PART III: 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. Armenia succeeded in attaining certain healthcare indicators, as articulated below.

In 2012, life expectancy at birth was 70.9 years for males – an indicator higher than in many ECA countries – and 77.5 years 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 1 year. In 2012, some 458 deaths were recorded within the first year of children's life, whereas infant mortality rate per 1.000 live births comprised 10.8 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 12.1 per mille in 2012, 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 was 18.8 per mille in 2012, as compared to 40.1 per mille in 1990 and 52.0 per mille in 2000.

In comparison with 2008, the share of consolidated budget expenditures on healthcare sector remained almost unchanged (6.0% in 2008 and 6.2% in 2012) (Table 2.4)

Box 8.1: Measures taken in 2012 for the implementation of the public policy in healthcare sector

Republic of Armenia laws and Government Decrees developed and adopted in 2012 in the healthcare sector:

1) Government's Decree No 1082-N from August 23, 2012 "On Approving the Rules for Conduction of Autopsy Operations, Including the Cases of Mandatory Conduction of Autopsy Operations";
2) Government's Decree No 1207-N from September 20, 2012 "On Approving the List of Autopsy Studies, the Rules for Their Conduction and for the Provision of Relevant Findings to State Bodies and Other Persons";
3) Government's Decree No 1212-N from September 27, 2012 "On Approving the Rules for Conduction of Autopsy Expert Examinations";
4) Government's Protocol Decision No 8 from March 1, 2012 "On the National Program for Donor Provision of Blood and Blood Components, and on Blood Transfusion Medical Care";
5) Government's Decree No 811-N from June 28, 2012 "On Transportation of Blood or Blood Components, Production of Blood Components, Partitioning of Blood Components from Donor Blood by Physical Methods";
6) Government's Decree No 1056-N from August 16, 2012 "On Approving the Rules for Blood Transfusion Medical Care";
7) Government's Protocol Decision No29 from July 19, 2012 "On Endorsing the Concept Note for the Development of Urban Polyclinics' Sector and the Timetable for Implementation of the Actions under the Concept Note";
8) Republic of Armenia Law No HO-181-N from September 11, 2012 "On Introducing Amendments and a Change in the Republic of Armenia Law on the Prevention of the Decease Caused by Human Immunodeficiency Virus";
9) Government's Decree No 1327-N from October 18, 2012 "On Approving the Rules for Medical Checkup of Persons Holding or Applying for a Driver's License, the List of Diseases Excluding Authorization for Driving Transportation Means, the Form of the Reference on Medical Checkup, and the Rules for the Provision of Medical Care to Persons Having Suffered from Road Accidents, as well as on Repealing the Government's Decree No 581-N from April 20, 2006";
10) Government's Decree No 1366-N from November 1, 2012 "On Introducing Changes in the Government's Decree No 1116-N from August 5, 2004";
11) Excerpt from Government's Session Minutes No 22 from June 7, 2012 "On Endorsing the Program and the Timetable for Implementation of Multi-Sector Exercises";
12) Government's Decree No 717-N from June 7, 2012 "On Introducing Changes and Amendments in the Government's Decree No 281-N from March 18, 2011";
13) Government's Decree No 1433-N from November 8, 2012 "On Making a Redistribution in the 2012 State Budget of the Republic of Armenia and on Introducing Changes and Amendments in the Government's Decree No 1919-N from December 22, 2011";
14) Excerpt from Government's Session Minutes No32 from August 9, 2012 "On Endorsing the Concept Note for Palliative Medical Assistance in the Republic of Armenia and the Action Plan for the Implementation of the Concept Note";
15) Government's Decree No 1285-N from October 10, 2012 "On Introducing Amendments and Changes in the

Government's Decree No 46-N from January 14, 2010";

16) Government's Decree No 1160-N from September 13, 2012 "On Introducing an Amendment and a Change in the Government's Decree No 2329-N from December 29, 2005";

17) Government's Decree No 1158-N from September 13, 2012 "On Introducing an Amendment in the Government's Decree No 811-N from June 28, 2012";

18) Excerpt from Government's Session Minutes No50 from December 13, 2012 "On Endorsing the Program and Action Plan for Controlling Diseases Generally Infectious for Humans and Animals";

19) Government's Decree No 739-N from June 14, 2012 "On Repealing the Government's Decree No 831-N from June 2, 2011";

20) Government's Decree No 1450-N from November 15, 2012 "On the Conditions for Taking Organs and (or) Tissues for Transplantation from Persons in Confinement Institutions, as well as for Medical Assistance and Care Provided to Persons in Confinement Institutions after Taking Organs and (or) Tissues".

The actions taken for implementation of the public policy in healthcare sector and relevant outcomes of these actions are presented below:

During 2012, the Ministry of Health implemented works aimed at the establishment of independent practices of family medicine in urban communities. Particularly, training courses were organized on organizational, financial and management issues for 5 independent practitioners of family medicine, with the assistance of the USAID Primary Healthcare Enhancement project. Moreover, in 2012 the Ministry of Health made a first-ever decision on the placement of basic benefit package for medical care services in 2013 with 5 independent practitioners of family medicine (those were "Arevhat and Ani" Ltd, "Doctor Badanyan" Ltd, "Yunktura" Independent Practice of Family Medicine" Ltd, "Cardiomed Family Medicine Center" Ltd, and "Margarit Primary Healthcare Center" Ltd).

Maternal and Child Healthcare

Within the framework of the 2012 annual targeted programmatic activities of the Ministry of Health, the following acts were developed: *"Targeted State Program for Maternal and Child Healthcare*", *"Criterion for the Provision of Medical Assistance and Services to Children under the 2012 Basic Benefit Package"*, *"Rules for the Provision of Obstetric-Gynecological Assistance and Services under the 2012 Basic Benefit Package";* these acts were approved by orders of the Minister of Health, and their implementation was provided for.

