

**PART 3 - ARMENIA: NON-INCOME
DIMENSIONS OF POVERTY**

Chapter 8: Health and Poverty

Healthy society is not only a critical precondition for the socio-economic development of any country, but also an important prerequisite for the prosperity of both households and individuals, despite a rather low public funding as compared to many countries in Europe and Central Asia (ECA).

Armenia has a good healthcare system, the country succeeded in attaining good healthcare indicators (according to European standards). In 2011, life expectancy at birth was 70.7 for males - higher than in many ECA countries - and 77.5 for females. Both indicators were higher than their respective levels in 1990.

Official statistics reported a decline in infant mortality among the age group below one year. In 2011, some 507 deaths were recorded within the first year of children's life, whereas infant mortality rate per 1.000 live births comprised 11.6 per mille, as compared to 18.5 per mille in 1990 and 15.6 per mille in 2000. Mortality rate per 1.000 live births among children under 5 years of age comprised 13.7 per mille in 2011, as compared to 23.8 per mille in 1990 and 15.8 per mille in 2000. The ratio of maternal mortality per 100.000 live births, in 2011 was 13.8 per mille, as compared to 40.1 per mille in 1990 and 52.0 per mille in 2000.

Box 8.1:

Measures taken for implementation of the public policy in healthcare in 2011

Starting February 1, 2011, within the framework of "Emergency Aid Services" and "Gynecological Services" programs, co-payment mechanism was invested in the Republic of Armenia healthcare facilities for diseases approved by the RoA Ministry of Health.

Pursuant to MoH Order No 978-A, dated 31.01.2011, "On Organization, Coordination and On-going Monitoring for Investment of Co-payment Mechanisms in Healthcare Facilities", the Board staff and Action Plan was approved to coordinate and implement investment activities for co-payment mechanisms.

Pursuant to RoA MoH Order, agreed with RoA Minister of Finance, the amount of co-payment was approved by services, spending, and differentiated by Yerevan and RoA regions

Respective lists and posters that establish the amount of basic benefit package, healthcare services on a fee paying basis and co-payment are fixed in receptions and departments of healthcare facilities. Recurrent explanatory works were conducted with medical staff on co-payment mechanisms, including no additional funds from patients; the Republic of Armenia Decree provisions and application of co-payment mechanisms in medical facilities were illuminated thoroughly. Around 79 healthcare facilities were surveyed monthly by the RoA Ministry of Health to have an idea on co-payment investment process and to receive data on additional spendings, since in 2011 the salary issue of medical staff was regulated in hospitals for the first time.

Regulating Salaries of Medical Staff in Hospitals

Taking into account that payment of salaries in hospitals for medical staff was not regulated for many years, there was an incompatibility between volume and quality of work, as well as doctor's salary.

MoH Order No 101-A, dated 31.01.2011, criterion for salary of medical staff in free of charge hospitals was approved by the state, which stipulates minimum amount and conditions of salary within public targeting programs.

Improvement of Emergency Aid Service

For many years there were several issues in emergency aid service related to technical state of cars, lack of contemporary communication service, quality of calls, provision of pharmaceuticals, compensation for emergency calls and medical staff.

As compared to the previous year, additional 1520,0 million AMD (growth 105 percent) was allocated by state budget of 2011 for emergency aid service, to implement reforms.

Update of cars and medical equipment, communication devices, training of medical staff, regulation of issues related to calls of emergency aid service etc. are included in emergency aid reforms program, developed by the RoA Ministry of Health, particularly:

1. A unified regulation center with GPS system is established based on “Emergency Aid” CJSC of Yerevan Municipality.
2. 88 ambulance cars were distributed to healthcare facilities in Yerevan and RoA regions within the framework of Chinese Grant. 35 cars were provided with navigation system.
3. Sub-stations are established in Avan and Noubarashen districts of Yerevan.
4. 298 doctors, 464 medical employees and 306 drivers were trained based on new education programs for emergency doctors, nurses and drivers.
5. Pursuant to MoH Order, 15 measures/actions were approved for emergency aid service.:

New approaches were applied in compensation principles of service, in prices and compensation mechanisms of medical staff, depending on distance of calls and type of healthcare facilities.

Differentiated normatives of service per 1000 population were approved to calculate contract amounts, taking into account capacity of healthcare facilities and number of population.

Measures taken for the implementation of maternal and child healthcare

Within the framework of annual targeted program 2011 and pursuant to MoH Order, criterion for the provision of free of charge medical assistance to children, as well as criterion for obstetric-gynecological assistance within the framework of free of charge medical assistance under basic benefit package were developed and approved. Pursuant to Protocol Decision No 37, dated 10.09.2009, “On Improvement of Reproductive Health, 2007-2015” program and Protocol Decision No 29, dated 26.07.2007, “On National Strategy for Children and Adults Healthcare and Action Plan”, separate provisions were implemented during 2011.

In 2011, several professional guidelines on quality improvement of medical assistance were developed and approved by the RoA MoH Orders, such as guidelines on “Care of New-borns and Management of Diseases” for neonatologists, “Sub-specialty Consultancy for Outpatient Children” and manual for pediatricians on “Care of New-born Patient up to 2 Months”.

RoA MoH Order No 920-A, dated 16.05.2011, on “Improvement of Sub-specialty Consultancy for Outpatient Children” and RoA MoH Order No 945-A, dated 17.05.2011 on “New-born Screening of Rethinopatia and Improvement of Treatment” were developed within the framework of “Access to Medical Assistance for Children and Improvement of Medical Activities”.

Pursuant to RoA MoH Order No 2011-A, dated 26.10.2011, the pilot monitoring system was invested in 46 healthcare facilities, to assess the growth of children under 0-2, in the result enabling to collect data by routine method on growth of children of the same age and implement assessment of nutrition for early age children in the country.

Within the international cooperation, training programs on maternal and child healthcare were implemented in regions (in Kotayk, Gegharkunik, Tavoush, Lori and Syunik regions) for medical staff to improve their knowledge and skills.

Starting January 1, 2011, Child’s Healthcare Accreditation System was invested, particularly, within the framework of the program 25.500 health passports, 350.000 public health certificates and 5000 posters were provided to children.

From January 1 through December 15, 2011, 37.062 children received free of charge hospital assistance. In the result of Child’s Healthcare Accreditation program, the quality and application of hospital assistance for children was increased, accounting for 18 percent.

An extensive campaign was implemented for public coverage. Doctor – patient relations were considerably improved. Initial and current assessment outcomes certify essential reduction of non-official payments (87 percent of surveyed beneficiary mothers in Yerevan, and 85 percent in regions specified that they were satisfied by getting free of charge medical assistance).

During 2011 emergency aid is provided to regional healthcare facilities via urgent response outgoing service, by implementing 285 calls (including new-born), which reduced cases of infant mortality.

Child’s development and rehabilitation services were expanded in regions, in 2011 two regional centers were opened in Ararat and Gavar.

Several programs on prevention of child’s mortality, disease and disability are on-going, including: phenylketonuria, hypothyreose, rethynopatia and new-born’s audition screening programs, which allow to treat a child in early stage and prevent related disability, whereas 35.042 researches were implemented within the framework of congenital hypothyreose screening program, 7 children with hypothyreose were identified, who are under endocrinolog’s control and receive respective treatment.

Within the framework of phenylketonuria screening program 20.952 researches were implemented, in the result 3 children with phenylketonuria were identified. All these three children were provided respective treatment, as well as medical food.

Within the framework of audition screening program, 16.392 researches were implemented, 13 children with hard neurosensor hearing were identified, all children were provided with deaf-aids, 10 children were operated for ear co-chlea.

Within the framework of rethynopatia program, 427 new-borns were investigated, 20 new-borns were operated to prevent blindness.

National program on immune prevention is on-going, preparation activities are implemented for investment of new

vaccine in the country.

Indicators of complete (80 percent and more) and by separate infections (95 percent and more) by involvement in vaccinations are considerably improved.

Impact of Childbirth Assistance State Accreditation and Other Targeting Programs on Improvement of Women's Health: Childbirth Assistance State Accreditation system, which operated in 2011 as well, by supporting to provide real access to free of charge childbirth assistance for women, had reduced official payments for childbirth in 10 percent. Investment of Childbirth Assistance State Accreditation had also improved obstetric indicators.

Box 8.2:

Description and Basic Indicators of Healthcare System

In 2011, hospital treatment services to the population were provided by 130 hospitals, 69.2% of which operated under the Ministry of Health. The Ministry also managed operations of 379, or 74.9%, of 506 out-patient facilities (ambulatory-polyclinic facilities). Most of the health institutions and potential is concentrated in the cities (mostly in Yerevan (68.8 percent of doctors, 38.5 percent of hospitals, 61.2 percent of hospital beds and 27.1 percent of ambulatory/polyclinic facilities).

Basic Indicators of Healthcare System, 2006-2011

	2006	2007	2008	2009	2010	2011
Number of hospital facilities (unit)	140	135	130	127	130	130
Number of ambulatory/policlinic facilities per 10.000 population	1.4	1.4	1.5	1.5	1.5	1.5
Number of population per doctor	260	263.4	250.1	246.6	239.6	242.3
Number of hospital beds per 10.000 population	44.3	40.6	38.1	37.1	37.3	37.4
Annual average occupancy of hospital bed-days	178	201	223	227	223	225
Average duration of in-patient treatment (average number of bed-days per patient)	9.4	9.3	9.0	8.6	8.3	7.9
Number of paramedical personnel per 10.000 population	57.6	57.6	57.4	57.0	57.2	57.5

Indicators of Health Care System, by Regions and in Yerevan, 2011

	Number of doctors (per 10.000 population)	Number of paramedical personnel (per 10.000 population)	Number of hospitalized patients (per 100 population)	Number of hospital beds (per 10.000 population)	Average duration of in-patient treatment (average number of bed-days per patient)	Number of out-patient ambulatory/polyclinic facilities (per 10.000 population)	Number of visits to out-patient ambulatory/polyclinic facilities (per person)
Total	41.2	57.5	10.6	37.4	7.9	1.5	3.6
Of which, within the system of the Ministry of Health							
Yerevan	82.4	77.8	21.0	66.4	7.5	1.2	4.2
Aragatsotn	17.1	47.3	3.9	14.6	5.2	1.7	2.4
Ararat	17.1	40.2	4.6	20.0	8.8	2.1	3.0
Armavir	14.1	39.7	3.7	11.7	5.7	2.1	3.0
Gegharkunik	14.6	43.7	4.8	32.7	18.6	1.7	3.1
Lori	18.4	43.2	6.1	19.3	6.4	1.6	3.2
Kotayk	18.1	41.4	5.4	23.7	9.8	1.6	3.0
Shirak	19.4	53.7	7.1	29.9	7.8	1.1	2.8
Syunik	18.6	53.3	6.0	27.5	10.1	1.8	5.3
Vayotz Dzor	20.3	54.7	3.4	16.9	5.3	1.6	3.5
Tavush	16.8	48.6	4.4	20.3	5.6	1.9	2.7

Activity of Ambulatory/Polyclinic Facilities: 74.9 percent of ambulator/polyclinic facilities operated under the RoA Ministry of Health:

Number of Ambulatory/polyclinic Facilities per 10.000 Population

	2001	2011
Ambulatory/polyclinic facilities,	14.2	11.6
Of which operated in hospital system	2.2	2.3
Ambulatory/polyclinic facilities	10.2	9.0
Including: Polyclinics	2.4	1.1
Ambulatories	7.1	7.7
Children's polyclinics	0.5	0.2
Gynecology	0.0	0.06
Other	0.1	0.1
Dispensary	0.7	0.3
Dental clinics	1.1	0.03
Of which: for adults	0.8	0.04
for children	0.3	-

Hospital Activity: In 2011 hospital treatment services were provided to 346.999 patients, accounting for 106.2 per 1000 population. 16.5 percent of hospital patients were children under 0-14. Average annual occupancy of hospital beds was 225 bed/days, and average duration of in-patient treatment was 7.9 bed/days.

The number of operations was 112.256, of which 12.7 percent was implemented for children under 0-17, of which 80.6 percent were children under 0-14. The 4.4 percent of operations was implemented by endoscopic method. 107.110 patients were operated, of which 11.333 (10.6 percent) were children under 0-14, and 2.703 (2.5 percent) were children under 15-17. 454 persons died due to operations, of which 3.5 percent were children under 0-14.

During 2011, 334.068 persons (96.3 percent) discharged from hospital, 4.961 persons died (1.3 persons).

Operations Implemented in Hospitals According to Type, 2011

	Number of operations, unit	Of which under 0-17		Number of operations by endoscopic method, unit	Number of patients died due to operations	Of which under 0-17	
		Total	Of which: under 0-14			Total	Of which under 0-14
Nervous system	1100	171	148	3	71	-	-
Endocrine system	684	2	-	5	1	-	-
Optical organs	8813	551	435	-	-	-	-
ORL	5306	663	338	-	6	-	-
Respiratory organs	9054	5642	5225	117	19	-	-
Cardiac	1403	153	140	200	28	13	13
Vessels	3459	74	48	36	40	-	-
Abdominal cavity organs	19961	3273	2239	1663	199	3	3
Kidneys and ureter	2530	126	111	499	11	-	-
Prostat	1341	1	-	610	6	-	-
Gynecological	8594	55	26	1177	3	-	-
Obstetrical	30970	55	2	194	1	-	-
Osteological	8729	1917	1617	345	38	-	-
Breast	1417	5	-	3	1	-	-
Hypodermic	3452	835	654	1	1	-	-
Other	5443	746	525	80	29	1	-
Total	112256	14269	11508	4933	454	17	16

Basic Indicators of Emergency Aid Service, 2006-2011.

