

## Quality declaration Poverty incidence

0.General Information on Statistical Products		
0.1	Title	Poverty incidence
0.2	Subject Area	Households
0.3	Responsible Authority, Office, Person, etc.	<p>Ms. Lusine Markosyan                      Head                      Households Statistics Division                      Armstat                      3 Government House, Republic Avenue Yerevan, 0010, Armenia                      Tel: +374 11 52 43 26                      E-mail: <a href="mailto:lusine_markosyan@armstat.am">lusine_markosyan@armstat.am</a> <a href="mailto:info@armstat.am">info@armstat.am</a></p>
0.4	Purpose and History	<p>It provides comprehensive information on the living standards of Armenia's population and the quantitative estimation of the main characterizing indicators. According to the World Bank definition, the poverty is inability to provide the minimum living conditions. The only source for the estimation of poverty rate in Armenia is the Integrated Living Conditions Survey (ILCS). The results of the Integrated Living Conditions Survey are primarily used to estimate consumption-based poverty rates in the country, as well as to provide other valuable information on households' living conditions by other indicators. The Integrated Living Conditions Survey was first conducted in Armenia in 1996 (in a one-month period), followed by the one in 1998/99, thereafter, it has been conducted every year since 2001. The surveys are carried out during the year with monthly changes (rotation) of households and communities. A consumption aggregate is used as a welfare measure for assessing poverty in Armenia. Based on the international experience, it is assumed that consumption is better declared and is less sensitive to short-term fluctuations, than the income indicator, especially in transition countries. The consumption aggregate is estimated based on data received from the Integrated Living Conditions Survey, and includes the following components: (a) the value of food and non-food consumption products, including consumption of home production and aid received from humanitarian organizations and</p>

		<p>other sources, (b) the rental value of durable goods.</p> <p>Since 1996, when the up-to date methodology of households welfare survey was introduced in Armenia for the first time, Statistical Committee of Armenia (Armstat) with the assistance of the World Bank, USAID and other donor organizations, continuously made efforts to improve the quality of the collected data on the households level and to increase its own skills for more accurate assessment of poverty level.</p> <p>Those efforts were justified, since the information collected in the result of households' survey and the assessment of poverty level based on them deemed to be very important investment for poverty reduction strategy formation and monitoring and Armenian Government was the responsible body for the aforementioned efforts.</p>
0.5	Users and Application	<p>The main users of statistical information are the government and local self-government bodies, public, scientific, educational, financial organizations, business society, mass media, international organizations, etc.</p> <p>The results of ILCS are primarily used to estimate consumption-based poverty rates in the country, as well as to provide other valuable information on households' living conditions by other indicators, including accessibility and usage.</p>
0.6	Information Sources	7872 households (HH) are surveyed annually (by directly visiting the households), an exhaustive database of country's private HH addresses is used for the sampling.
0.7	Legal Authority to Collect Data	<p>The data are collected based on the Law on "Official Statistics" and "Five Year Statistical Program", as well as the Resolution No. 05-N of RA State Council on Statistics "On Approval of the Procedure for the collection of statistical data" dated 20 June 2016 and Resolution "On Approval of Annual Statistical Program".</p> <p>According to RA Government Decision No 1866 of November 28, 2002 the Armstat should conduct household's surveys periodically every year.</p>
0.8	Response Burden	Response burden is not measured.
Content		
1.1	Description of the Content	Those persons, whose consumption for one adult was below the upper common poverty line were assessed as poor, the persons whose consumption per adult was below the lower common

		<p>poverty line were assessed as very poor, and extremely poor were assessed those persons, whose consumption per adult was below food line of poverty.</p>
<p>1.2</p>	<p>Statistical Concepts</p>	<p>Survey methodology (group of indicators, definitions, classifications, information sources and calculation tools) is based on the World Bank methodology. The poverty level in the given country is an important indicator for the assessment of welfare of the population. Poverty is expressed in different ways and shows all aspects of life: consumption, food security, and health, education, rights, including the freedom of speech, security, dignity and decent work. Dynamics of population living conditions change is described according to material and non-material poverty viewpoint.</p> <p>Poverty assessment implies 3 components:</p> <ul style="list-style-type: none"> <li>• Welfare or distribution of living conditions</li> <li>• Poverty line, below which persons are assessed as “poor”, and</li> <li>• Poverty measurement unit.</li> </ul> <p>Based on the international practice, the poverty is assessed according to poverty level, poverty density and intensity indicators. The simplest and more frequently used poverty assessment is the total number of poor persons, which deems to be the ratio of individuals, whose consumption per adult is below the poverty line (Foster and others, 1984).</p> <p>Poverty density index shows how poor are the persons or their consumption degree below the poverty line.</p> <p>Poverty intensity indicator has been used to evaluate the consumption inequality between the poor (the consumption of some poor people is very close to the poverty line, and for the others the consumption indicator may be much lower than the poverty line).</p> <p>Poverty indicators are calculated by using the below mentioned formula:</p> $1/n \int (z - c)^\alpha$