During 2012, specific provisions of the *"2007-2015 National Program for Reproductive Health Improvement"* approved by the Government and the *"National Strategy for Child and Teen Health and Development, and Action Plan for Its Implementation"* endorsed by the Protocol Decision of the Government's Session were persistently implemented.

The *"2013-2015 Strategy and Action Plan for Improvement of Hospital Medical Care for Children"* was developed and endorsed by the Protocol Decision of the Government's Session No 27 from July 4, 2012. Adoption of this document was aimed at improving certain indicators of children's mortality, including a 20% reduction of the mortality rate within the first 24 hours after hospitalization, at least 30% reduction of the mortality rate for children of age groups 0-1 and up to 5 years, so that by 2015 these indicators would not exceed 8% and 10%, respectively.

The Ministry of Health initiated developing and submitting to the National Assembly the draft law on making changes into the **Republic of Armenia Law on Human Reproductive Health and Reproduction Rights**, which was adopted in March 2012, and the subsequent draft Government Decree *"On Establishing the Rules for Application of Auxiliary Reproductive Technologies, the Types of Relevant Methods, and the Rules of Medical Conduct"* was submitted to the Government in December.

Around twenty ministerial orders regulating provision of maternal and child healthcare were drafted and issued in the reporting period.

Within the framework of the **program of state certificates for birth assistance and child healthcare**, a number of works were implemented. Particularly, in 2012 introduction of the *"State Certificate of Child Health"* system was furthered resulting in significant improvement of the quality and availability of in-patient medical care services provided to children.

According to operative data collected from leading children's hospitals in Yerevan, 1) the mortality rate within the first 24 hours after hospitalization and during in-patient treatment decreased, 2) following the introduction of the system, the number of in-patient treatment cases of children aged 0-7 years increased (32415 cases in 2010, 43618 cases in 2011, 46526 cases in 2012), which reflected the improved availability of these services and the enhanced confidence of the population in the system.

Within the framework of the **"Concept Paper on Improving the Quality of Medical Care"**, in order to improve the quality and efficiency of obstetric and neonatologic services, the Ministry of Health collaborated with UNFPA and WHO to conduct jointly with international experts a *"Quality Assessment of Obstetric and Neonatologic Services at In-Patient Birth Assistance Medical Facilities"* at 4 healthcare facilities in the country (maternity hospitals of Gyumri and "Surb Astvatsatsin"; the obstetric-gynecological department the medical center in Ijevan, and the Republican Institute for Reproductive Health, Perinatology, Obstetrics and Gynecology), analyzed the findings and developed an action plan for dealing with identified problems.

During 2012, programmatic actions deriving from other documents endorsed by the Government, such as the **"Sustainable Growth Program"**, **"2013-2015 Strategy for Maternal and Child Healthcare"**, and **"2007-2015 National Program for Reproductive Health Improvement"**, were realized.

Certain **programmatic works** were implemented, including those for cooperation with international and domestic NGOs.

Box 8.2: Description and Basic Indicators of Healthcare System

In 2012, in-patient treatment services were provided to the population by 127 hospitals, 70.1% of which operated under the Ministry of Health. The Ministry also managed operations of 377, or 73.5%, of 513 ambulatory/ polyclinic facilities. Healthcare facilities and potential are mainly concentrated in major towns of the country (basically in Yerevan, which has 67.8% of doctors, 40.9% of in-patient facilities, 61.8% of hospital beds, and 28.1% of ambulatory/ polyclinic facilities).

Aggregate Indicators of Healthcare System, 2007-2012

		2007	2008	2009	2010	2011	2012
Number of doctors of all specialties (person)	Total	12 251	12 929	13 177	13 591	13 490	12 938
	Per 10.000 population	37.9	39.9	40.6	41.7	41.2	4 .7
Population headcount, per doctor (person)		263.4	250.1	246.6	239.6	242.3	233.9
Number of paramedical personnel (person)	Total	18 595	18 594	18 516	18 649	18 820	18 784
	Per 10.000 population	57.6	57.4	7.0	57.2	57.5	62.1
Number of hospital facilities (unit)		135	130	127	130	130	127
Number of hospital beds (unit)	Total	13 126	12 358	12 068	12 160	12 236	12 241
	Per 10.000 population	40.6	38.2	37.1	37.3	37.4	40.4
Number of hospitalized patients (person)	Total	2 5 680	306 635	317 726	323 962	346 999	375 316
	Per 10.000 population	8.9	9.5	9.8	9.9	10.6	12.4
Average annual bed occupancy rate (day)		201	223	227	223	225	236
Average duration of in-patient treatment (average number of bed-days per patient) (day)		9.3	9.0	8.6	8.3	7.9	7.7
Number of ambulatory/ polyclinic facilities (unit)	Total	467	474	487	504	506	513
	Per 10.000 population	1.4	1.5	1.5	1.5	1.5	1.7
Number of doctors in ambulatory/ polyclinic facilities (person)	Total	4 650	4 859	4 889	4 968	4 984	5 022
	Per 10.000 population	14.4	15.0	15.0	15.2	15.2	16.6
Number of paramedical personnel in ambulatory/ polyclinic facilities (person)	Total	7 841	7 970	7 865	7 893	7 833	7 784
	Per 10.000 population	24.3	24.6	24.2	24.2	23.9	25.7
Number of junior medical personnel in ambulatory/ polyclinic facilities (person)	Total	1 052	1 087	1 115	1 094	1 098	1 083
	Per 10.000 population	3.3	3.4	3.4	3.3	3.3	3.6
Capacity of ambulatory/ polyclinic facilities (number of visitors within one shift)	Total	37 964	38 937	38 783	39 259	38 734	39 444
	Per 10.000 population	117.7	120.4	119.6	120.6	118.5	130.3
Number of visits to ambulatory/ polyclinic facilities	Total (thousand)	9 522.6	10 402.6	11 212.6	11 318.0	11 502.8	11 531.9
	Per person	3.0	3.3	3.5	3.5	3.5	3.8
Number of pediatric and maternity welfare clinics, independent clinics, facilities with pediatric and maternity welfare departments (unit)		301	329	353	3 3	365	375
Number of beds for pregnant and parturient women (unit)	Total	1 331	1 190	1 165	1 185	1 216	1 295
	Per 10.000 women of fertile age	14.4	12.9	12.7	13.1	13.6	15.9
Number of beds for child patients (unit)	Total	1 464	1 288	1 237	1 197	1 194	1 189
	Per 10.000 children	23.8	21.4	20.8	20.2	20.3	20.8