		2006	2007	2008	2009	2010	2011
Number of emergency aid stations		61	75	98	100	104	106
Number of emergency calls		356164	360967	367213	384767	380636	402974
Number of doctors (per 100.000 population)		7.2	7.3	7.0	6.7	6.5	6.7
Number of emergency aid teams (unit)	General profile	201	232	320	332	347	393
	Specialized	20	24	27	28	22	25
	Medical assistant	121	110	113	112	115	87
Number of emergency aid teams (unit)	Total	359789	350188	372851	390983	386598	409214
	Per 1.000 population	111.7	108.5	115.3	120.5	118.7	125.0
Number of emergency aid teams (unit)	Number (unit)	1	1	1	1	1	1
	Number of patients served (person)	5	7	9	3	22	30

8.1. Accessibility of Healthcare Services

Although Armenia has succeeded in providing for good healthcare indicators, utilization of healthcare services by population is rather low, particularly in rural communities and among the poor. According to 2011 ILCS data, personal assessment of health condition shows that 88.4 percent of population describe their health as satisfactory, good and very good, while 11.6 percent describe it as bad or very bad. Personal assessment of health condition by poverty status does not reveal strong differences. Poor health condition was indicated by 12.6 percent of non-poor, 9.9 percent of poor and 9.1 percent of extremely poor population. According to 2011 ILCS data, 14.3 percent of the respondents had sickness during the previous month. Approximately two in five persons (35.2 percent) who reported being sick consulted a doctor for advice or treatment. Among them, the residents of Yerevan have had such consultations more often (38.5 percent) than residents of other urban (35.1 percent) and rural (31.8 percent) communities. Compared to previous year, patients, particularly from rural communities, have more often addressed for medical advice or treatment. Proportion of patients who consulted a doctor varied also by poverty status. While 37.4 percent of non-poor consulted a doctor for advice or treatment, only 30.9 percent of the poor and 24.0 percent of the extremely poor did so.

The distribution of population by the type of health care institution visited for any reason during the survey month is presented below (data is calculated relative to all responses provided).

Table 8.1. Armenia: Last Visit to Primary Healthcare Facilities by Type of Health Specialist and Poverty Status, 2011
(percent)

List of Doctors	Non-poor	Poor	Extremely poor	Total
Family doctor	24.0	24.2	14.1	23.8
Pediatrician	8.4	10.9	33.2	9.5
Obstetrician-gynecologist	2.5	2.5	0.0	2.5
Therapist	27.3	36.5	36.4	29.6
Sub-specialty consultant	26.0	16.4	14.8	23.5
Dentist	1.7	1.3	0.0	1.6
Private doctor	3.5	0.0	0.0	2.6
Diagnostic center	3.3	1.7	0.0	2.9
Acute care center	1.7	5.5	1.5	2.6
Other	1.6	1.0	0.0	1.4
Total	100	100	100	100

Source: *ILCS 2011*

Around one third of patients (29.6 percent) addressed therapist for consultation, each fourth addressed sub-specialty consultants (23.5 percent) and 23.8 percent addressed family doctors, while only 2.6 percent contacted private doctors.

Table 8.2. Armenia: Last Visit to Primary Healthcare Facilities by Type of Health Specialist and Urba/Rural Communities, 2011

List of Doctors	Total	Yerevan	Other urban	Rural
Family doctor	23.8	2.4	47.2	33.4
Pediatrician	9.5	16.7	5.5	3.4
Obstetrician-gynecologist	2.5	1.8	3.0	2.9

List of Doctors	Total	Yerevan	Other urban	Rural
Therapist	29.6	31.1	24.5	31.7
Sub-specialty consultant	23.5	29.6	14.4	22.7
Dentist	1.6	1.8	1.0	1.8
Private doctor	2.6	4.9	0.1	1.5
Diagnostic center	2.9	4.9	2.6	0.5
Acute care center	2.6	5.4	0.7	0.3
Other	1.4	1.4	1.0	1.8
Total	100	100	100	100

Source: *ILCS 2011*

Therapists were visited most frequent in Yerevan and in rural areas, while family doctors were visited most frequent in other urban areas.

Table 8.3. Armenia: Average Out-of-pocket Payment to Primary Healthcare Facilities at Last Visit per Patient, 2011

(percent)

	Total paid	Including		
		Average out-of-pocket payment to a staff member	Average amount of gift or services	Payment for consultancy
Family doctor	100	65	5	30
Pediatrician	100	7	2	91
Obstetrician-gynecologist	100	83	2	15
Therapist	100	68	3	29
Sub-specialty consultant	100	63	0.0	37
Dentist	100	100	0.0	0.0
Private doctor	100	91	0.0	9
Diagnostic center	100	75	-	25
Acute care center	100	19	4	77
Other	100	35	5	60
Total	100	71	1	28

Source: *ILCS 2011*

Average out-of-pocket payment to a staff member of a polyclinic made at the last visit in the year was 71 percent, average gift 1 percent and 28 percent for consultancy. There is a strong difference in the amount of out-of-pocket payments relative to poverty status. Out-of-pocket payment made in polyclinics by a non-poor patient was 8.6 times higher, than by an extremely poor patient.

Average size of out-of-pocket payment made to a staff member by a non-poor patient was more than 10 times higher than payment made by an extremely poor patient. Difference in the cost of gifts is even higher. Average cost of a gift made by a non-poor patient is by around 7 times higher than cost of a gift made by a poor patient, and an extremely poor patient had no cost made for a gift. Payments for consultancy by a non-poor patient was 6 times higher, than payments made by a poor patient. Around 45 percent of patients who contacted polyclinics had hypertension. 43 percent of patients underwent electrocardiography, and in 28 percent of patients level of cholesterol was checked.

The main reasons for not addressing primary healthcare facilities were self-treatment (56 percent) and financial reasons (17 percent). Table below shows proportion of population not applying for health consultation or treatment, by reasons and place of residence.

Table 8.4. Armenia: Main Reasons for Not Contacting Primary Healthcare Facilities by Urban/ Rural Communities, 2011

(percent)

	Total	Yerevan	Other urban	Rural
Total, including:	100	100	100	100
Self-treatment	55.8	59.9	60.6	48.8
Lack of finances	16.8	15.2	14.8	19.6
Remoteness	0.6	0.0	0.3	1.3
Problem was not serious	8.8	7.8	10.6	8.5
Help was not required	3.8	5.8	3.5	2.2
Relative or friend was a doctor	4.0	7.3	3.5	1.1
Other	10.2	4.0	6.7	18.5

Source: *ILCS 2011*

Self-treatment as a reason for not applying for health consultation or treatment was indicated by 49 percent of surveyed population in rural communities, 60percent in Yerevan and 61 percent in other urban communities; lack of finances (other urban communities and Yerevan –by 15 percent, rural communities 20 percent). Lack of finances was indicated as the second major reason in all types of settlements.

During 12 months before 2011 survey, population visited hospitals 1.3 times in average. 54 percent of patients spent at least one night in hospital at their last visit, average stay in hospital per patient was equal to 12 days. Treatment duration in hospital was the following: 58 percent less than a week, 36 percent from 1-2 weeks, and 6 percent more than 2 weeks.

Table 8.5. Armenia: Average Payment at Last Visit to Hospital per Patient, 2011

(percent)

	Total	Including:			
		Average payment to hospital teller	Out-of-pocket payment to a hospital staff member (doctor, nurse, etc.)	Gift (food, etc.) or service rendered to a hospital staff member	Other payments, including for laboratory and X-ray research or pharmaceuticals
Surgeon	100	67	27	1	5
Resuscitation specialist	100	36	62	0	2
Physician	100	50	40	1	9
Cardiologist	100	46	39	1	14
Obstetrician-gynecologist	100	49	49	1	1
Urologist	100	59	23	1	17
Gastroenterologist	100	35	25	-	40
Oncologist	100	49	42	1	8
Endocrinologist	100	41	27	0	32
Neurologist	100	48	33	2	17
Other	100	53	38	1	8
Total	100	65	30	1	4

Source: *ILCS 2011*

As the Table shows, each patient paid to hospital teller the 65 percent of the whole amount, 30 percent to medical staff , cost of gifts was 1 percent, other payments (for laboratory and x-ray research, or pharmaceuticals) was 4 percent. Subsequently, 65 percent of hospital payment was made

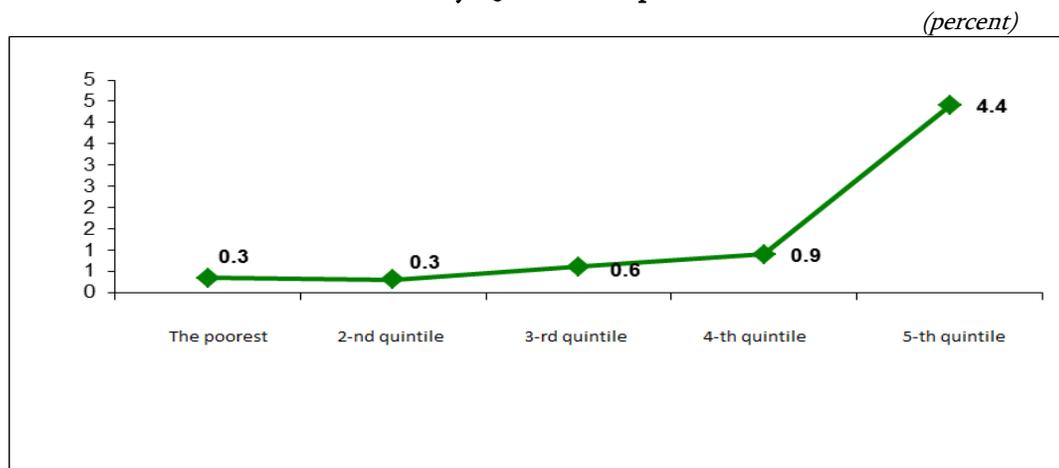
to the teller. Highest payments to teller were to surgeons and urologists. Highest out-of-pocket payments were made to resuscitation specialists, obstetrician-gynecologists and oncologists. Highest out-of-pocket payments were made to gastroenterologists, endocrinologists and neurologists for laboratory, x-ray research, or pharmaceuticals.

According to ILCS 2011, health expenditures totaled 8 percent of total household expenditures on services. In other words, medical treatment in Armenia is very expensive, particularly for socially vulnerable households. Subsequently, there is a strong need for health benefit package for the poor. Given that eligibility for such package would be dependant on entitlement to family benefit, it is crucial not only to improve the targeting, but also to increase enrollment of poor and extremely poor. Around 6.4 percent of population was entitled to basic benefit package. Breakdown by poverty status shows that 7.2 percent of extremely poor, 6.8 of poor and 6.1 percent of non-poor population were eligible for basic benefit package.

Around 10.5 percent of households receiving family benefit used healthcare services under the basic benefit package, including 11.4 percent of the extremely poor, 9.4 percent of the poor, and 11.6 percent of the non-poor. Among households not registered in family benefit system, around 5.5 percent of households used healthcare services under the basic benefit package, including 6.3 percent of the extremely poor, 6.1 percent of the poor, and 5.5 percent of the non-poor.

Figure 8.1 depicts the share of healthcare expenditures in total consumption by quintile groups. This share for the richest quintile group is much higher as that for the poorest quintile group (4.4 percent and 0.3 percent respectively). As clearly demonstrated in Table A3.9 of Annex 2, utilization of healthcare services in the poorest quintile is 12times lower than the average utilization rate of these services, while for the richest quintile this indicator is 4.1 (AMD 967).

Figure 8.1 Armenia: Share of Spending on Healthcare Services in Total Consumption, by Quintile Groups, 2011



Source: ILCS 2011

The distance to the nearest health care institution is another important indicator. According to 2011 ILCS data, 74 percent of rural households reported that the nearest health care institution was within 1 km from their residence. However, 1.2 percent of households reported that the distance to the nearest health care institution was more than 10 km away from their residence. Table 8.6 presents relevant data by quintile groups. Difference in health care institution accessibility in rural areas

between quintiles was not significant. The share of households reporting that the nearest health care institution was more than 10 km away from their residence is between 1.0-2.3 percent.

Table 8.6 Armenia: Access to Health Care Institutions in Rural Communities, by Quintiles, 2011

(percent)

Rural communities	Quintiles					Total
	I	II	III	IV	V	
0-1 km	69.4	77.6	71.8	76.7	72.4	73.8
1-3 km	26.7	19.6	25.5	20.3	25.6	23.4
4-5 km	1.3	0.5	0.7	1.3	0.8	0.9
6-10 km	2.6	-	0.6	0.7	0.1	0.7
>10 km	-	2.3	1.4	1.0	1.1	1.2

Source: *ILCS 2011*

The share of spending on pharmaceuticals totaled 3.4 percent of total expenditures of surveyed households. Monthly expenditures per household member on pharmaceuticals averaged AMD 1,114 only, of which AMD 1,454 for the non-poor; AMD 513 for the poor, and AMD 210 for the extremely poor. Monthly expenditures on pharmaceuticals per member of non-poor households were 3 times higher than those of the poor and around 7 times higher than of the extremely poor households.

The distance to the nearest pharmacy is another important indicator. While in urban communities pharmacy network is quite developed, the access appears to be a problem in rural communities. According to 2011 ILCS data, 29 percent of rural households reported that the nearest pharmacy was within 1 km from their residence, a similar share of households (30 percent) reported that the distance to the nearest pharmacy was more than 10 km. Table 8.7 presents relevant data by quintile groups. Pharmacy accessibility for the richest quintile was not different than that for the poorest quintile. The share of households reporting the nearest pharmacy was more than 10 km away was around 26 to 35 percent for all quintiles.

