



**NATIONAL STATISTICAL SERVICE
OF RA**

**FOREIGN FINANCING
PROJECTS
MANAGEMENT
CENTER (FFPMC)
OF THE MINISTRY OF
FINANCE OF RA**

**THE
WORLD
BANK**

SOCIAL SNAPSHOT AND POVERTY IN ARMENIA

Statistical Analytical Report

Based on the Results of the 2011 Integrated Living Conditions Survey of Households

YEREVAN - 2012

In present day world which is characterized by the information variety and intensity of informational flows, the possible “combination” of three participants of official statistics such as respondents, users and taxpayers, “occupying the angels of statistical triangle” having different dispositions, is of great importance, especially from viewpoint of perception requirements (communication skills leveling) by national and international levels.

The National Statistical Service of RA (NSS RA) would like to thank all the respondents who have supplied information for this statistical publication. We welcome any comments and suggestions from the respondents and taxpayers, as statistical users, for the future improvement of the statistical publication.

Please send your comments and suggestions to any of the following addresses of the Statistical Information Dissemination and Marketing of the NSS RA.

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This annual statistical and analytical report entitled *Social Snapshot and Poverty in Armenia* is produced by the Republic of Armenia's National Statistical Service (RA NSS) with the financial and technical support of the US Government's Millennium Challenge Corporation (MCC) through the "Millennium Challenge Account- Armenia" SNCO (MCA-Armenia) as well as the analytical and technical support of the World Bank. The report is intended to inform the public about the living conditions and social situation in the country. The report provides detailed account of the current social and economic developments in the country in 2011 and describes poverty trends nationally and by different socioeconomic, demographic and geographical classifications. The Integrated Living Conditions Survey (ILCS), conducted annually by the RA NSS, formed the basis for most of the empirical analyses in the report. The ILCS is a universally recognized best-practice statistical survey for collecting data to inform about the living standards of households. ILCS comprises comprehensive and valuable data on the welfare of households and separate individuals which affords the NSS an opportunity to provide the public with up to date information on the population's income, expenditures and changes in living standards on an annual basis. The RA NSS continuously aspires to improve the quality of ILCS to make it fully compatible with similar surveys in developed countries. To this end, the RA NSS utilizes contemporary methodologies and tools for data collection and analysis.

Starting from January 1, 2007 to January 20, 2012 the Integrated Living Conditions Survey has been co-funded by the RA State Budget and the Millennium Challenge Account- Armenia State Non-Commercial Organization. Ever since then the ILCS has been used for, among other functions, monitoring the MCA-Armenia Program goal-level indicators. In addition, the ILCS sample has been re-designed, and the rural oversample has been increased to allow the analysis of the impact of the MCC's \$177 million investment in Armenia's agricultural and water sectors. The goal of the MCA-Armenia Program is the reduction of rural poverty through the rehabilitation of Armenia's vital irrigation infrastructure, complemented with extensive technical and financial assistance to rural farmers, and to the government irrigation entities that support them.

In view of the fact that on September 29, 2011 this five year investment program was successfully closed, this is the last year that the ILCS is co-funded by the MCA-Armenia Program with 2011 data presented in this report.

The current issue of the Social Snapshot and Poverty in Armenia Report is based on data collected in 2011 from 7,872 households. The sample for the survey was developed using the 2001 Population Census database. The survey was conducted between January 1 and December 31, 2011 and is representative at the marz level¹. The survey instrument has been revised accordingly.

The results presented in this report are based on the poverty measurement methodology revised in 2009 with the support of the World Bank. Compared to the 2004-2008 methodology, the revised methodology has the following broad feature:

¹ Only the 2004-2011 surveys are representative at the marz level.

- I. New minimum food basket is developed which reflects the changes in consumption since 2004-2008 as well as the ratio of food, non-food components and services. The data of 2009 ILCS was used when developing the minimum food consumption model. This new basket is used to calculate the extreme and total (lower and upper) poverty lines. The new basket will be as a benchmark for poverty measurement and will be revised based on the average annual increase in prices. To get more insight into the methodology, please see the chapter on “Methodological Clarifications”.

With the goal to analyze and observe social and economic developments and the poverty rate in Armenia, the report presents a *comprehensive analysis of social and economic developments and changes in poverty from 2008 to 2011 based on the annual series of data from the ILCS*. The Report also draws on administrative statistical indicators provided by the Ministries of Labor and Social Affairs, Health Care, and Education and Science.

We hope that this Report will be a useful source of information for all the users interested in learning more about social and economic developments and poverty in Armenia.

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