Emergency aid	Number of emergency aid stations (unit)	75	98	100	104	106	108
	Number of emergency aid calls (unit)	360 967	67 213	384 767	380 636	402 974	423 109
	Number of doctors (per 100.000 population, person)	7.3	7.0	6.7	6.5	6.7	7.4

Per Unit Indicators of Heath Care System, by Regions and in Yerevan, 2012

	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	**42.7**	**62.1**	**12.4**	**0.4**	**7.7**	**1.7**	**3.8**
Of which, within the system of the Ministry of Health							
Yerevan	82.3	83.6	7.8	71.0	7.3	1.4	4.5
Aragatsotn	18.0	52.6	4.3	15.6	5.2	1.8	2.6
Ararat	18.5	43.2	5.2	21.5	8.8	2.3	3.3
Armavir	15.0	41.3	4.5	12.5	5.5	2.3	3.3
Gegharkunik	14.0	42.6	4.9	32.0	18.3	1.7	3.2
Lori	21.2	52.4	7.4	21.3	6.5	1.9	3.8
Kotayk	19.7	44.7	5.8	25.8	10.0	1.7	3.3
Shirak	22.7	60.4	8.2	33.5	7.7	1.3	3.3
Syunik	20.2	56.5	7.0	29.6	9.3	1.8	6.0
Vayotz Dzor	21.6	54.8	3.5	18.2	5.4	1.7	3.6
Tavush	17.6	47.9	4.8	22.9	5.4	2.1	2.9

Activity of ambulatory-policlinic facilities: In 2012, 73.5% of ambulatory/polyclinic facilities operated under the Ministry of Health.

Number of Ambulatory/ polyclinic Facilities under the Ministry of Health (per 100.000 population of relevant age)

	2002	2012
Ambulatory/ polyclinic facilities, *of which:*	13.8	12.5
Within the hospital system	2.1	2.2
Independent ambulatory/ polyclinic facilities, *including:*	10.1	9.
Polyclinic	2.3	1.4
Ambulatories	7.4	8.3
Pediatric polyclinics	0.2	0.1
Maternity welfare clinics	0.0	0.0
Other	0.1	0.1
Dispensaries	0.7	0.3
Independent dental polyclinics, *including those for:*	0.9	0.0
Adults	0.7	0.0
Children	0.2	0.0

Activity of hospitals: In 2012, some 375316 patients were admitted for in-patient treatment, which comprised 124.1 persons per 1.000 residents. Among the admitted patients, 16.0% were children aged 0-14 years. Average bed occupancy rate constituted 236 bed-days, and average duration of in-patient treatment constituted 7.7 bed-days.
Some 119291 surgical operations were implemented, of which 11.5% for children aged 0-17 years, and 79.9% for children

aged 0-14 years. The share of endoscopic surgeries comprised 5.9%. The number of operated patients was 114.649, of which 10843 (9.5%) were children aged 0-14 years, and 2684 (2.3%) were children aged 15-17 years.Number of the deceased due to operation were 483 persons of which 2.5% were children 0-14 years.
During 2012, some 370600 persons (98.7%) were discharged from hospitals, and 4.793 persons (1.3 %) deceased.

Operations Implemented in Hospitals, by Type of Operation, 2012

	Number of operations (unit)	Of which, persons 0-17 years old		Number of operations by endoscopic method (unit)	Number of the deceased due to operation (person)	Of which, persons 0-17 years old	
		Total	Of which, persons 0-14 years old			Total	Of which, persons 0-14 years old
Nervous system	1 221	170	160	6	67	1	-
Endocrine system	868	4	1	1	2	-	-
Optical organs	8 192	418	386	-	-	-	-
Ear, nose, and throat	6 379	815	385	13	-	-	-
Respiratory organs	8 682	5 228	4 755	98	13	-	-
Cardiac	1 610	159	150	464	27	12	12
Vessels	5 097	108	41	907	64	-	-
Abdominal cavity organs	20 486	3 163	2 172	2 180	240	-	-
Kidneys and ureters	2 880	155	138	621	8	-	-
Prostate	1 388	-	-	678	3	-	-
Female genital organs	9 778	56	22	1 426	5	-	-
Obstetrical	30 960	50	2	171	3	-	-
Musculoskeletal system	9 577	1 938	1 654	361	36	-	-
Breast	1 644	15	4	-	1	-	-
Skin and hypodermic	3 926	853	668	2	1	-	-
Other	6 603	636	468	172	13	-	-
Total	**119 291**	**13 768**	**11 006**	**7 100**	**483**	**13**	**12**