Table 8.7. Armenia: Access to Pharmacies in Rural Communities, by Quintiles, 2011

(percent)

Rural communities	Quintiles					Total
	I	II	III	IV	V	
0-1 km	28.6	31.7	27.3	28.0	28.7	28.8
1-3 km	16.1	18.3	18.9	15.7	22.5	18.4
4-5 km	8.7	6.8	4.5	5.0	3.3	5.4
6-10 km	20.7	17.0	20.3	16.8	12.8	17.4
>10 km	25.9	26.2	29.0	34.5	32.7	30.0

Source: *ILCS 2011*

Around 33.5 percent of households having children under the age of 5 years took them to polyclinics for regular examination or post-natal consultancy during the month preceding the survey. The reasons for non-visitation were distributed as follows: services were not needed – 88.0 percent, poor quality of medical services - 0.6 percent, medical facility was too far – 0.5 percent, services were too expensive - 0.1 percent, health care institution was closed down- 0.2 percent. 51.4 percent of households reported that child was vaccinated, 91.2 percent said that the weight of a child was measured, 88.7 percent – the height of a child was measured, 84.9 percent received consultancy on child's growth and development, and 32.9 percent said that blood analysis was carried out.

Chapter 9: Education and Poverty

Almost entire population of Armenia is literate. General education is accessible for everybody, equally for boys and girls. Completion rates in secondary education are high. In contrast to general education, enrolment in upper grades of secondary and in tertiary education is comparatively low, with rather visible differences between the poor and the non-poor. High costs of tertiary education and thus its affordability, relatively low perceived returns on education were cited as the main reasons explaining why teens from poor households drop out after completing basic education and, particularly, general secondary education. The share of spending on education in consolidated budget expenditures decreased in 2011 (Table 2.4), as compared to 2008, from 13.7% to 13.3%. In the sectoral composition of expenditures, the main emphasis was placed on secondary education.

Box 9.1:

Educational Sector Performance in 2011

From the standpoint of providing for the quality of general education and equal opportunities, in 2011 low enrollment of children in preschool education is still an important issue. Main activities carried out in the preschool education sector were defined in “2008-2015 Strategy of Preschool Education Reforms”, which aimed to increase enrollment of children (under 5-6) in preschool education in 90 percent till 2015.

Within the framework of “Education Quality and Relevance“ second Project, implementation of preschool education grant micrprojects was exceeded, 83 preschool education services were invested instead of the planned 70.

Around 324 pedagogues in preschool education (for children under 5-6) were trained by alternative models.

Pursuant to RoA Law on “General Education” key directions in 2010-2012 are: textbooks for 12 year education, activities related to curriculum, as well as school directors’ and teachers’ certification, and introduction of information and communication technologies in schools.

In 2011, formation of the network of high schools was completed. Currently the number of independently operating high schools is 107.

Computer teaching centers were established in 83 high schools (reorganized in 2009-2010) to increase capacity building of independently operating high schools. “Distance Learning” system («learning.armedu.am») was also in operation, where courses for eight subjects were organized for 10th Grade students of high school. General education reforms were conditioned by measures to increase management efficiency and capacity building of the system. 1558 aspirants participated in training courses for certification of school directors. 1635 persons participated in exams for certification, of which 1362 received certificates.

Certification process of teachers commenced in 2011, however it was not completed due to amendment in RoA Law on “General Education” (HO-160N, dated 10.07.2009, Article 26), which was adopted on October 6, 2011. The RoA draft Decrees on “Approving the Order on Formation and Activity of Regional Committees to Grant Certification and Qualification to Teachers and Amendments in RoA Government Decree No1391-N, dated 14.10.2010”; “Approving the Order on Additional Payment for Teachers who Received Qualification via Certification and Amendments in RoA Government Decree No1391-N, dated 14.10.2010” were submitted to the RoA Government and approved by Decree No 1745-N, dated 10.11.2011.

The order on additional payment to teachers enables to establish fostering incentives for further professional development.

Four qualification degrees for teachers’ qualification and list of documents were also drafted and submitted to the RoA Ministry of Justice for public registration.

The list of teacher training organizations in 2011-2012 academic year was approved within the framework of certification process of general education institutions. Around 7700 teachers passed training. All trained teachers received certificates, which are valid within 6 months after training.

Teachers training program on application of contemporary learning methods and information technologies was

implemented to improve education quality.

To provide higher enrollment of schools in Armenian co-school internet network, the number of schools was increased in 45, instead of the planned 414 schools. At present, 944 general education institutions are enrolled in Armenian co-school internet network.

In compliance with Bologna and Copenhagen principles, few initiatives were implemented to improve quality of professional education. They were addressed to requirements and European standards of labor market for capacity building of respective staff.

Reforms on preliminary vocational and vocational education were mainly implemented to develop and introduce unified standards and curricula for preliminary vocational and vocational education, trainings of staff, update of syllabus, new laboratories and computer rooms for 12 regional colleges, new devices and equipment, as well as improvement of building conditions.

State education standards were approved for 20 professions, were reviewed for 3 spheres, and the reviewed draft standards were developed. Subject to state education standards on 20 professions, curricula and module programs, as well as curricula for 10 professions and qualifications of vocational and secondary technical education were developed. Assessment of outcomes on professional education and learning reforms was carried out in 5 education institutions

210 directors, deputy directors and pedagogues of preliminary and vocational institutions, as well as 128 members of Board for Management of Regional Centers were trained.

Tenders for procurement of computers, equipment and property for studies and laboratories were completed for 12 preliminary and vocational education institutions.

The Action Plan was approved within the national framework on RoA Education Qualifications, according to the specified action plan, it is planned to implement 6 activities in 2012.

The Yerevan State University of Architecture and Construction and State Pedagogical University after Kh. Abovyan have implemented and completed the institutional examination process, to make precise quality mechanisms and criteria of higher education institutions.

Surveys were implemented in 30 institutions to provide mandatory conditions and demands of professional education programs in higher education institutions. In the result of surveys, certificates on higher education were terminated in: "Alashkert" University, Ltd., "Armenia Evangelic Theological Academy" Fund, "German University" CJSC, partially terminated in: Yerevan University Coop. after Hrachya Ajaryan, "USEL" Ltd. And the Yerevan „Haybousak“ University, „L. Kalashyan“ open University and „Roslin“ Institute of Art are merged in one higher education institution. 7 more higher education institutions are in merging process.

The book on "Higher Education in Armenia" was published in 1000 copies, in English, to enhance attractiveness of higher education. The website of higher education: <http://studyinarmenia.org> also operates in English.

Pursuant to RoA Government Decree, "Reforms of Higher Education in Compliance with Bologna Process", "development and pilot introduction of credit system, allocation of credits to over 50 students" is acknowledged as invalid and it is recommended to submit a proposal for reallocation of funds, to use them for other components established by program.

Pursuant to Protocol Decision of the Government meeting No 25, Strategy on Financing the RoA Higher Education and Action Plan were approved. Out of 10 measures planned by Government Action Plan of 2011, all 10 measures were implemented in timely manner under the RoA Ministry of Education and Science.

In 2011, the RoA Law (HO-246, dated 19.07.2011) on „Approving Development of State Education Program in the Republic of Armenia, 2011-2015“ was adopted by the RoA National Assembly. Strategy of education development, priorities and program directions, as well as system of program monitoring indicators are established by the program. In 2012, the RoA Ministry of Education and Science will continue to pursue the issue to increase education quality, efficiency and accessibility.

Box 9.2

Activities of Community, Public and Non-Public Preschool Facilities (Based on RA NSS Statistics)

In 2011, there were 660 community, public and non-public preschool education facilities (PSEF) operating in the country, including 405 kindergartens, 237 nursery-kindergartens and 18 school-kindergartens. Within the total number

of PSEF-s, 603 operated under community, 5 under public and 52 under non-public administration. Total PSEF enrollment totaled 25.9 percent (children under 0-5), including 33.7 percent in urban communities and 12.4 percent in rural communities. The average number of children per group was 27 and the actual occupancy rate was 82.9 percent. The average attendance rate per PSEF was 96, and the average child/pedagogue ratio was 12.

Indicators of PSEF Activities, by Regions and in Yerevan, 2011.

	Number of PSE facilities (unit)	Number of groups		Number of seats (unit)	Number of children (person)	
		Total	children of age 3 years and above		Total	girls
Yerevan	206	1061	869	33849	30247	14613
Aragatsotn	19	48	46	1521	1270	687
Ararat	73	188	170	7652	4940	2485
Armavir	55	174	142	5844	4269	2111
Gegharquniq	41	98	88	3499	2576	1334
Lori	59	135	118	4636	3688	1773
Kotayk	48	196	161	6131	5126	2657
Shirak	46	161	127	4370	3928	2004
Syunik	50	164	142	4678	4000	2003
Vayotz Dzor	17	32	31	960	811	374
Tavush	46	112	100	3526	2687	1348
Total	660	2369	1994	76666	63542	31389

Preschool Education Enrollment, by Age and Gender, by Regions and in Yerevan, 2011

(person)

	Under 1.5 years		1.5-3 years		3 - 5 years		6 years		7 years	
	Total	girls	Total	girls	Total	girls	Total	girls	Total	girls
Yerevan	85	36	4997	2466	18241	8744	6859	3331	65	36
Aragatsotn	12	7	405	210	532	301	300	154	21	15
Ararat	-	-	453	202	3117	1581	1321	681	49	21
Armavir	-	-	346	177	2647	1319	1232	595	44	20
Gegharquniq	-	-	241	122	1065	556	1182	596	88	60
Lori	-	-	339	178	2152	1016	1022	492	175	87
Kotayk	4	4	760	380	2529	1409	1408	775	425	89
Shirak	-	-	572	270	1582	963	1668	710	106	61
Syunik	5	3	542	270	2394	1173	1052	556	7	1
Vayotz Dzor	-	-	5	3	493	226	313	145	-	-
Tavush	19	10	309	163	1605	813	748	360	6	2
Total	125	60	8969	4441	36357	18101	17105	8395	986	392

Activity of general education institutions¹

Key Indicators of General Education, 2011/2012 Academic Year

Number of Schools, (unit)	Number of students (person)		Total	Pupils Enrollment, %			Number of students who received graduation certificates in 2011 (person)		Number of Teachers (person)
				Including: by education degree					
	Total	I grade	Elementary	Basic	High	Basic education	Secondary education		
1441	386439	36051	86.3	99.0	91.8	72.8	37756	- 2 ²	41757

¹ Information is provided the "National Center for Education Technologies" under RoA Ministry of Education and Science.

Quantitative distribution of general education institutions: 1441 institutions (hereinafter schools) operate in 2011/2012 academic year.

**Number of General Schools by Regions, Yerevan and by Urban and Rural Communities
in 2011/2012 Academic Year**

(unit)

	Total	Including:		Urban Communities			Rural Communities		
		Public	Private	Total	Including:		Total	Including:	
					Public	Private		Public	Private
Yerevan	255	219	36	255	219	36	-	-	-
Aragatsotn	123	123	-	14	14	-	109	109	-
Ararat	112	112	-	21	21	-	91	91	-
Armavir	123	121	2	28	26	2	95	95	-
Gegharquniq	127	127	-	27	27	-	100	100	-
Lori	168	167	1	65	64	1	103	103	-
Kotayk	105	104	1	39	39	-	66	65	1
Shirak	174	170	4	59	55	4	115	115	-
Syunik	121	121	-	36	36	-	85	85	-
Vayotz Dzor	52	51	1	11	10	1	41	41	-
Tavush	81	81	-	18	18	-	63	63	-
Total	1441	1396	45	573	529	44	868	867	1

In the 2011/2012 academic year, the number of students in general education schools totaled 386,439, of which 48.1 percent were girls. School enrolment constituted 86.3 percent, including 99.08 percent in elementary, 91.8 percent in basic and 72.8 percent in high school.

**Number of Students in General Education Schools by Regions and Yerevan
in 2011/2012 Academic Year**

(person)

	Public Schools			Private Schools			Total		
	girls	boys	Total	Girls	boys	Total	girls	boys	Total
Yerevan	54532	58492	113024	2058	2547	4605	56590	61039	117629
Aragatsotn	9109	10221	19330	-	-	-	9109	10221	19330
Ararat	16702	17902	34604	-	-	-	16702	17902	34604
Armavir	17089	19310	36399	163	170	333	17252	19480	36732
Gegharquniq	15767	17368	33135	-	-	-	15767	17368	33135
Lori	16214	16917	33131	40	65	105	16254	16982	33236
Kotayk	16924	18006	34930	56	98	154	16980	18104	35084
Shirak	16300	17540	33840	234	279	513	16534	17819	34353
Syunik	8747	8986	17733	-	-	-	8747	8986	17733
Vayotz Dzor	3502	3886	7388	16	17	33	3518	3903	7421
Tavush	8500	8682	17182	-	-	-	8500	8682	17182
Total	183386	197310	380696	2567	3176	5743	185953	200486	386439

Number of Students by Regions and Yerevan who Left School due to Reason in 2011/2012 Academic Year

(person)

	Total	Including: due to reason:						
		Lack of wish	Poor social-economic conditions	Parents do not send their children to school (they forbid)	Disability			
					Visual disorder	Impellent disorders	Mental disability	Other
Yerevan	133	108	14	6	2	-	2	1
Aragatsotn	24	18	-	5	-	1	-	-
Ararat	6	3	1	-	-	-	-	2
Armavir	83	62	3	14	-	-	-	4
Gegharquniq	106	80	9	9	-	-	-	8

² In 2011 there were no graduates due to a transition to a 12 year education and formation of a high school for three years.

Lori	72	58	4	4	1	1	2	2
Kotayk	77	54	7	14	-	1	1	-
Shirak	150	135	5	6	-	1	1	2
Syunik	28	25	1	1	-	-	-	1
Vayotz Dzor	6	5	-	1	-	-	-	-
Tavush	73	58	4	11	-	-	-	-
Total	758	606	48	71	3	4	6	20

Preliminary Vocational Education

(The list of preliminary vocational schools is provided by the RoA Ministry of Education and Science)

In 2011/2012 academic year, there were 43 public educational institutions in preliminary vocational education, of which 28 preliminary vocational and 15 vocational. Number of students totaled 5614, of which 23.6 percent were girls. 92.7 percent of students were enrolled on a fee free basis and 7.3 percent on a fee paying basis. Students were trained by basis and secondary education curriculum.

