat	74098	102.3	75277	96.0	105.8
Armavir	71164	98.3	103765*)	132.3	110.2
Gegharkunik	51208	70.7	73099	93.2	153.1
Lori	48699	67.2	57295	73.1	161.0
Kotayk	65083	89.9	66439	84.7	120.5
Shirak	62085	85.7	61458	78.4	126.3
Syunik	78862	108.9	76989	98.2	99.4
Vayots Dzor	42966	59.3	45856	58.5	182.5
Tavoush	54601	75.4	57710	73.6	143.6

Source: ILCS 2010-2011

*In 2011 average income in Armavir marz without outlier was 85046 AMD.

Table 6.24 - Armenia: Average Monthly Income by Sex and Nature of Employment (for main and additional (second) activities)

Section	2010									
	Formal			Informal			Total income, AMD	Male	Female	F/M, %
	Total	Male	Female	Total	Male	Female				
Average income, AMD	**84920**	**100710**	**62508**	**49393**	**63688**	**29143**	**71301**	**86525**	**49709**	**57.5**
A - B[1]	71063	72254	66058	40304	55552	24028	41461	56515	24672	43.7
C - E[2]	88275	95865	61548	61796	81573	39535	85170	94681	56698	59.9
F[3]	102497	102550	100562	83404	83313	159332	92393	92244	103366	112.1
G - H[4]	95387	113729	66142	63988	71772	53586	86892	102961	62479	60.7
I[5]	93241	97496	77908	63784	64023	30000	89149	91809	77659	84.6
J - K[6]	92628	108595	75847	44114	44106	44119	90236	106180	73897	69.6
L - N[7]	73669	98316	57954	57302	66444	52726	73441	97935	57875	59.1
O - Q[8]	82967	102822	63592	57367	62325	51348	74862	89067	60011	67.4
	2011									
Average income, AMD	**86293**	**103196**	**66227**	**62909**	**76792**	**44103**	**77686**	**93118**	**58460**	**62.8**
A - B[1]	67657	69241	62520	55138	69883	40778	55511	69854	41084	58.8
C - E[2]	93399	101565	71056	66853	74753	46460	89914	98094	67708	69.0
F[3]	106494	107364	81286	91351	91681	64649	97846	98325	75832	77.1
G - H[4]	91302	103023	71777	74811	84247	56046	86755	97607	67789	69.5
I[5]	107050	118920	85435	33587	…	33587	106652	118920	84650	71.2
J - K[6]	105418	114488	91770	95342	91774	99991	104660	112871	92438	81.9
L- N[7]	75362	102781	60754	59610	106253	43231	75230	102803	60587	58.9
O - Q[8]	78285	92964	62966	65514	77018	56297	74338	88493	60721	68.6

Source: ILCS 2010-2011

[1] Agriculture, hunting and forestry, fishing, fish breeding
[2] Industry
[3] Construction
[4] Trade, repair of motor vehicles, hotels and restaurants
[5] Transport and communication
[6] Financial and real estate business activities, rent and consumer services
[7] Public administration, education, health, individual social services
[8] Other services