Basic Indicators of Emergency Aid Service, 2007-2012

		2007	2008	2009	2010	2011	2012
Number of emergency aid stations (unit)		75	98	100	104	106	108
Number of emergency aid calls (unit)		360 967	367 213	384 767	380 636	402 974	423 109
Number of doctors (per 100.000 population, person)		7.3	7 0	6.7	6.5	6.7	7.4
Number of teams (unit)	General profile	232	320	332	347	393	399
	Specialized	24	27	28	22	25	25
	First-aid	110	113	112	115	87	81
Number of patients served by emergency calls (person)	Total	350 188	372 851	390 983	386 598	409 214	4 8 831
	Per 1.000 population	108.5	115.3	120.5	118.7	125.0	141.8
Emergency and regular consultation sections	Number (unit)	1	1	1	1	1	1
	Number of patients served (person)	7	9	3	22	30	68

8.1. Accessibility of Healthcare Services

According to ILCS 2012 data, subjective assessment of health condition shows that 88.9% of population describe their health as satisfactory, good and very good, while 11.1% describe it as bad or very bad. With regard to poverty profile of subjective assessment of health condition, 11.7% of the non-poor, 9.8% of the poor and 13.3% of the extremely poor population reported about poor health condition. According to ILCS 2012 data, 13.6% of the respondents had sickness during the month preceding the survey.

Approximately every third person (32.7%), who reported being sick, consulted a primary healthcare facility for advice or treatment. Among them, the residents of Yerevan had such consultations more often (38.9%) than residents of other urban (35.1%) and rural (26.2%) communities. In comparison with the previous year, patients had less often applied for medical advice or treatment, except for the residents of other urban communities, where the occurrence of consultations remained the same. Proportion of the patients having consulted a doctor varied by poverty status, as well. While 36.2% of the non-poor applied for medical advice or treatment, only 25.1% of the poor and 20.7% of the extremely poor did so.

In case of sickness, people visited primary healthcare facilities for advice or treatment on average 1.6 times per month; at that, the non-poor did it 1.6 times, the poor – 1.4 times, and the extremely poor – 1.3 times per month. The distribution of population by the type of medical specialists visited for any reason at the last visit within the survey month is presented below (data is calculated relative to all responses provided).

Table 8.1: Armenia – Visits to Primary Healthcare Facilities, by Type of Medical Specialists and by Poverty Status, 2012 (at the Last Visit within the Survey Month)

(percent)

Types of medical specialists	Non-poor	Poor	Extremely poor	Total
Family doctor	21.3	23.0	48.1	22.1
Pediatrician	7.4	8.2	0	7.5
Obstetrician/ gynecologist	2.1	4.7	0	2.6
Therapist	34.5	35.9	29.5	34.7
Sub-specialty consultant	25.0	22.0	22.4	24.3
Dentist	2.1	0.7	0	1.8
Private doctor	2.8	0	0	2.2
Diagnostic center	1.6	0	0	1.2
Emergency aid	2.3	3.6	0	2.5
Other	0.9	1.9	0	1.1
Total	**100**	**100**	**100**	**100**

Source: *ILCS 2012*

It is worth to mention that more than one third of patients (34.7%) applied to a therapist for consultation, around one fourth (24.3%) – to a sub-specialty consultant, 22.1% – to a family doctor, while only 2.2% consulted a private doctor.

Table 8.2: Armenia – Visits to Primary Healthcare Facilities, by Type of Medical Specialists and by Urban/Rural Communities, 2012 (at the Last Visit within the Survey Month)

(percent)

Types of medical specialists	Yerevan	Other urban	Rural	Total
Family doctor	3.5	37.9	32.6	22.1
Pediatrician	9.0	5.8	6.9	7.5
Obstetrician/ gynecologist	1.9	2.2	3.8	2.6
Therapist	38.5	30.3	33.5	34.7
Sub-specialty consultant	31.7	20.1	18.5	24.3
Dentist	2.9	0.9	1.2	1.8
Private doctor	4.6	0.5	0.5	2.2
Diagnostic center	1.8	0.3	1.4	1.2
Emergency aid	5.5	0.5	0.4	2.5
Other	0.6	1.5	1.2	1.1
Total	**100**	**100**	**100**	**100**

Source: *ILCS 2012*

It is noteworthy that therapists were visited most often in Yerevan and in rural communities, while family doctors were visited most often in other urban communities.

Table 8.3: Armenia – Payments for Primary Healthcare Services, 2012 (at the Last Visit within the Survey Month)

(percent)

Types of medical specialists	Total payments	Including		
		Out-of-pocket payment to a staff member	Gifts or services to a staff member	Consultancy-related payments (X ray, laboratory examination)
Family doctor	100	92	0	8
Pediatrician	100	96	1	3
Obstetrician/ gynecologist	100	74	0	26
Therapist	100	85	1	14
Sub-specialty consultant	100	76	1	21
Dentist	100	97	1	2
Private doctor	100	87	0	13
Diagnostic center	100	44	0	56
Acute care center	100	72	0	28
Other	100	69	0	31
Total	**100**	**88**	**1**	**11**

Source: *ILCS 2012*

At the last visit within the survey month, patients having applied for assistance to the specialists of policlinic facilities on average incurred expenses comprising 88% of out-of-pocket payments to a staff member, 1% of gifts, and 11% of X-ray or laboratory examination payments. The amount of payments was different by poverty status. On average, payments made in polyclinics by non-poor patients were 2.3 times higher, than those made by poor patients.

Differences in the cost of gifts between the poor and the non-poor were insignificant. Payments made to a staff member by non-poor patients for consultancy (X ray, laboratory examination) were 2.8 times higher than those made by poor patients.

Around 42% of patients who contacted polyclinics had hypertension. At the last visit, 35% of patients underwent electrocardiography and 26% of patients were checked for the level of cholesterol.