Number of Students in Educational Institutions on a Fee Free and on a Fee Paying Basis by Regions and Yerevan in 2011/2012 Academic Year

(person)

	Number of students		Including:			
	Total	Of which girls	Fee free basis		Fee paying basis	
			Total	Of which girls	Total	Of which girls
Yerevan	756	178	686	164	70	14
Aragatsotn	168	45	138	45	30	-
Ararat	58	3	58	3	-	-
Armavir	115	35	45	19	70	16
Gegharquniq	54	-	54	-	-	-
Lori	195	27	190	27	5	-
Kotayk	269	99	269	99	-	-
Shirak	469	146	454	135	15	11
Syunik	103	28	96	21	7	7
Vayotz Dzor	37	17	25	7	12	10
Tavush	120	19	120	19	-	-
Total	2344	597	2135	539	209	58

Vocational education

(The list of vocational schools is provided by the RoA Ministry of Education and Science.)

In 2011/2012 academic year 9,462 students (of which, girls 51.3 percent) entered 97 public and non-public vocational institutions, total number of students was 29,207 (of which, girls 55.9 percent), number of graduates 7,736 (of which, girls 71.5 percent). Students were trained by basis and secondary education curriculum.

Flow of Students in Vocational Schools by Regions and Yerevan in 2011/2012 Academic Year

	Number of Vocation schools (unit)	Entered (person)		Number of Students (person)		Graduated in 2011(person)	
		Total, o/w:	girls	Total, o/w:	girls	Total, o/w:	girls
Yerevan	34	5270	2804	16038	9464	4106	3005
Aragatsotn	-	-	-	-	-	-	-
Ararat	6	504	250	1316	600	325	223
Armavir	5	486	209	1513	811	276	208
Gegharquniq	8	411	200	1613	877	498	329
Lori	10	867	459	2353	1334	665	485
Kotayk	6	444	177	1401	594	336	191
Shirak	13	816	464	2674	1512	865	651
Syunik	7	367	177	1229	647	271	191
Vayotz Dzor	2	81	31	258	151	85	70
Tavush	6	216	83	812	349	309	19
Total	97	9462	4854	29207	16339	7736	5532

Tertiary Education

(The list of universities is provided by the RoA Ministry of Education and Science.)

Bachelor's Degree: In 2011/2012 academic year, 68 public and non-public universities and 12 branches of tertiary education were trained by basis of Bachelor's Degree. Number of students entered were 7.584 (of which 42.0 percent girls), number of students 95.308 (53.0 percent girls), number of graduated 24.930 (56.9 percent girls).

Flow of Students in Universities by Regions and Yerevan in 2011/2012 Academic Year

	Number of Universities	Number of Branches (unit)	Entered		Number of Students (person)		Graduated in 2011 (person)	
			Total, o/w:	girls	Total, o/w:	girls	Total, o/w:	girls
Yerevan	53	-	6119	2503	75416	38923	18877	10516
Aragatsotn	-	-	-	-	-	-	-	-
Ararat	-	-	-	-	-	-	-	-
Armavir	2	-	54	18	304	70	87	46
Gegharquniq	2	-	282	108	1911	1105	526	313
Lori	3	2	222	128	7282	4620	2515	1569
Kotayk	2	-	59	34	472	293	101	62
Shirak	3	5	471	242	5945	3420	1773	1049
Syunik	2	2	225	84	2056	1004	519	308
Vayotz Dzor	1	1	4	2	229	162	124	98
Tavush	-	2	148	69	1693	902	408	234
Total	68	12	7584	3188	95308	50499	24930	14195

Master's Degree: In 2011/2012 academic year 33 public and non-public universities and 2 academic institutions were trained by basis of Master's Degree.

Number of Students and Graduates In Master's Degree on a Fee Free and on a Fee Paying Basis, 2011/2012 Academic Year

(person)

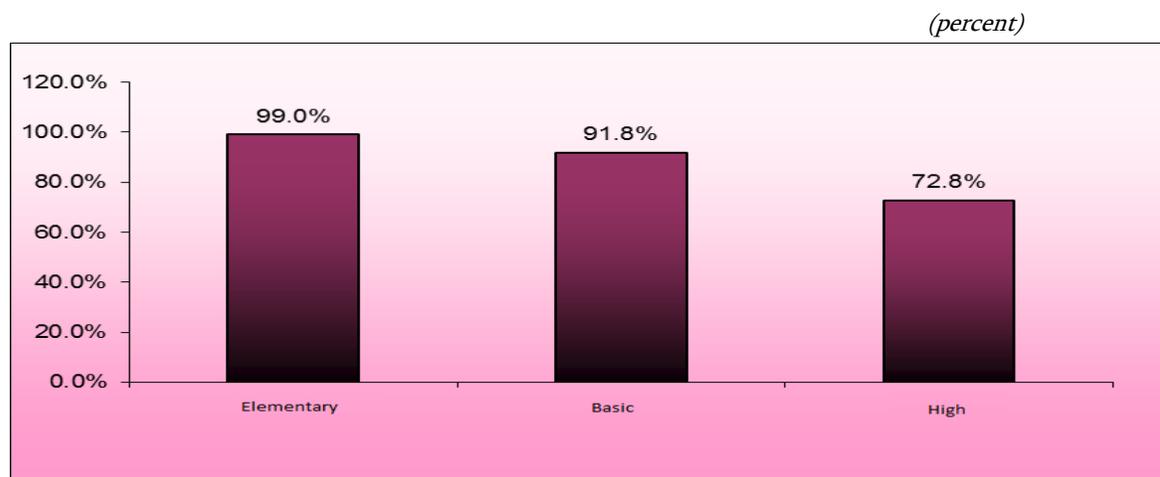
	Master's Degree		Including :			
	Total, o/w	girls	On a Fee Free Basis		On a Fee Paying Basis	
			Total, o/w	girls	Total, o/w	girls
Number of entered	6889	4779	1738	1110	5151	3669
Of which: foreigners	205	109	22	10	183	99
Number of students	11547	8180	3150	2215	837	596
Including: I course	6671	4704	1646	1211	5025	3493
II course	4876	3476	1504	1004	3372	2472
Number of students, of which: foreigners	287	151	40	19	247	132
Including: I course	162	88	21	11	141	77
II course	125	63	19	8	106	55
Number of graduated in 2011	4709	3239	1586	1102	3123	2137
o/w: foreigners	123	52	24	11	99	41

9.1. Enrolment in Educational System

Armenia has maintained high enrolment rates in the general education system. Armenia has maintained high enrolment rates in the general education system. Total enrolment rates in general education schools in the 2011/2012 academic year, by education programs, are presented in Figure 9.1¹. Available data show very high total enrolment rates in basic education.

¹ Enrolment rates in the education system are estimated according to the data from administrative registers and may differ from that obtained under the ILCS.

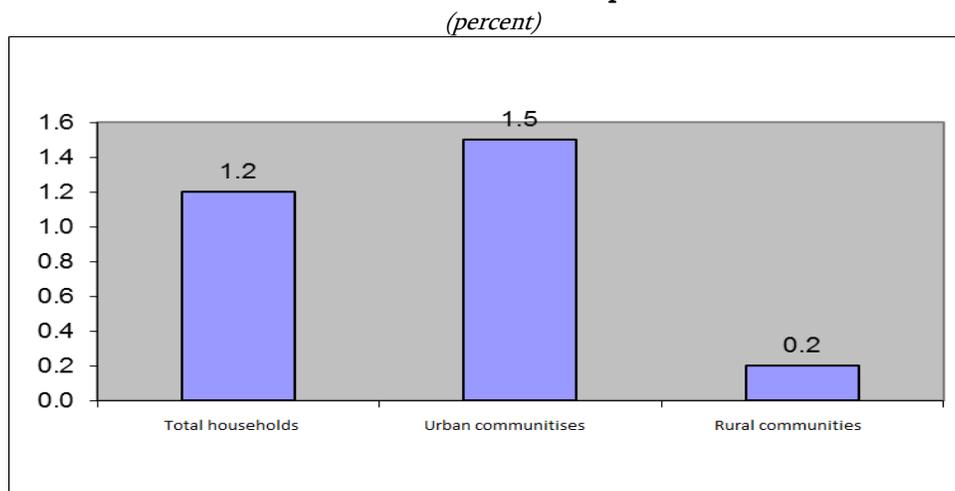
Figure 9.1 Armenia: Enrollment in General Education Schools, by Educational Programs, 2011/2012 Academic Year



Source: NSS RA 2011

According to administrative statistical data, in 2011 enrolment in preschool education facilities was 25.9 percent (children under 0-5), including 33.7 percent in urban and 12.4 percent in rural areas. According to ILCS data, level of enrollment 22 percent in preschool facilities (children of 0-6 year age) strongly differs depending on poverty status. Enrollment among non-poor households was equal to 25.0 percent, poor 18.0 percent and extremely poor 20.0 percent. According to ILCS data, spending on education in 2011 comprised 1.9 percent of total household expenditures on non-food goods and services (Table A7.1; Figure 9.2).

Figure 9.2 Armenia: Share of Spending on Education within Household Non-Food and Service Expenditures, 2011



Source: ILCS 2011

In 2011, according to ILCS data, approximately eight out of ten children of the age 1-6 years did not attend a preschool facility. According to the respondents, the reasons for non-attendance included child's mother not working - 55 percent, there is no kindergarden - 7.6 percent, the services were too expensive - 3.7 percent, and the preschool facility was closed down - 2.4 percent (Table 9.1).

Table 9.1 Armenia: Reasons for Non-Enrollment in Preschool Education, 2011*(percent)*

	Quintile					Total
	I	II	III	IV	V	
Too expensive	8.0	2.8	1.4	1.9	1.3	3.7
Working hours are not suitable	-	0.4	0.4	0.3	-	0.2
There is a risk of infectious diseases	-	-	1.8	0.1	0.2	0.4
Preschool facilities closed down	4.1	0.9	1.6	2.4	2.2	2.4
Law quality of services	1.0	1.1	0.3	0.5	-	0.7
Mother does not work	56.6	56.1	51.6	47.6	63.0	55.0
There is no kindergarten	7.2	8.1	8.8	9.5	3.8	7.6
Already at school	0.4	0.7	1.0	1.4	1.1	0.8
Other	22.7	29.9	33.1	36.3	28.4	29.2
Total	100	100	100	100	100	100

Source: *ILCS 2011*

There is a difference between the poorest and the richest quintile groups. Around 8 percent of the poorest respondents reported that preschool education is too expensive, while this reason was indicated by 1.3 percent of respondents in the richest quintile.

The distance of the nearest preschool facility from the household is considered as one of the key indicators of accessibility. According to 2011 ILCS data, 46 percent of rural residents reported that the preschool facility was up to 1 km away. Meanwhile, around 16 percent of households cited that it was more than 10 km away. Table 9.2 presents these findings by quintile groups. Some 42 percent of the respondents from poorest quintile reported that the distance to the nearest preschool facility was up to 1 km away, at the same time the same distance was reported by 48 percent of the richest individuals. Around 16 percent of richest individuals reported that the nearest preschool facility was more than 10 km away, while 13 percent of the poorest individuals did so.

Table 9.2 Armenia: Accessibility of Preschool Education in Rural Communities, 2011*(percent)*

Rural communities	Quintile					Total
	I	II	III	IV	V	
Distance to nearest preschool facility						
0-1 km	41.9	51.5	40.9	49.1	47.5	46.3
1-3 km	21.7	19.8	24.6	21.2	26.6	22.9
4-5 km	5.0	5.1	5.0	4.9	2.5	4.5
6-10 km	18.1	9.5	11.8	7.7	7.0	10.3
>10 km	13.3	14.1	17.7	17.1	16.4	16.0
Total	100	100	100	100	100	100
Transportation means used for reaching preschool facility						
Car	8.5	7.6	8.5	8.8	9.5	8.6
Bus	34.8	25.3	29.9	26.4	26.2	28.1
Taxi	0.3	1.5	1.3	1.5	1.1	1.2
On foot	56.4	65.6	60.3	63.3	63.2	62.1
Total	100	100	100	100	100	100

Source: *ILCS 2011*

Basic education is mandatory in Armenia. According to ILSC data, in 2011, enrolment of elementary and secondary education totaled 89 and 84 percent¹, respectively and does not differ by poverty incidence. Enrolment of non-poor households in elementary schools is 2 percent higher, than in poor households, and 7 percent higher than in extremely poor households. Enrolment of non-poor in secondary schools is 8 percent higher, than in extremely poor households, however it is 5 percent lower than in poor households.

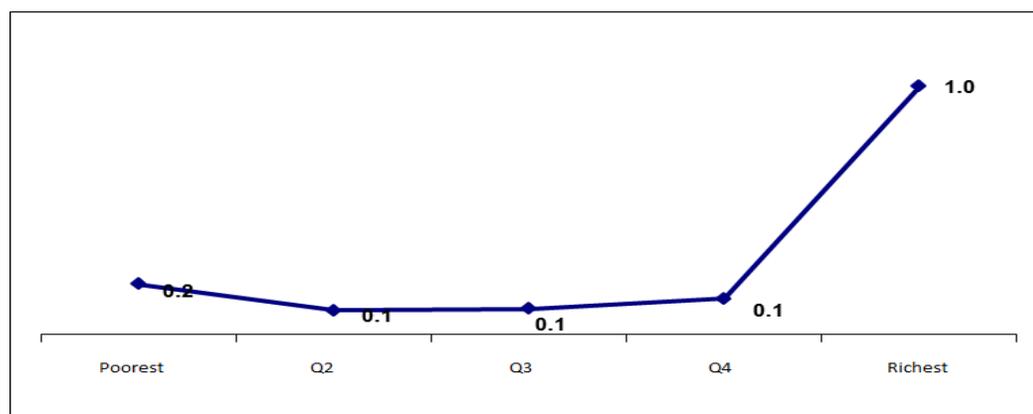
The proportion of dropouts after completing basic education is especially high among teens from poor households. According to ILCS data, in 2011, some 8.1 percent teens of age 15-16 years did not attend school. The majority of them, 54.3 percent, told that they had graduated from school, whereas 2.8 percent had completed educational studies, 6.1 percent were not willing to study anymore, 1.5 percent noted poor health as a reason for not continuing their education, and 11.8 percent reported that educational services were expensive for them to continue studies. The rest did not attend school for other reasons.