		$P(\alpha) = \sum_{i=1}^n \left[ \frac{\max\{0, c_i - z\}}{z} \right]^\alpha$ <p>where <math>\alpha</math> is parameter (described below), <math>z</math> is poverty line, <math>c_i</math> is the consumption of <math>i</math> individual, and <math>n</math> is the total number of individuals. If <math>\alpha</math> equals 0, it turns into <math>P(0)</math> the poverty index, which assesses the ratio of individuals, who are below the poverty line. If <math>\alpha</math> equals 1, then <math>P(1)</math>, or the poverty density, which takes into account how far the poor are from that line. <math>P(1)</math> may be expressed according to the following formula:</p> $P(1) = P(0) * (\text{Average Deficit})$ <p>where the average deficit is calculated as percentage of the poverty line, according to which the consumption of the poor is lower than the poverty line. Finally if <math>\alpha</math> equals 2, it turns into <math>P(2)</math>, or the poverty intensity, which takes into account the inequality between the poor people.</p> <p>Descriptive indicators of non-material poverty are bad health, low educational level or illiteracy, social ignorance, state of being denied, defenselessness, non-application of rights and speech freedom.</p> <p>The poverty is assessed in Armenia through material (monetary) indicators. In the aforementioned context, according to the World Bank definition, the poverty is the inability to provide the acceptable minimum certain living conditions.</p> <p>Seasonal data adjustment is carried out.</p>
2. Time		
2.1	Reference Period	Surveys are conducted during the year with monthly changes (rotation) of households and communities.
2.2	Date of Publication	Some initial data are published at the beginning of the third quarter following the survey year, and final results are published in the fourth quarter.
2.3	Punctuality	Data are usually published according to the schedule of publications by annual programs and without any delay in relation to the scheduled day.

2.4	Frequency	Annual
3.Accuracy		
3.1	Overall Accuracy	The poverty indicators are representative at the country, village/town levels. Since the poverty indicators for marzes and Yerevan have minimum representativeness, these indicators should be observed taking into consideration the standard errors, which are presented in “Social Snapshot and Poverty in Armenia” Statistical Analytical Report.
3.2	Sources of Inaccuracy	<p>The survey is carried out according to regional stratification, on the principle of two-step sampling.</p> <p>The survey is carried out throughout the whole year on rotation basis. The unit of observation is HH. The size of monthly sample is 656 HH, and in 2010 the annual size of HH sample was 7872 HH. The response rate (participation) is about 92%. Each respondent may be included in the survey only once a year. The survey is carried out by direct visits to the HH.</p> <p>The survey results have some non-sampling errors, which are the result of the following:</p> <ul style="list-style-type: none"> <li>a) The address database which was formulated as a result of Population Census in 2001 and is updated every 10 years.</li> <li>b) The refusals of HH to take part in the survey.</li> <li>c) Incomplete answers, etc</li> </ul> <p>The survey data is weighted and extrapolated among the whole population.</p> <p>The main survey results are accompanied with information on standard error, which expresses the reliability range of indicator «+/-» with sampling error.</p> <p>Information on sampling error margin is important, since the user has an opportunity to assess the “risk factor” of applied indicator. The 95% reliability range is applied, which means that in case of 100 times repetition of the same survey, the indicator for 95% will be identical and for 5% the indicator will go up or down from the mentioned margin.</p>
3.3	Measures on accuracy	See section 3.2

4.Comparability		
4.1	Comparability over Time	Only the survey of 1996 was conducted in a one- month period, thereafter all other surveys had been carried out on annual basis.
4.2	Comparability with other Statistics	Integrated Living Conditions Survey (ILCS) is not compared to other statistics.
4.3	Coherence between Provisional and Final Statistics	The poverty rate indicators calculated based on ILCS results (by WB methodology) are not published preliminary.
5.Accessibility		
5.1	Forms of Dissemination	<p>Publications</p> <p>Annual publications</p> <p>“Social Snapshot and Poverty in Armenia” Statistical Analytical Report (Armenian and english)</p> <p>The Statistical Yearbook of Armenia is available in Armenian, English, and Russian.</p> <p>“Marzes of the Republic of Armenia and Yerevan city in Figures” Statistical Handbook is available in Armenian and English.</p> <p>“Armenia in Figures” Statistical Handbook.</p> <p>“Women and Men in Armenia” Statistical Handbook (Armenian and English)</p> <p>Other publications</p> <p>Informal Sector and Informal Employment in Armenia 2010 National Report</p> <p>Databases:</p> <p><a href="https://www.armstat.am/en/?nid=15">https://www.armstat.am/en/?nid=15</a></p> <p><a href="https://armstatbank.am/pxweb/hy/ArmStatBank/?rxid=c169b79c-9f82-4878-a96a-9e404a9f976b&amp;rxid=c169b79c-9f82-4878-a96a-9e404a9f976b">https://armstatbank.am/pxweb/hy/ArmStatBank/?rxid=c169b79c-9f82-4878-a96a-9e404a9f976b&amp;rxid=c169b79c-9f82-4878-a96a-9e404a9f976b</a></p> <p>Website:</p> <p>Electronic publications are available in Armenian and English at: <a href="http://www.armstat.am/am/">http://www.armstat.am/am/</a>.</p>
5.2	Basic Material: Storage	The database of HH ILCS contains individual anonymous data,

	and Usability	which is maintained and archived in accordance with relevant procedures.
5.3	Documentation	Publication of indicators is accompanied with description of methodology, which is presented in details in “Social Snapshot and Poverty in Armenia” statistical analytical report (Armenian and English) and separate thematic publications at <a href="http://www.armstat.am/am/">http://www.armstat.am/am/</a> .
5.4	Other Information	Publication of indicators is accompanied with description of methodology, which is presented in details in “Social snapshot and poverty in Armenia” statistical analytical report (Armenian and English) and separate thematic publications at <a href="http://www.armstat.am/am/">http://www.armstat.am/am/</a> .
6. Supplementary Documentation		
6.1		Information is available under the General Statistical Business-Process Model at <a href="https://www.armstat.am/en/?nid=672">https://www.armstat.am/en/?nid=672</a> .