The main reasons for not applying to primary healthcare facilities were self-treatment (47%) and lack of finance (22%). The table below shows proportion of the population not applying for medical consultation or treatment, by reasons and by urban/rural communities.

Table 8.4: Main Reasons for Not Applying to Primary Healthcare Facilities, by Urban/ Rural Communities, 2012 (at the Last Visit within the Survey Month)

(percent)

	Total	Yerevan	Other urban	Rural
Total, *including:*	100	100	100	100
Self-treatment	47.0	60.6	46.6	37.9
Lack of finance	21.8	21.4	28.5	18.5
Remoteness	0.4	0.3	0.3	0.5
Problem was not serious	10.6	3.2	11.1	15.3
Help was not required	5.5	6.7	5.6	4.7
Relative or friend was a doctor	3.6	5.0	2.0	3.5
Other	11.1	2.8	5.9	19.6

Source: *ILCS 2012*

When looking across urban/ rural communities, self-treatment as a reason for not applying for medical consultation or treatment was indicated by 61% of surveyed population in Yerevan, by 47% in other communities, and by 38% in rural communities; lack of finance was indicated by 29% in other urban communities, by 22% in Yerevan, and by 19% in rural communities. Lack of finance was indicated as the second major reason in all types of communities.

Over the 12 months preceding the 2012 survey, population visited hospitals 1.2 times in average; 65% of patients spent at least one night in hospital at their last visit, and average stay in

hospital per patient equaled 7.1 days. Treatment duration in hospital was the following: 68% less than a week, 22% from 1 to 2 weeks, and 10% more than 2 weeks.

Table 8.5: Armenia – Per Patient Payments for Hospital Medical Assistance Services, by Method of Payment, 2012 (at the Last Visit within the Survey Month)

(percent)

	Total	Including			
		Payment to hospital cashier	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 examination or pharmaceuticals
Surgeon	100	84	8	1	7
Resuscitation specialist	100	86	0	0	14
Therapist	100	57	19	2	22
Cardiologist	100	81	8	0	11
Obstetrician/ gynecologist	100	65	19	5	11
Urologist	100	69	17	0	14
Gastroenterologist	100	23	15	0	62
Oncologist	100	83	7	1	9
Endocrinologist	100	68	7	0	25
Neurologist	100	74	4	1	21
Other	100	88	3	0	9
Total	**100**	**80**	**9**	**1**	**10**

Source: *ILCS 2012*

As shown in the table above, out of the amount paid by each patient on average 80% went to the hospital cashier, 9% directly to the medical staff, the cost of gifts constituted 1%, that of other payments (for laboratory and X-ray examination, or pharmaceuticals) comprised 10%. Subsequently, 80% of hospital payments were made to the cashier, while resuscitation specialists, surgeons and oncologists received the largest share within these payments. The highest out-of-pocket payments were made to obstetrician/ gynecologists and therapists. The largest share of payments made for laboratory and X-ray examination, or pharmaceuticals went to gastroenterologists, endocrinologists, therapists and neurologists.

According to ILCS 2012, health expenditures totaled around 1.8% of household consumption expenditures (respectively, 0.2% for the extremely poor, 0.4% for the poor (excluding the extremely poor), and 3.0% for the non-poor households).

According to ILCS 2012, health expenditures totaled around 14.3% of household total expenditures on services (respectively, 24.6% for the extremely poor, 2.7% for the poor (excluding the extremely poor), and 1.2% for the non-poor households).

In Armenia, the importance of the health benefit package for poor households is indisputable. Hence, given that eligibility for such package would depend on entitlement to family benefit, it is crucial not only to improve its targeting, but also to increase enrollment of poor and extremely poor population into it.

Only 5.5% of population was entitled to the basic benefit package. The breakdown by poverty status shows that such entitlement was available for 7.1% of the extremely poor, 5.7% of the poor (excluding the extremely poor), and 5.4% of the non-poor population.

Then, only 8.8% of households in receipt of family benefit were entitled for the basic benefit package, including 8.4% of the extremely poor, 7.2% of the poor (excluding the extremely poor), and 10.3% of the non-poor population.

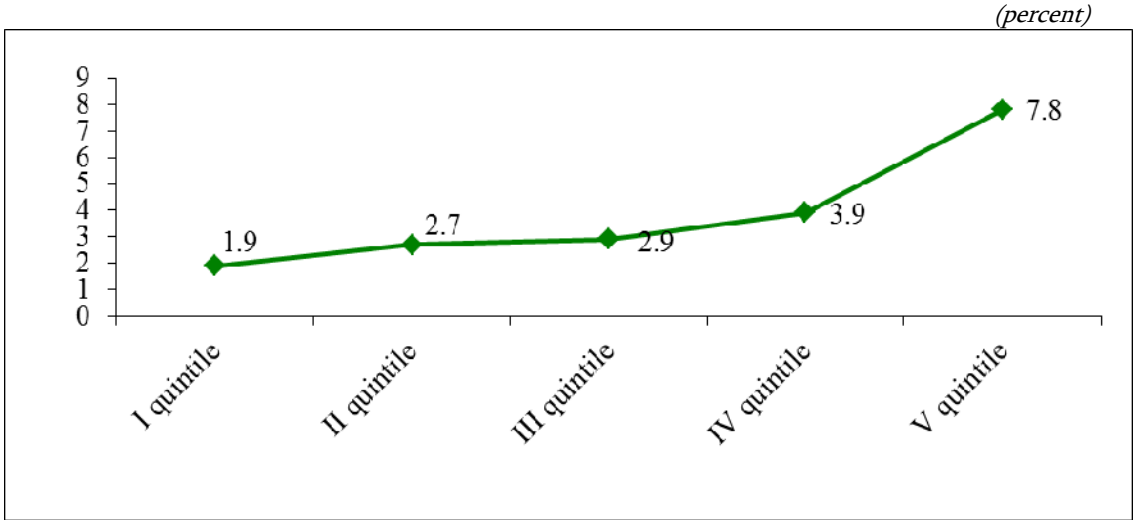
Among households not registered in the family benefit system, 5.0% were entitled for the basic benefit package, including 5.7% of the extremely poor, 5.2% of the poor (excluding the extremely poor), and 4.9% of the non-poor population. At that, 2.2% of households were not aware about their entitlement for the basic benefit package; i.e. there was unawareness issue.