As mandatory education in Armenia is free-of-charge, schooling expenses for elementary and secondary education are not a major problem for households. However, even this category of expenses constitutes a significant burden for the poor, especially for the households with pupils at higher grades.

Figure 9.3 presents the share of spending on education in the population's total consumption, by quintile groups. The data presented in Table A3.9 of Annex 2 suggests that the average expenditures on education for the poorest quintile were 5.5 times lower than the average, whereas the same indicator for the fifth quintile was 4 times higher than the average.

Figure 9.3 Armenia: Share of Spending on Education in Total Expenditures, by Quintile Groups, 2011

(percent)



Source: ILCS 2011

¹ Indicators are not comparable with data received by administrative accounting, whereas the ILCS includes the period of calendar year, and the administrative accounting includes the period of academic year, comprised of semesters of two different years.

10.2 percent of households reported that over current and previous year they were requested to give gift to a teacher or a lecturer. Whereas, 16.1 percent of households reported that the gift was given to the teacher or a lecturer by a personal initiative, or by other's request.

In 2011, households with children in basic education allocated 51 percent of their education spending to textbooks and writing implements, AMD 2.662 monthly per student, only 2 percent to tuition fees, and 47 percent to other expenses. In addition to the specified expenses, average of AMD 3106 monthly was spent to private tutoring. Thus, households with children enrolled in basic education spent average AMD 5768 monthly per student.

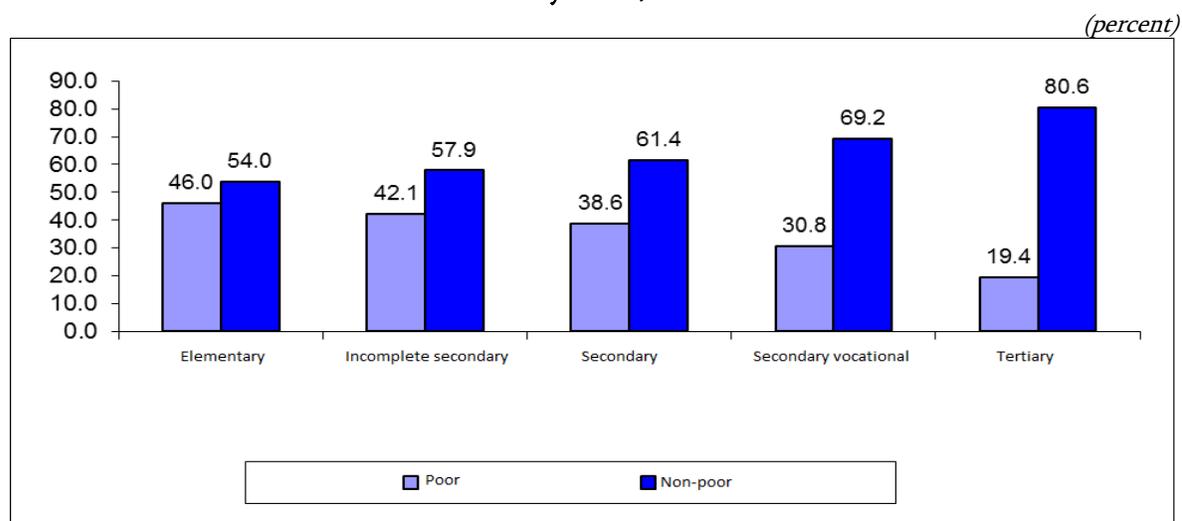
According to ILSC data, enrolment of students (under 15-17) in high schools totaled 61 percent. 59 percent of students in high schools were from non-poor households, and 37 percent from poor, and 4 percent from extremely poor households.

Many households had to pay for additional courses to help educate their children. According to survey data, average monthly per student expenses for private tutoring (excluding expenses related to the preparation for university entrance examinations) totaled AMD 7.5 thousand.

The rapidly transforming modern economy puts a vast demand for highly qualified labor force. In that regard, high costs have made difficult for poor households to attain a sufficient educational level for their children.

In general, to prepare for university entrance examinations, 33.9 percent of school students attended private tutoring and took classes mainly on mathematics, the Armenian language, and foreign languages. Under the current survey, among students at upper secondary level the maximum monthly cost paid for private tutoring to prepare for university entrance examinations totaled around AMD 100,000. Analyses indicate that a higher level of education and qualifications, as a rule, ensure a comparatively higher living standards (Figure 9.4).

Figure 9.4 Armenia: Educational Background of Household Head Relative to Poverty Status, 2011.



Source: *ILCS 2011*

One of the most important indicators of education accessibility is the distance between the household and the nearest (secondary) school. According to ILCS 2011 data, 73 percent of respondents reported that the secondary school was up to 1 km away. Meanwhile, around 2.9 percent of households cited that it was more than 4 km away. About 1 percent of households reported that the distance to nearest secondary school is more than 10 km. Table 9.3 presents these findings by quintile groups.

Table 9.3 Armenia: Rural Communities - Distance to Nearest School (Secondary School) and Transportation Means Used for Reaching School, 2011

(percent)

Rural communities	Quintile					Total
	I	II	III	IV	V	
<i>Distance to nearest secondary school</i>						
0-1 km	75.0	76.0	70.3	74.7	71.2	73.3
1-3 km	22.8	21.2	26.1	21.8	26.6	23.8
4-5 km	1.3	0.3	0.6	0.3	0.8	0.6
6-10 km	0.9	2.0	1.9	1.6	0.3	1.4
>10 km	-	0.5	1.1	1.6	1.1	0.9
Total	100	100	100	100	100	100
<i>Transportation means used for reaching school</i>						
Car	4.3	2.1	2.3	2.9	3.3	2.9
Bus	4.2	2.5	4.3	4.7	3.3	3.8
Taxi	-	0.0	0.0	0.0	-	0.0
On foot	91.5	95.4	93.4	92.4	93.4	93.3
Total	100	100	100	100	100	100

Source: ILCS 2011

In the opinion of both males and females within the age group of 16-20 years, the main reason for not continuing education was that they completed their educational studies (65 and 60 percent respectively). The next most important reason reported by representatives of both genders in all quintiles is high cost of education (boys – 4.4%, girls – 2.1%). The data by quintile groups is presented in Table 9.4.

Table 9.4 Armenia: Reasons for Teens of Age Group 16-20 Years Not to Go for Further Education, by Gender, 2011

(percent)

	Quintile					Total
	I	II	III	IV	V	
Boys						
Illness	8.2	3.1	-	0.2	-	3.3
High cost	3.5	3.3	10.4	1.1	5.0	4.4
Does not want to study	-	0.1	-	-	5.9	0.7
Does not attend temporarily, but intends to continue studies	-	-	-	0.1	-	0.0
Family reasons	-	2.7	-	3.7	-	1.2
Has graduated from lower secondary school (IX grade)	22.4	17.7	15.6	3.1	25.0	17.1

	Quintile					Total
	I	II	III	IV	V	
Has graduated from secondary school (XII grade)	57.4	61.5	54.0	80.4	43.2	60.1
Has completed educational studies	8.4	10.3	20.0	11.4	20.9	12.8
Other	0.1	1.3	-	-	-	0.4
Total	100	100	100	100	100	100
Girls						
Illness	-	0.5	1.3	-	7.4	1.1
High cost	0.7	3.6	0.8	2.5	3.3	2.1
Does not attend temporarily, but intends to continue studies	-	-	2.8	1.0	4.6	1.2
Has graduated from lower secondary school (IX grade)	10.8	0.1	6.5	12.0	3.6	6.5
Has graduated from secondary school (XII grade)	66.3	68.4	71.5	64.3	38.9	65.1
Has completed educational studies	22.2	25.1	17.1	17.4	42.2	22.8
Other	-	2.3	-	2.8	-	1.2
Total	100	100	100	100	100	100

Source: *ILCS 2011*

According to ILSC data, 81 percent of students in universities are from non-poor households, 17 percent are from poor households, and 2 percent are from extremely poor households.

9.2. Courses for Students who do not Attend Educational Institutions (for students under 14 and above)

According to ILSC data, in 2011 only 0.7 percent of students under 14 and above, who do not attend educational institutions, have attended to any courses, within 12 months prior to survey. Courses by duration were as follows: more than a month - 39.3 percent, up to 2 weeks - 37.8 percent, up to a month - 19.2 percent, a month - 3.7 percent. The State/community has basically paid for courses - 50.7 percent. The key purpose of courses was study: 43.8 percent, requalification - 28.9 percent, increase in qualification - 27.3 percent. Population attended more often to the following courses: computer courses - 17.8 percent, handicraft - 9.7 percent, foreign languages - 8.2 percent. Average monthly fee of the household per course accounted for AMD 17 thousand, and maximum fee was AMD 50 thousand.

Chapter 10. Social Transfers and Their Implications in Terms of Poverty Reduction

10.1 System of Social Transfers in Armenia

Social transfers include pensions and monetary social assistance.

Pensions are an important source of income for the population, especially as far as many pensioners are concerned, for whom they are the only source of income, therefore, general welfare of the population pertaining to this group is conditioned by the amount of pension (Table A10.1 of Annex 4 presents the number of pensioners, by types of pensions). As for monetary social assistance, the Family Benefit Program is the largest one in Armenia. It is the largest in terms of population coverage, as well as of the funds allocated from the state budget. Targeting of the program has been improving year by year and, as assessed by international experts, it is considered to be one of the best in the region.

10.2 Assessment of Poverty Reduction Implications of Social Transfers

Although expenditures on social transfers from the consolidated budget increase every year, they still remain at a rather limited level as a share of GDP (6.8% for 2011). Nonetheless, social transfers considerably contribute to the reduction of poverty. If payments of social transfers were to be terminated and households were not able to compensate this loss due to lack of sufficient resources, poverty rate would significantly increase. Thus, total poverty rate would increase by 18.2 percentage points or 51% (from 35.0% to 53.2%), while poverty gap and severity would also considerably increase. The situation would become severe particularly for the population in receipt of social transfers.

Pensions, as a larger component of social transfers, have more significant implications in terms of poverty reduction than monetary social assistance. However, the role of monetary social assistance, and particularly that of the family benefit, should not be diminished as well. Albeit the limited coverage of the family benefit system, it has rather good targeting since 76.1% of all beneficiaries receiving 74.5% of funds allocated to the program are in the two bottom consumption quintiles. This, however, does not rule out the need for further improvement of program targeting, since some 20% of the poorest 40% of the population is not covered by monetary assistance programs.

Methodology

Poverty rate implications of social protection programs in the country are assessed through the Integrated Living Conditions Survey. The analysis covers two main programs of social assistance - pensions and state monetary assistance, which includes all types of monetary social assistance. With the exception of family benefit (FB), all other types of state benefits are allocated to rather narrowly defined groups of the population; as a result, such beneficiaries comprise a very small share in ILCS and do not qualify for making statistically significant conclusions.

The following approach has been used for assessing poverty rate implications of social transfers (pensions and state monetary assistance): findings on poverty rate (“post-transfer” poverty rate) were compared with the findings which would be observed if the payment of transfers would not have been made (“pre-transfer” poverty rate). The assessment methodology is as follows: the aggregate of “pre-transfer” consumption is calculated by subtracting the amount of transfers (pensions, monetary social assistance, or both) from the total consumption aggregate calculated for the households, based on the further assumption that households consume the whole amount of social transfers (such situation is very typical for developing countries like Armenia). Thus, the difference between “pre-transfer” and “post-transfer” poverty rates is the assessed impact of social transfers on the changes in poverty rate. This methodology is particularly significant in terms of improving the targeting of social assistance. For social assistance, the target population is the group of the “pre-transfer” poor since, after receiving social assistance, a certain group of the population goes above the poverty line; hence, considering “post-transfer” population as a target group might lead to rather significant inaccuracies.

Poverty rate implications of pensions were measured by comparing the “pre-transfer” poverty rate with that after receiving pensions, that is with “post-pension” (but “pre-social assistance”, that is without social assistance) poverty rate¹.

10.3. What are Poverty Rate Implications of Social Transfers in Armenia?

In 2011, AMD 256.4 billion or 6.8% of GDP (as compared to AMD 207.9 billion or 5.7% of GDP in 2008 and AMD 240.2 or 5.8% of GDP in 2009, or 244.0 or 7.1% in 2010) has been allocated for social benefits and pensions from RoA state budget. The largest constituent in social transfers is pensions, which include retirement, military, and social pensions.

Social transfers in 2011 constituted 17.5% of the total average monthly income for Armenian households, thus maintaining a higher ratio as compared to the previous years (16.5% in 2008 and 17.1% in 2010) (Table 7.1). Social transfers made up 20.9% of the average monthly income in the lower quintiles of consumption, whereas for the households in the top consumption quintile they made up only 11.2% (Table A.3.10 of Annex 2).

When considering the types of communities, social transfers were an important source of income mainly for households residing outside Yerevan; for urban residents they made up 17.1% and for rural residents 14.5% of the average monthly income. Social transfers comprised 15.1% of the average monthly income for those who reside in Yerevan (Table A.3.10 of Annex 2).

According to ILCS 2011, FB was reported as a source of income by 10.2%, pensions - by 53.3%, and unemployment benefit - by 1.2%, childbirth and childcare allowances - by 1.1 %, and other benefits, including privileges - by 3.2 % of households (Table 10.1).

¹ Findings of the survey present the Armenian population profile with certain statistical error (deviation). Pre-transfer and post-transfer poverty rates also contain such statistical error. Poverty rate implications of social transfers are of statistical significance if reliability intervals of pre-transfer and post-transfer average poverty rates do not overlap.

Table 10.1 - Armenia: Share of Households Having Reported Social Transfers as a Source of Income, 2008-2011

	<i>(percent)</i>			
	2008	2009	2010	2011
Pension	50.5	51.9	52.5	53.3
Family benefit	15.3	12.2	13.4	10.2
Unemployment benefit	0.6	1.1	1.3	1.2
Childcare and childbirth allowance	0.5	0.7	1.1	1.1
Other benefits	3.7	4.2	3.1	3.2

Source: *ILCS 2008-2011*

Based on the 2011 survey findings, one can conclude that social transfers, although constituting a small share of GDP, still remain an important tool for the poverty reduction policy. If payments of social transfers (pensions and monetary social assistance) were to be terminated and the poor were not able to compensate this loss from other sources, poverty and extreme poverty rates would significantly increase (Table 10.2). Poverty rate would increase from 35.0% to 53.2%; the poor would become even poorer since the poverty gap, i.e. the deficit of their average consumption relative to poverty line would increase from 7.9% to 21.2% and poverty would become more severe since the severity of poverty would increase from 2.4% to 12.9%. Such unfavorable effect would be more significant for the extremely poor population. If payments of social transfers (pensions and monetary social assistance) were to be terminated and the extremely poor were not able to compensate this loss from other sources, extreme poverty rate would increase from 3.7% to 22.2%. Also, the extremely poor would become even poorer since the poverty gap would increase from 0.5% to 9.4%; and extreme poverty would become more severe since the severity of poverty would increase from 0.1% to 8.0%.

Table 10.2 - Armenia: Poverty Mitigation Implications of Social Transfers, 2011

	Poor			Extremely poor		
	Poverty rate	Poverty gap	Poverty severity	Poverty rate	Poverty gap	Poverty severity
Post-transfer rate (post-pension and post-social assistance)	35.0	7.9	2.4	3.7	0.5	0.1
Pre-transfer rate (pre-pension and pre-social assistance)	53.2	21.2	12.9	22.2	9.4	8.0
Before receipt of pensions (pre-pension and post-social assistance)	51.2	19.2	11.0	19.4	7.6	6.4
Before receipt of total social assistance (pre-family benefit and other social assistance, post-pension)	37.5	9.6	3.5	6.8	1.3	0.5
Before receipt of family benefit (pre-family benefit, post-pension and other social assistance)	36.8	9.3	3.4	6.5	1.2	0.4

Source: *ILCS 2011*

Pensions, as a larger component of social transfers, have more significant implications in terms of poverty reduction. However, the role of social assistance, and particularly that of the family benefit,

should not be diminished as well. For instance, if payments of only the family benefit were to be terminated, extreme poverty would increase by 2.8 percentage points (from 3.7% to 6.5%), and poverty rate would increase by 1.8 percentage points (from 35.0% to 36.8%), respectively, whereas poverty gap and severity would increase by 1.4 and 1.0 percentage points, respectively, and extreme poverty gap and severity would increase 0.7 and 0.3 percentage points (Table 10.2). These indicators refer to the fact that family benefits have particularly significant impact on extreme poverty. Observations of poverty rate implications of social transfers over 2010-2011 demonstrate the vital importance of social transfers. Non-payment of social transfers would result in the increase of poverty by 51.4% or by 18.4 percentage points in 2010 and 52.0 or 18.2 percentage points in 2011 (Table 10.3). The importance of family benefit was essential for extremely poor households; thus, non-payment of family benefit would issue in the increase of extreme poverty rate by 7 times in 2010 and 6 times in 2011.

Table 10.3 - Armenia: Poverty Mitigation Implications of Social Transfers, 2010-2011

(percent)

	Poverty rate		Including, extreme poverty	
	2010	2011	2010	2011
Post-transfer rate (post-pension and post-social assistance)	35.8	35.0	3.0	3.7
Pre-transfer rate (pre-pension and pre-social assistance)	54.2	53.2	20.9	22.2
Before receipt of pensions (pre-pension and post-social assistance)	51.9	51.2	17.3	19.4
Before receipt of total social assistance (pre-family benefit and other social assistance, post-pension)	39.4	37.5	6.8	6.8
Before receipt of family benefit (pre-family benefit, post-pension and other social assistance)	38.8	36.8	6.5	6.5

Source: *ILCS 2010-2011*

Table 10.4 presents pre- and post-transfer poverty rates only for the households, which were in receipt of social transfers. Non-payment of social transfers would result in an essential aggravation of the living conditions of such households. Obviously, the situation in this case would be much more severe than the one resulting from non-payment of social transfers as estimated for the whole population and presented in the previous table. If pensions were not to be paid and pensioners were not able to compensate this loss from other sources, poverty rate among pensioners would considerably increase, from 37.8% to 68.2%, and the share of the extremely poor among pensioners would increase from 4.1% to 33.5%. Poverty rate among households in receipt of FB was much higher as compared to the average; even with the receipt of FB it comprised 56.7% against 35.0% of average poverty rate. Termination of FB would lead to a drastic increase of poverty among such households, from 56.7% to 74.8%, and the respective increase among the extremely poor would be from 7.3% to 34.4%.

Table 10.4 - Armenia: Poverty Rate Implications of Social Transfers for Households in Receipt of Pensions and/ or Other Social Assistance, 2011

(percent)

	Extremely poor	Poor	Poverty gap (P1/P0)	Poverty severity
<i>Households in receipt of pension</i>				
After receipt of pension	4.1	37.8	8.5	2.6
Before receipt of pension	33.5	68.2	29.7	18.7
<i>Households in receipt of social assistance</i>				
After receipt of social assistance	5.4	47.9	11.7	3.7
Before receipt of social assistance	26.0	64.6	23.2	10.8
<i>Households in receipt of family benefit</i>				
After receipt of family benefit	7.3	56.7	14.4	4.6
Before receipt of family benefit	34.4	74.8	28.8	13.7

Source: ILCS 2011

Note: Poverty severity (P1/P0) reflects the consumption deficit of the poor or extremely poor population relative to the total or food poverty line.

Termination of monetary assistance would not only increase the number of persons below the poverty line, but also intensify poverty gap and severity. Hence, social transfers have a significant effect on poverty reduction of beneficiary households; although not all households are able to overcome poverty after getting social assistance, both poverty gap and poverty severity are significantly reduced among them.

Looking at the impact of family benefit in terms of poverty reduction in the regions also highlights its importance, especially for the extremely poor population. Extreme poverty implications of family benefit remain significant in Yerevan and in regions. If family benefits were not to be paid, and the households were not able to compensate this gap from other sources, extreme poverty among the population of these regions would increase by 0.7-5.3%. Family benefits are also quite vital for the extreme poor population in Syunik, Gegharkunik, Ararat, Lori, Tavoush and Aragatsotn regions, given the fact that their non-payment would result in a 2.1-3.9 times increase of the share of extremely poor population.

Non-payment of family benefits would lead to an increase of total poverty by 12% in Syunik, by 8% in Kotayk, 8% in Vayots Dzor, 7% in Tavoush, and 6% in Gegharkunik regions, Table 10.5).

Table 10.5 - Armenia: Poverty Rate Implications of Family Benefit, by Regions, 2011

(percent)

	Post-transfer rate (pensions and social assistance have been paid)		Before receipt of family benefit (pre-family benefit, post-pension and other social assistance)		Impact of non-payment of family benefit, percentage change	
	Extreme poverty rate	Poverty rate	Extreme poverty rate	Poverty rate	Extreme poverty rate	Poverty rate
Yerevan	2.7	27.5	4.2	28.1	1.5	0.6
Aragatsotn	1.1	20.7	1.8	21.5	0.7	0.8
Ararat	2.5	39.3	5.7	40.4	3.2	1.1
Armavir	5.6	37.0	7.1	39.2	1.5	2.2
Gegharkunik	1.5	37.0	4.8	39.4	3.3	2.4
Lori	4.7	45.4	10.0	48.0	5.3	2.6
Kotayk	7.1	45.5	12.2	49.3	5.1	3.8
Shirak	7.0	47.7	11.2	50.7	4.2	3
Syunik	1.1	26.8	4.3	30.1	3.2	3.3
Vayots Dzor	1.5	29.9	2.8	32.3	1.3	2.4
Tavush	2.0	26.7	4.1	28.5	2.1	1.8
Total	3.7	35.0	6.5	36.8	2.8	1.8

Source: *ILCS 2011*

10.4. Effectiveness of Social Transfers

Who are beneficiaries of social transfers? In order to estimate the effectiveness of social transfers based on the findings of the household survey, the involvement of the “pre-transfer” poor, extremely poor, as well as non-poor population in social assistance programs has been considered. The higher is the coverage of poor and extremely poor population and the lower is that of non-poor population, the more effective is social assistance and the better is the targeting of the most vulnerable.

Study of the family benefit system shows that the coverage of the extremely poor by the FB system changed - in 2011, only 54.3% of the “pre-FB” extremely poor households received family benefit, as compared to 77.5% in 2008 (Table 10.6). At the same time, in 2011 only 4.1% of the “pre-FB” poor households received family benefit, which was a slight decline as compared to the previous period (7.4% in 2008).

It should be noted that pension, as opposed to family benefits, are paid to every person entitled to it without taking into consideration their poverty level. Therefore, there is no coverage issue related to it. However, the involvement of the poor and non-poor in the family benefit program reflects low inclusion but high exclusion errors; this means that the usage of rather effective acting exclusions and the application of coefficients, calculated by specific approaches, appears to limit (exclude) involvement of the non-poor into the system (only 1/20 of the non-poor benefits from the program); however, the usage of these limitations and coefficients also prove to limit entry of the poor.

Table 10.6 - Armenia: Who were Beneficiaries of Social Transfers in 2008-2011*(percent)*

	Before receipt of social assistance		Before receipt of family benefit		Before receipt of pension	
Involvement of “pre-transfer” population in pension and social assistance programs						
	2008	2011	2008	2011	2008	2011
Poor	37.6	26.2	33.8	20.8	70.9	71.0
Extremely poor	79.3	57.9	77.5	54.3	95.4	92.2
Non poor	11.2	8.6	7.4	4.1	36.5	34.8

Source: *ILCS 2008-2011*

Note: Coverage of poor and extremely poor is higher than coverage of non-poor.

Social transfers and inequality: ILCS assessments show that social transfers also contribute to decreasing inequalities in consumption distribution. Pre-transfer Gini coefficient of the consumption aggregate distribution decreases from 0.357 to 0.280 when pensions are added to the consumption aggregate, and to 0.267 when all social transfers are added to the consumption aggregate (Table 10.7).

Table 10.7 - Armenia: Impact of Social Transfers on Inequality of Consumption Aggregate Distribution (Gini Coefficient of Consumption Aggregate), 2008-2011

	2008.	2009	2010	2011
Pre-transfer (before receipt of pensions and social assistance)	0.316	0.346	0.359	0.357
Before receipt of social assistance (including pensions, excluding social assistance)	0.258	0.272	0.282	0.280
Post-transfer (after receipt of all social transfers)	0.242	0.257	0.265	0.267

Source: *ILCS 2008-2011*

10.5. Family Benefits

According to ILCS 2011 findings, 12.2% of Armenia’s households applied to the FB system; among them 9.4% was considered as vulnerable and entitled for FB, 2.4% was registered in the FB system but did not receive benefits, and 0.4% was registered and received emergency assistance. The vast majority of households, 85.4%, never applied to the FB system; among the reasons for non-application around 49.0% indicated that “they did not hope to get any assistance”, and around 22.2% considered themselves to be well-off.

Over the considered period, the share of households having applied to the system decreased year after year (in 2004, 29.9% of households in Armenia applied to the FB system, in 2007 - 21.8%, in 2008 - 18.4%, in 2009 - 15.7%, in 2010 - 14.6%, and in 2011-12.2%). However, the share of those having become beneficiaries after application increased (in 2004, some 60% of applicant households were entitled to the benefit, in 2007 - 74%, in 2009-74.3%, in 2010 - 83.3%, and in 2011-77.2).

In 2011, around 97.1% of households having been disqualified for the benefit were informed about the termination/denial of benefit in writing or verbally; at that, the reasons for termination/denial were understandable only for 69% of them. Almost every second household (46.3%) definitely indicated that it was not easy to get all the necessary documents.

About 92.7% of registered households were satisfied with the services of social inspectors. Only 40.7% of households informed the social service about the changes occurred in the family after registration, with 54.3% of them having had no changes, and the rest having failed to inform on such changes. Only 28.4% of households considered the FB system to be a fair one, whereas 38.8% found it to be unfair, and 32.8% felt hard to express any viewpoint.

As to the question on the percentage of FB beneficiaries which were really in need the majority of households – 44.2% felt hard to answer, and opinions of the others were distributed as follows: 13.3% found that almost all beneficiaries were needy, 9.7% found that more than half were needy, 16.5% found that half of them were needy, 9.7% found that less than half were needy, and 6.6% found that a very small share of beneficiaries were needy. Over the 12 months preceding the survey, only around 4.5% of households received humanitarian aid.