Graph 8.1 depicts the share of healthcare expenditures in total consumption by quintile groups. This share of these expenditures relative to the total consumption aggregate was far higher in the richest quintile group than that in the poorest quintile group (7.8% versus 1.9%). As clearly demonstrated in Table A3.9 of Annex 2, expenditures on healthcare services in the poorest quintile

were 5 times lower than the average expenditures on those services, whereas for the richest quintile this indicator was 3 times higher than the average.

Graph 8.1 – Armenia: Share of Spending on Healthcare Services in Total Consumption Aggregate, by Quintile Groups, 2012

(percent)



Source: *ILCS 2012*

The distance to the nearest healthcare facility is another important indicator. ILCS 2012 provided relevant data on rural communities only. According to available data, 68% of rural households reported that the nearest healthcare facility was within 1 km from their residence. However, 0.6% of households reported that the distance to the nearest healthcare facility was more than 10 km away from their residence. Table 8.6 presents relevant data by quintile groups. Differences in accessibility of healthcare facilities in rural areas between quintiles were not significant. The share of households reporting that the nearest healthcare facility was more than 10 km away from their residence was between 0%-1.4% for all consumption quintiles.

Table 8.6 – Armenia: Accessibility of Healthcare Facilities in Rural Communities, by Consumption Quintiles, 2012

(percent)

Distance	Quintiles					Total
	I	II	III	IV	V	
0-1 km	72.5	69.4	63.4	67.7	69.5	68.3
1-3 km	23.9	25.8	35.2	28.6	28.2	28.5
4-5 km	2.9	2.1	0.9	1.8	1.1	1.7
6-10 km	0.7	1.3	-	1.5	0.9	0.9
>10 km	-	1.4	0.5	0.4	0.3	0.6

Source: *ILCS 2012*

The share of spending on pharmaceuticals constituted 3.2% of total expenditures of surveyed households. Monthly expenditures per household member on pharmaceuticals averaged AMD 1.125, varying by poverty status from AMD 1.441 for the non-poor, AMD 498 for the poor, and AMD 124 for the extremely poor population. Monthly per capita expenditures on pharmaceuticals of non-poor households were 3 times higher than those of the poor and around 12 times higher than those 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 appeared to be a problem in rural communities. According to ILCS 2012 data, 30% of rural households reported that the nearest pharmacy was within 1 km from their residence, while every fourth household (25%) reported that the distance to the nearest pharmacy was more than 10 km away from their residence. 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 that the nearest

pharmacy was more than 10 km away from their village was between 21%-29% for all consumption quintiles.

Table 8.7 – Armenia: Access to Pharmacies in Rural communities, by Consumption Quintiles, 2012

(percent)

Distance	Quintiles					Total
	I	II	III	IV	V	
0-1 km	33.7	27.7	25.4	33.4	29.4	29.9
1-3 km	19.9	18.8	22.2	20.0	20.6	20.3
4-5 km	6.6	4.6	4.9	4.6	7.0	5.5
6-10 km	18.4	20.1	20.1	17.7	21.4	19.5
>10 km	21.4	28.8	27.4	24.3	21.6	24.8

Source: *ILCS 2012*

Some 30.7% 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 not visiting polyclinics were distributed as follows: services were not needed – 90.0%, poor quality of medical services – 0.2%, healthcare facility was too far away – 0.1%, services were too expensive – 0.2% and healthcare facility was closed down – 0.5%. Some 35.8% of households reported that their child was vaccinated, 93% said that the weight of the child was measured, an equal proportion (93%) told that the height of the child was measured, 90% received consultancy on the child's growth and development, and 41.4% reported that blood examination was carried out.

Chapter 9: Education and Poverty

Education can help people to overcome poverty. Education opens doors to employment and loans. Education provides knowledge and skills, which are necessary for increasing income and enhancing employment opportunities. When education is widely accessible and available for the poor, women, and vulnerable groups of population, it also has the potential for broader redistribution of economic growth. On the other hand, poverty forces parents to take their children out of school and send them to work, as they cannot afford educating the children.

Almost entire population of Armenia is literate. According to the results of the Census 2011, only 0.3% of the population is illiterate. General education is accessible for everybody, both for boys and girls, but not equally. Gender equality indicator (the ratio of total enrollment of boys to that of girls) is 1.06; it comprises 1.02 at elementary, 1.02 at basic, and 1.21 at high school.

Completion rates in secondary education are high. In contrast to basic education, enrolment in upper grades of secondary school and in tertiary education is relatively low, with rather visible differences between the poor and the non-poor. High costs of tertiary education and specifically its accessibility, relatively low perceived returns on education were cited as the main reasons explaining why teens from poor households drop out the educational system after completing basic education and, particularly, general secondary education.

The share of spending on education in consolidated budget expenditures decreased in 2012 (Table 2.4), as compared to 2008 (from 13.7% to 12.9%). In the sectorial composition of expenditures, the main emphasis was placed on secondary education.