Table 10.8 presents the distribution of the FB budget and the FB beneficiaries by “pre-FB” consumption quintile groups, as per the ILCS findings. The available data obviously show that in 2011 some 76.1% of the beneficiaries were in the lower “pre-FB” consumption quintiles getting 74.5% of the FB budget. The real “leakage” of FB funds was the resources distributed to the beneficiaries in upper quintiles; that is, the 12.8% of beneficiaries getting 13.6% of the FB budget were not needy. Hence, there is still a need for improved targeting of the program, since some 40% of the poorest 20% of the population is not covered by monetary assistance programs.

Table 10.8 - Armenia: Beneficiaries of Family Benefit and Other Social Assistance, and Distribution of Payments, by “Pre-FB” Consumption Quintiles, 2011

(percent)

	Quintile				
	Lower	I	II	III	IV
<i>Family benefit</i>					
Beneficiaries	60.1	16.0	11.1	7.9	4.9
Amounts	58.8	15.7	12.0	7.7	5.9
<i>Social assistance (including family benefit)</i>					
Beneficiaries	24.2	20.6	19.6	18.6	17.1
Amounts	52.5	16.8	12.0	9.3	9.4

Source: ILCS 2011

Which groups of the population are more likely to be included into or excluded from the system? According to the assessment made on the basis of ILCS data, poverty risk remains high for the households having 4 and more children and without a working member or income from hired employment.

Poverty rate is above the average for both households not having an absent member and among rural landless households (Table 10.9).

Table 10.9 - Armenia: Poverty Rate and “Pre-FB” Coverage, by Specific Groups of Households, 2008 and 2011

(percent)

Type of household	Extreme poverty rate		Poverty rate		Coverage of the “pre-FB” poor	
	2008	2011	2008	2011	2008	2011
Households with 4 and more children	23.1	22.6	56.7	74.6	76.7	79.8
Households without a working member	11.6	13.5	43.6	45.7	71.1	81.8
Households without income from hired employment	8.3	8.6	37.6	41.3	69.4	77.8
Rural landless households	4.0	7.3	28.3	36.5	65.8	79.4
Households without an absent member	4.8	6.9	31.1	38.0	68.3	76.8

Source: ILCS 2008 and 2011

Determinants of receiving family benefit: In order to identify the factors determining the likelihood of FB entitlement for specific households, parameters of the statistical model were measured (results of regression models are provided in Table A10.2 of Annex 4). The following factors having potential impact on the likelihood of FB entitlement were considered: household characteristics - size, domicile; age, gender, and education of the household head; economic descriptors of the household - employment status of household members and per adult equivalent consumption, as well as other descriptors such as dwelling conditions - apartment, detached house, temporary dwelling, availability of private car and land¹. In the probate model, these factors were used as independent explanatory variables, and the receipt of social assistance - as a dependent variable.

Children, as compared to other age categories, are more likely to be entitled for FB. The higher is the share of children in the household, the higher is the likelihood for the household to get FB, provided that the size of the household relative to the compared category (share of 45 to 60 year old adult members) remains unchanged. The presence of 0-5, 6-14 and 15-18 year old members has a positive effect on the likelihood of getting FB (by 7.6, 6.9 and 6.4 percentage points, respectively).

With other conditions being equal, the likelihood of getting FB is higher for female-headed households (by 4.3 percentage points) than for households headed by males.

The households headed by persons with a higher educational level, on average, are much less likely to qualify for FB, as compared to those headed by persons with elementary education.

Employment status of the household head is closely related to the likelihood of getting FB. If the household head is economically inactive person, the likelihood of getting FB for such household is higher (by 1.3 percentage points) as compared to those of the compared category, i.e. households headed by an employed person.

Another descriptor conditioning the likelihood of getting FB is the availability of a personal car; it drastically reduces the likelihood of receiving family benefit (by 4.6 percentage points).

Having a land also decreases, the likelihood for getting FB (1.2 percentage points).

Having an absent household member has a negative effect on the likelihood of getting family benefit (by 2.1 percentage points).

Having a livestock also decreases the likelihood for getting FB (0.4 percentage points)

Living in temporary dwelling, on the contrary decreases the likelihood for getting FB (10 percentage points). The size of household also decreases the likelihood for getting FB (5.5 percentage points).

Household domicile is an important factor conditioning the likelihood of getting FB. With other descriptors under the model being equal, household domicile is rather critical in terms of such likelihood being much higher for households residing in Aragatsotn (20.9 percentage points), Vayots Dzor (16.1 percentage points), Lori (10.7 percentage points), Tavoush (7.6 percentage points), Shirak (7.3 percentage points), Syunik (6.4 percentage points) regions, as compared to those residing in Yerevan.

¹ Majority of these factors are also included in the household vulnerability test formula.

Chapter 11: Housing and Living Conditions

The Integrated Living Conditions Survey (ILCS) provides a unique opportunity to collect valuable data on the housing conditions of population, the accessibility of utility services, and other data related to housing issues. This chapter presents a comparative analysis of the main indicators of housing conditions for 2008 and 2011, based on ILCS data.

11.1. Housing and Living Conditions

As of 2011, most of the households in Armenia (92.1%) owned their homes. Multi-apartment buildings were most common in urban communities - with 71.6% share in total dwelling, whereas private houses with 93.9% share in total dwelling dominated in rural communities (Table 11.1). In 2011 majority of persons living in hostels resided in Yerevan. The proportion of both rural and urban residents lived in hostels, temporary dwellings and other abode were about 3.4% each. Most of the people living in temporary dwellings were poor and pertained to the first consumption quintile.

Table 11.1 - Armenia: Households, by Type of Dwelling, Type of Community, Poverty Rate, and Quintile Group of Consumption, 2011

(percent)

	Total	Including by type of dwelling				
		House	Apartment	Hostel	Temporary dwelling	Other abode
<i>By type of community</i>						
Urban	100	24.8	71.6	0.5	3.1	0.0
including Yerevan	100	17.2	82.6	0.2	0.0	0.0
Other urban	100	32.7	60.0	0.8	6.3	0.2
Rural	100	93.9	3.5	0.7	1.8	0.1
Total	100	48.1	48.5	0.6	2.7	0.1
<i>By poverty rate</i>						
Non poor	100	46.7	50.6	0.4	2.2	0.1
Poor	100	52.8	42.9	0.8	3.4	0.1
Extremely poor	100	41.3	49.7	1.3	7.7	-
<i>By quintile groups of consumption aggregate</i>						
First	100	46.3	47.9	1.0	4.6	0.2
Second	100	54.9	41.4	0.9	2.8	
Third	100	52.5	43.9	0.4	3.1	0.1
Forth	100	50.0	47.2	0.6	2.2	
Fifth	100	39.0	59.4	0.1	1.4	0.1

Source: ILCS 2011

Occupancy rates are a serious problem in the country. According to 2011 survey data, the average occupancy rate of a 1-room apartment was 2.5 persons. Occupancy rates considerably differed by poverty status. Thus, according to survey data, occupancy rate of 1-room apartments in the bottom quintile was 1.6 times higher than in the top quintile. In 2011, this occupancy rate comprised 3.34 persons in the bottom and 2.15 persons in the top quintile. Some 679 out of 1000 households living in a 1-room apartment had 2 or more habitants (as compared to 877 in 2008, 721 in 2009, and 688 in 2011). Rural households in 2011 had more living space than urban ones (Table 11.2 However, in

terms of the availability of necessary amenities, urban housing was in a much better situation than rural. Only 13.0% of rural households reported having in-house (functional) kitchen, cold water supply, flush toilet, and bathtub, whereas in urban communities such households comprised 86.0%.

Table 11.2 - Armenia: Availability of Living Space, 2011

	Total availability of living space per capita, square meter
Total	22.69
including Urban communities	20.31
Rural communities	27.07

Source. RA NSS 2011.

Survey findings also provide for the surveyed households' subjective assessment of their dwelling conditions (Table 11.3). In 2011, most of the households, that is 64.8%, rated their dwelling conditions as satisfactory (as compared to 60.2% in 2008, 62.2% in 2009 and 63.3% in 2010). Every fifth household (18%) rated their dwelling conditions as bad, and a further 4.8% - as extremely bad. Only 12.4% considered their dwelling conditions to be good or very good (as compared to 12.2% in 2008, 12.3% in 2009 and 13.2% in 2010). The subjective assessment of dwelling conditions was broken down also by the type of community, poverty status, and quintile groups of consumption aggregate. Although overall satisfaction of households with their dwelling conditions certainly improved as compared to 2008, in 2011 urban households were still more satisfied with their dwelling than rural ones (Table 11.3).

Poorer households in the lower quintile groups were less satisfied with their dwelling conditions than the non-poor, and the level of satisfaction was higher in upper quintiles. In the bottom consumption quintile, 35% assessed their dwelling as bad or extremely bad, whereas in the top quintile such assessment was reported by only 13% of households.

Table 11.3 - Armenia: Households' Subjective Assessment of Living Conditions, 2011

(percent)

	Total	Subjective assessment of living conditions				
		Very good	Good	Satisfactory	Bad	Very bad
By type of community						
Urban	100	0.5	14.1	65.0	16.1	4.3
including Yerevan	100	0.5	12.5	66.7	16.4	3.9
Other urban	100	0.6	15.8	63.2	15.8	4.6
Village	100	0.2	8.0	64.4	21.4	6.0
Total	100	0.5	12.0	64.8	17.9	4.8
By poverty rate						
Non poor	100	0.6	14.4	65.9	15.4	3.7
Poor	100	-	6.2	63.3	23.7	6.8
Extremely poor	100	-	4.0	52.1	28.3	15.6
By quintile groups of consumption aggregate						
First	100	-	5.1	59.7	25.1	10.1
Second	100	0.0	7.5	66.2	21.8	4.5
Third	100	0.3	10.0	65.1	20.1	4.5
Forth	100	0.6	12.9	66.4	15.5	4.6
Fifth	100	1.0	20.7	65.6	10.5	2.2

Source: ILCS 2011

Note: The poor in this table are defined as the total number of the poor minus the extremely poor cohort

Poor and, particularly, extremely poor households were more likely to reside in a substandard dwelling. While on average 24.1% of households were not satisfied with the size of their dwelling, this percentage was 31.8% among the poor and 45.4% among the extremely poor (Table 11.4). Similarly, the main complaints from the extremely poor were about the lack of heating, dampness, poor lighting and water supply.

Table 11.4 - Armenia: Household Complaints about Living Conditions, by Poverty Rate, 2011

(percent)

	Non poor	Poor	Extremely poor
Total	100*	100*	100*
Small size of living space	20.5	31.8	45.4
Noisy neighbors and surroundings	5.9	5.1	3.7
Poor lighting	10.3	14.4	17.9
Poor heating	37.9	54.9	62.3
Dampness	28.4	39.5	38.3
Leaking roofs	15.2	23.1	27.5
Dilapidated walls and floor	21.0	33.1	42.3
Broken frames and doors	18.8	31.6	43.3
Traffic jams	2.1	1.4	0.2
Industrial waste	2.3	3.0	3.6
Elevator often out of order	4.5	3.2	5.0
Poor water supply	21.7	31.1	24.8
Poor garbage disposal	17.8	19.4	14.0
Service in the areas and yards of multi-apartment buildings is poor service	10.6	1.6	12.2
Other	4.2	4.3	3.4

Source: *ILCS 2011*

*Note: *The total amount exceeds 100% as the households might have chosen several options*

In 2011, only 3.0% or 24.1 thousand households reported to have renovated their dwelling in the year prior to the survey; at that, most of them, 82.5%, were non-poor households, whereas poor households comprised only 17.5% of this group.

11.2. Access to Potable Water, Sewerage, and Garbage Disposal

Access to potable water: According to ILCS 2011, majority of households reported having access to a centralized water supply system. Such systems were available to about 99.3% of households in urban and 89.7% in rural communities (Table 11.5).

Among the households with centralized water supply, 83.5% had an in-house water supply; 14.1% had a water tap in the yard, and the remaining 2.4% used a tap on the street.

Table 11.5 - Armenia: Access to Potable Water, 2008 and 2011

(percent)

Main source of water	Total		Urban communities		Rural communities	
	2008	2011	2008	2011	2008	2011
Centralized water supply system	97.0	97.5	99.4	99.5	92.4	93.7
Less than one hour	0.7	0.1	0.2	0.1	1.9	0.1
1-5 hours	31.3	18.6	31.2	16.4	31.4	23.3
6-12 hours	28.7	22.6	32.5	24.0	20.5	19.6
13-23 hours	5.7	5.5	5.9	5.3	5.3	5.8
24 hours	33.6	53.2	30.2	54.2	40.9	51.2
Spring water, well	1.2	1.3	0.1	0.1	3.2	3.6
Own system of water supply	0.6	1.1	0.2	0.4	1.2	2.6
Delivered water	1.1	0.0	0.2	0.0	3.0	0.0
Other sources	0.1	0.1	0.1	0.0	0.2	0.1

Source. ILCS 2008 and 2011.

However, access to a centralized water supply system does not always guarantee proper water supply. In 2011, water was available for households only for about an average 16 hours a day. Only 53.2% of households with centralized water supply systems reported to have 24-hour supply. While this was an obvious improvement as compared to 2008, still 18.6% of households had water for only 1-5 hours a day in 2011. Daily water was supplied to population not in all communities. had water on average 29 days in a month. In 2011, in urban communities 0.4% of households had water 1-7 days monthly, 0.4% - 2 weeks, 4.2%-3 weeks, and in rural communities 0.9% of households had water 1-7 days monthly, 2.4%- 2 weeks, 6.0%- 3 weeks. In the country 0.3% of households had water 1-7 days monthly, 1.1%- 2 weeks, 4.8%- 3 weeks.