Box 9.1: Educational Sector Performance in 2012

From the standpoint of ensuring comprehensive development of children and adequate quality of general education, in 2012 early enrollment of children into educational programs has been among priority tasks. In order to achieve further development of the preschool education system, key issues related to the enhancement of this system should be dealt with, as well as continuity of preschool and elementary education should be provided for, which also stems from the 2008-2015 strategic program for preschool education reforms in Armenia.

Vocational education has been prioritized in the enhancement of education area. At the current stage of socio-economic development of the country, availability and accessibility of vocational education are of significant importance as key factors facilitating economic growth, mitigating poverty, and reducing inequality.

Alternative models for the provision of accessible preschool education have been implemented in different regions of Armenia under the *Education Quality and Relevance* credit project. The project aims at increasing enrolment in preschool education among children of 5-6 years of age, as well as the number of pedagogue jobs.

Programs for provision of preschool education services were implemented in 69 communities in regions, which either did not have a preschool education facility or had understaffed facilities in terms of children enrollment. This resulted in increased enrollment of the senior age group children by 1600. Some 237 directors and pedagogues of facilities implementing preschool education programs for the age group of 5-6 years were retrained. The manual titled *"Standards for Development and Education of Children from Birth to Six Years of Age"* was published.

Measures aimed at dealing with the priority task in general education derive from the provisions of the Law on General Education. In 2012, reforms in general education aimed at assurance of the quality, in terms of the contents, of newly introduced educational textbooks and supplementary literature, including electronic learning material, as well as at efficiency improvement and capacity building in the administration of general education sphere.

A retraining program was implemented towards enhancement of quality in general education. Some 328 pedagogues attended relevant courses under the program.

13 institutions entitled for retraining of teachers under the second *Education Quality and Relevance* credit project accredited 6639 from among 8000 teachers subject to attestation. At that, 6241 teachers were retrained solely at the expense of grant financing provided under the credit project.

Works were carried out for attestation of teachers of general education institutions in regions, and attestation committees made 6742 positive decisions as to the teachers' compliance with the occupied position. Relevant titles were awarded to 44 teachers in the country.

339 persons participated in the process for certification of directors of general education institutions; of them, 249 were awarded and 81 were denied certification. From among the certified ones, 95 were directors at work.

In terms of improving the quality of general education, introduction of information technologies and electronic learning material, as well as availability of high-quality internet access at schools has been emphasized. In this context, the *"Armenian Educational Portal"* (www.armedu.am) was launched, the *"Distance Learning"* system (http://learning.armedu.am/) was put into operation, and distance courses for eight subjects of the advanced stream of the high school 10th grade were organized.

In 2012, the works for connecting new schools to the internet network of Armenian schools were completed; currently 1401 schools are integrated into one common network.

Works for establishing and piloting the database of electronic educational resources were implemented. *"Resource Repository"* website has been developed through the sponsorship of Vivacell MTS and is available at http://lib.armedu.am. Relevant sub-pages contain more than 840 electronic resources. For the purpose of introducing innovative technologies, 5 netbook classes were established at different general education institutions.

In 2012, works were implemented for the introduction of the *"Chess"* subject in the 3rd grade of general education schools, and for the development of the respective textbook, learning and methodological manuals. Some 15444 sets of chess stationery were purchased for dedicated chess classrooms.

The departmental act *"On Piloting the Scoring System for General Education Institutions"* was adopted, establishing that the piloting of the scoring system would commence in 2013. Thesauruses for the unified examination on subjects "Armenian language and literature" and "Mathematics" were developed and published, each containing 5000 exercises.

For improving the quality of textbooks, in terms of the contents, the departmental act *"On Piloting Textbooks Awarded the First Prize in the Contest of the Academic Year 2013/2014"* established the list of 20 textbooks and 90 general education institutions to provide for their piloting.

Reforms in higher education are mainly aimed at realization of the principles of the Bologna process. Similarly, reforms in preliminary and secondary vocational education pursue integration with the European educational area.

17 state educational standards for specialties and qualifications of preliminary (technical) and secondary vocational education were developed. These standards were introduced in educational institutions since the academic year 2012/2013.

At the same time, the standards for 12 specialties and qualifications developed and introduced earlier were revised to bring them into compliance with the occupational descriptions provided by the Ministry of Labor and Social Affairs.

To strengthen managerial capabilities, 920 lecturers and on-job training masters, 40 directors and deputy directors of the preliminary (technical) and secondary vocational education system, as well as 31 members of governance boards of vocational education and training institutions were retrained.

In 2012, the *"Program and Action Plan for 2012-2016 Reforms in Vocational Education and Training"* was developed and endorsed by the Government. The program set out the priorities and programmatic directions for further improvement of vocational education and training.

In order to launch the national framework of educational qualifications, the *"Rules for Award of Educational Qualifications"* and the *"Rules for Adjustment of Previously Awarded Qualifications"*, as well as the *"Rules for Recognition of Qualifications Awarded by Foreign States"* were developed and endorsed by the Government. According to these rules, the national system of educational qualifications should become a constituent part of the general system of education and training in Armenia, whereas the quality of awarded qualifications should be assured through state standards having passed the European analytical test, and should facilitate mobility of labor force at national and international level.

The criteria for assessing financial standing of students and the program for their financial support were developed. The methodology for the formation of tuition fees approved by the joint order of the Minister of Education and Science and the Minister of Economy was sent to higher education institutions to pilot calculation of tuition fees on basis of this methodology.

The *"Rules for Conduction of the "Best Student" Republican Contest"* were approved. Moreover, the "*Scoring System of Higher Education Institutions in the Republic of Armenia: Methodology, Indicators, Calculation Mechanisms"* was approved and schedules for piloting in 2013.

In 2012, dual diplomas for three specialties were provided due to the cooperation between Yerevan State University, Russian-Armenian (Slavonic) University on one side, and Ural Federal University of the Russian Federation and Glasgow University on the other side.