Table 11.6 - Armenia: Availability of Water Supply Services, by Quintile Groups of Consumption Aggregate, 2008 and 2011

(percent)

	First quintile		Second quintile		Third quintile		Forth quintile		Fifth quintile	
	2008	2011	2008	2011	2008	2011	2008	2011	2008	2011
Centralized water supply system	96.6	95.9	96.4	96.8	96.0	98.0	97.8	98.4	98.2	98.0
o Less than 1 hour	1.1	0.2	1.0	-	0.5	0.1	0.5	-	0.5	0.0
o 1-5 hours	35.5	26.1	33.8	22.8	28.6	21.5	30.1	14.8	29.4	11.8
o 6-12 hours	24.0	25.8	26.9	24.9	28.2	20.4	32.7	21.5	30.3	21.8
o 13-23 hours	4.5	4.8	6.5	5.9	6.2	5.4	5.1	5.8	6.1	5.4
o 24 hours	34.9	43.1	31.8	46.5	36.5	52.6	31.6	57.9	33.7	60.9
Spring water, well	1.6	2.4	1.2	1.5	1.1	1.1	1.4	0.8	0.6	1.0
Own system of water supply	0.5	1.5	0.7	1.7	0.8	0.8	0.3	0.8	0.5	1.0
Delivered water	1.0	-	1.7	0.0	2.0	0.0	0.3	-	0.7	-
Other sources	0.3	0.1	-	-	0.1	-	0.2	-	0.0	0.1

Source. ILCS 2008 and 2011

There is no difference between the availability of centralized water supply in households by quintile group of consumption aggregate and in 2011 it was 96-98%.

Nevertheless, 21.7% of non-poor households, 31.1% of poor households and 24.8% of extremely poor households referred to a poor situation with water supply (Table 11.4).

Access to centralized sewerage system: More households had access to a centralized sewerage system in 2011, as compared to 2008 (69.6% and 66.7%, respectively) (Table 11.7).

Table 11.7 - Armenia: Access to Centralized Sewerage System, 2008 and 2011

(percent)

	Urban		Yerevan		Other urban		Rural		Total	
	2008	2011	2008	2011	2008	2011	2008	2011	2008	2011
Centralized sewerage system	91.1	96.4	96.5	99.1	85.5	93.6	19.0	17.0	66.7	69.6
Centralized sewerage system not operational	0.2	0.0	0.1	0.0	0.3	0.0	1.3	0.1	0.6	0.0
No sewerage system	8.7	3.6	3.4	0.9	14.2	6.4	79.7	82.9	32.7	30.4

Source. *ILCS 2008 and 2011.*

With respect to the access to a centralized sewerage system, urban/rural differences remained rather significant. Residents of Yerevan had almost universal access to a centralized sewerage system (99.1%). In other urban areas 93.6% of households had a centralized sewerage system, while only 17.0% of rural households had access to such systems. This is an important issue since availability of sewerage system has strong implications in terms of sufficient sanitary conditions and healthcare.

Availability of Centralized Sewerage System in households by quintile group of consumption aggregate (Table 11.8) shows that the richest V quintile group had the higher access to system than the poorest I quintile group (75.7% vs. 71.4%).

Table 11.8 - Armenia: Availability of Centralized Sewerage System, by Poverty Rate, 2011

(percent)

Availability of sewerage system	Quintile groups of consumption aggregate				
	I	II	III	IV	V
Centralized sewerage system	71.4	66.8	65.7	67.4	75.7
Centralized sewerage system not operational	0.0	-	0.1	-	-
No sewerage system	28.6	33.2	34.2	32.6	24.3

Source. *ILCS 2011.*

Garbage disposal: More households had access to a centralized garbage disposal (garbage collector system and/ or disposal by truck) in 2011, as compared to 2008 (85.1% and 80.9%, respectively) (Table 11.9). Urban communities and, in particular, Yerevan are much better served in terms of garbage disposal than rural communities, where households often rely on burning or burying garbage. A significant part of the households, that is 14.0 of the extremely poor, 19.4 % of the poor, and 17.8% of the non-poor were dissatisfied with garbage disposal services (Table 11.4).

Table 11.9 - Armenia: Garbage Disposal, 2008 and 2011

(percent)

	Urban		Yerevan		Other urban		Rural		Total	
	2008	2011	2008	2011	2008	2011	2008	2011	2008	2011
Garbage collector system and/ or disposal by truck, piled up for disposal	98.0	98.7	99.5	99.9	96.5	97.5	47.4	58.5	80.9	85.1
Burned	0.8	0.6	0.1	0.0	1.5	1.2	31.9	30.7	11.3	10.7
Buried	0.4	0.2	0.1	0.1	0.6	0.3	10.4	4.6	3.8	1.8
Other	0.8	0.5	0.3	0.0	1.4	1.0	10.3	6.2	4.0	2.4

Source. *ILCS 2008 and 2011.*

11.3. Heating

Most of the surveyed households both in urban and rural communities reported having heated their dwellings. In 2011, the share of such households comprised 98.4% (Table 11.10).

Households relied on the following types of fuel for heating: natural gas – 50.0% (57.1% in 2010), wood - 31% (25.8% in 2010), electricity – 13.4% (11.7% in 2010) etc. As compared to the previous year, the share of households, which reported using electricity for heating purposes decreased, whereas that of the households using gas as fuel for heating considerably decreased as well. increased (in 2011, 80.2 percent of households had centralized gas supply). The share of households using wood for heating has been increased as well.

Table 11.10 - Armenia: Heating Options, 2010 and 2011

(percent)

	Urban communities		Yerevan		Other urban		Rural communities		Total	
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
Total	100	100	100	100	100	100	100	100	100	100
Not heated	1.7	2.4	2.4	3.2	1.1	1.5	0.5	0.2	1.3	1.6
Heated, including options of energy used	98.3	97.6	97.6	96.8	98.9	98.5	99.5	99.8	98.7	98.4
Central heating	0.4	0.0	0.1	0.0	0.7	0.0	-	0.0	0.3	0.0
Oil, diesel fuel	-	0.0	-	0.0	-	0.1	0.1	0.2	0.0	0.1
Electricity	17.2	19.9	23.2	27.3	11.0	12.2	1.0	0.9	11.7	13.4
Gas	69.4	65.8	70.1	67.7	68.7	64.0	33.2	19.4	57.1	50.0
Wood	12.0	13.0	6.0	4.2	18.2	21.9	52.5	65.7	25.8	31.0
Other	1.0	1.3	0.6	0.8	1.4	1.8	13.2	13.8	5.1	5.5

Source. *ILCS 2010 and 2011*

In 2011, natural gas was the main option for heating of household dwellings (50.0). Overall, gas became the main source of heating fuel both in Yerevan and in other urban communities (Table 11.10), whereas rural communities still relied on wood as the main type of fuel for heating purposes.

In 2011 population in total as device for heating mostly used stove, produced in factory (34%) and self-prepared stove (37%). In urban areas population preferred to use stove, produced in factory (44%), while in rural areas it was self-prepared stove (81%).

Table 11.11 - Armenia: Devices Used for Heating, 2011

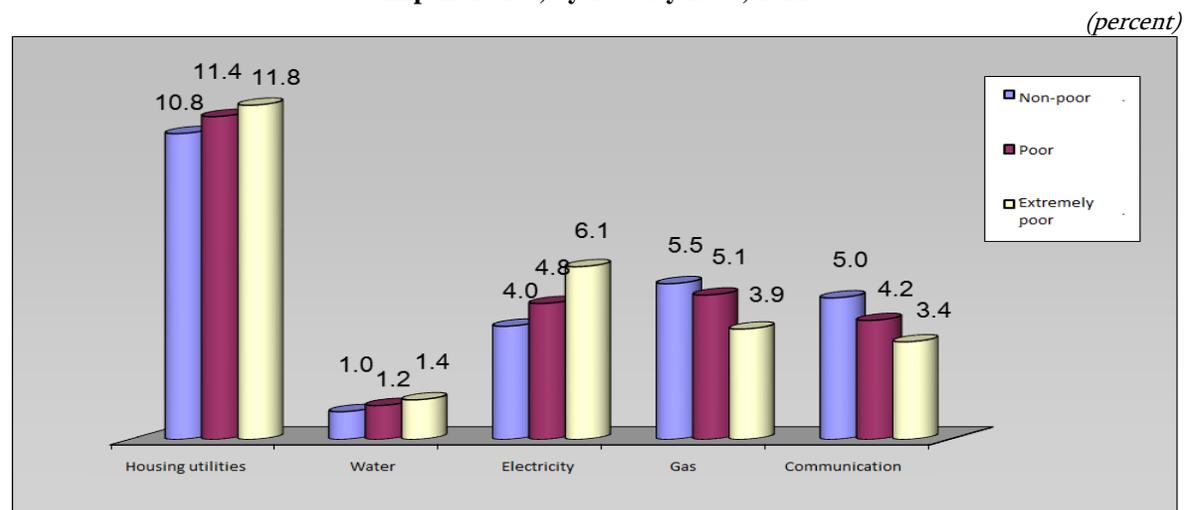
	Urban communities	Yerevan	Other urban	Rural communities	Total
Electric stove	9.8	15.6	4.0	0.5	6.6
Electric heater	9.4	11.0	7.7	0.3	6.3
Gas stove	2.9	3.9	1.9	0.0	1.9
Self-prepared stove	14.4	4.9	24.3	80.6	37.0
Stove produced in factory	44	37.3	50.9	15.3	34.2
Local-individual boiler	18.9	26.4	11.1	2.8	13.4
Local boiler for all building	0.1	0.1	0.0	0.0	0.1
Central heating	-	-	-	-	-
Other	0.5	0.8	0.1	0.5	0.5
Total	100.0	100.0	100.0	100.0	100.0

Source *ILCS 2011*.

In general, spending on utilities made up about 10.9% of the average monthly expenditures of households, whereas that on electricity comprised the largest portion, as compared to other utility services (in 2011, it constituted more than 39% of all utility expenses). Communication expenses comprised 5% in the average monthly expenditures of households (Table 7.5).

Figure 11.1 compares spending on different services within the total monthly expenditures of non-poor, poor and extremely poor households. In 2011, expenditures of non-poor households on utility services (monthly average per capita) were 3.2 times higher and those on natural gas were 4.3 times higher than the same of the extremely poor ones. In 2011, expenditures of the non-poor on communication services (monthly average per capita) were 4.8 times higher than those of the extremely poor households.

Figure 11.1 - Armenia: Household Spending of Different Services within Total Consumption Expenditures, by Poverty Rate, 2011



Source. *ILCS 2011*

Note: Including phone bills, telegraph, and internet connection

11.4. Availability of Durable Goods

Armenian households reported owning durable goods, most of which was acquired a long time ago. Nearly all households, regardless of the type of community, reported having a TV set, and a substantially large number of them had a refrigerator.

In 2011, the most frequently purchased durables were washing machines, refrigerators, mobile phones, computers, irons and TV sets.

Table 11.12 - Armenia: Availability of Durable Goods per 100 Households, 2008 and 2011

(percent)

	Total		Urban		Rural	
	2008	2011	2008	2011	2008	2011
TV set	98	98.8	99	98.9	98	98.7
Refrigerator	91	94.7	94	95.3	85	93.7
Washing machine	79	87.4	82	89.3	73	83.7
Vacuun cleaner	46	62.9	52	70.4	33	48.3
Sewing machine	42	53.6	41	53.8	45	53.2
Gas stove	86	90.6	89	91.3	80	89.2
Satellite dish	7	19.0	6	16.1	9	24.7
Mobile phone	72	90.1	75	90.1	68	90.1
Video recorder	35	48.1	37	49.6	31	45.1
Video camera	3	5.8	3	6.6	1	4.3
Photo camera	22	32.9	21	31.8	23	35.2
Music center	23	35.6	26	31.6	19	43.4
Computer	10	28.7	14	39.0	2	12.4

Source. ILCS 2008 and 2011.

In 2011, 2.9 percent of households had radio with cable at home.

Over the recent years, the number of households having mobile phones sharply increased, especially among rural residents, where the share of such households in 2011 reached 90.1%. More rural resident have mobile phones than urban once.

According to the statistical reports of communication providers, the number of subscribers to mobile communication services reached 4334.6 thousand in 2011, which was a 12.1% increase from the respective figure of 2010. The number of active subscribers was 3210.8 thousand in 2011, which was 2.4% increase, with respective figure of 2010.

Nevertheless, the number of households owning a personal computer is still very small (28.7%), although it has tripled compared to 2008.

Table 11.13 –Armenia: Access to Computer and Internet Connection for Any Household Member, 2008 and 2011

(percent)

	2008			2011		
	Total	Urban	Rural	Total	Urban	Rural
Total households	100	100	100	100	100	100
Including:						
Access to computer* for any	17.9	21.8	10.3	37.8	45.8	22.1

household member						
At home	10.2	14.3	2.1	28.7	37.0	12.4
At other places	10.5	11.2	9.2	18.1	19.0	16.4
Any household member use internet	5.9	8.6	0.5	22.2	29.3	8.4
Permanent at home	2.9	4.3	0.2	19.1	26.0	5.6
Non-permanent at home	3.0	4.3	0.3	3.1	3.3	2.8
Household members use internet at:	**					
Work	...	...	...	8.1	10.0	4.2
Education institution	...	...	...	4.7	4.4	5.3
Free internet center	...	...	...	1.4	1.8	0.4
Payable internet center	...	...	...	6.2	6.1	6.3
Via mobile phones	...	...	...	17.0	13.7	23.3
Via movable equipment	...	...	...	0.5	0.5	0.3

Source. *ILCS 2008 and 2011*

- Amount is higher, since the household member could use computer both at home and other place.
- ** In 2008, 5.8 percent of of household members have an access to internet at other place.

In 2011, some 19.1% of households had permanent internet access at home, and 3.1% made use of a non-permanent internet access. In 2011, some 24.8% of households accessed internet at other places, including 21.4% at work, 12.5% at education institutions, 3.6% at free internet center, 16.4% at payable internet center, 44.9% via mobile phones and 1.2% via movable equipment.