In terms of the quality of vocational education, establishment of a network of modern laboratories has been emphasized. For that purpose, 1800 square meter office space was allocated in the building of Yerevan State Architecture University.

Works were implemented for bringing the list of specialties of higher education into compliance with international standards for educational classification. This classification would enable compatibility of the national indicators. In 2013, the Ministry of Education and Science will further pursue improvement of the quality, efficiency and accessibility of education. Particularly, special emphasis will be made on improved accessibility of preschool education, enhanced quality

of general education, broader opportunities for representatives of national minorities to receive high-quality basic education, introducing a new essential framework and professional development of specialists in preliminary vocational (technical) and secondary vocational education system, promoting quality, accessibility and competitiveness of higher education.

Box 9.2: Activities of Preschool Education Facilities

In 2012, there were 683 community, public and non-public preschool education facilities (PSEF) operating in the country, including 440 kindergartens, 214 nursery-kindergartens and 29 school-kindergartens. Within the total number of PSEF-s, 625 operated under community, 6 under public and 52 under non-public administration. Total PSEF enrollment (children of age group 0-5 years) constituted 27.9%, including 36.6% in urban communities and 13.8% in rural communities. The average number of children per group was 28, and the actual occupancy rate was 90.2%. The average attendance rate per PSEF was 102, and the average child/pedagogue ratio was 13.

Indicators of PSEF Activities, by Regions and in Yerevan, 2012

	Number of PSEFs (unit)	Number of groups (unit)		Number of seats (unit)	Number of children (person)	
		Total	Groups for children of 3 years and above		Total	Girls
Yerevan	207	1 077	874	34 285	33 023	16 310
Aragatsotn	20	53	49	1 800	1 790	897
Ararat	74	203	186	5 680	5 322	2 676
Armavir	56	177	161	6 215	4 577	2 239
Gegharkunik	42	105	94	3 599	2 886	1 468
Lori	61	119	146	4 713	4 027	1 939
Kotayk	52	233	179	6 595	5 734	2 899
Shirak	45	150	128	4 173	3 809	1 995
Syunik	52	170	146	4 723	4 333	2 078
Vayotz Dzor	18	35	35	1 070	944	463
Tavush	56	124	111	4 154	3 020	1 476
Total	**683**	**2 446**	**2 109**	**77 007**	**69 465**	**34 440**

Preschool Education Enrollment, by Age and Gender, by Regions and in Yerevan, 2012

(person)

	Under 1.5 years		1.5-3 years		3 - 5 years		6 years		7 years	
	Total	Of which, girls	Total	Of which, girls	Total	Of which, girls	Total	Of which, girls	Total	Of which, girls
Yerevan	91	42	5 668	2 779	19966	9 683	7282	3 797	16	9
Aragatsotn	-	-	192	104	846	467	545	227	207	99
Ararat	25	11	481	230	3 260	1 623	1 512	789	44	23
Armavir	-	-	331	179	2 980	1 430	1 266	630	-	-
Gegharkunik	-	-	297	157	1 235	619	1 304	652	50	40
Lori	-	-	344	168	2 221	1 070	1 390	663	72	38
Kotayk	6	5	893	397	2 846	1 514	1 882	916	107	67
Shirak	-	-	700	349	1 997	1 084	1 014	496	98	66
Syunik	-	-	522	258	2 660	1 231	1 125	576	26	13
Vayotz Dzor	-	-	6	4	611	307	318	147	9	5
Tavush	20	11	298	143	1 869	892	829	430	4	-
Total	**142**	**69**	**9732**	**4768**	**40491**	**19920**	**18467**	**9323**	**633**	**360**

Activities of General Education Institutions

Key Indicators of General Education, 2012/2013 Academic Year

Number of schools (unit)	Number of pupils (person)		Pupil enrollment (percent)				Number of awarded graduation certificates in 2012 (person)		Number of teachers (person)
			Total	Including, by education level					
	Total	I grade		Elem.	Basic	High	Basic education	Secondary education	
1435	368708	35740	89.2	95.2	94.8	74.1	37934	34946	40830

Quantitate distribution of general education institutions: 1435 institutions implementing general education programs (hereinafter: schools) operated in 2012/2013 academic year.

Number of General Education Schools, by Regions and in Yerevan, 2012/2013 Academic Year

(unit)

	Total	*Including:*		Urban communities			Rural communities		
		Public	Private	Total	*Including:*		Total	*Including:*	
					Public	Private		Public	Private
Yerevan	253	216	37	253	216	37	-	-	-
Aragatsotn	122	122	-	13	13	-	109	109	-
Ararat	112	112	-	21	21	-	91	91	-
Armavir	123	121	2	28	26	2	95	95	-
Gegharkunik	126	126	-	27	27	-	99	99	-
Lori	168	167	1	65	64	1	103	103	-
Kotayk	105	104	1	39	39	-	66	65	1
Shirak	173	168	5	59	54	5	114	114	-
Syunik	121	121	-	36	36	-	85	85	-
Vayotz Dzor	51	50	1	11	10	1	40	40	-
Tavush	81	81	-	18	18	-	63	63	-
Total	**1 435**	**1 388**	**47**	**570**	**524**	**46**	**865**	**864**	**1**

Pupil numbers and distribution: In 2012/2013 academic year, the number of pupils in general education schools totaled 368708, of which 48.0% were girls. School enrolment constituted 89.2%, including 95.2% in elementary, 94.8% in basic and 74.1% in high school. The "adjusted net enrollment" rate totaled 93.4% in elementary and 97.0% in basic school. Gender equality indicator (the ratio of total enrollment of boys to that of girls) was 1.06; it comprised 1.02 at elementary, 1.02 at basic, and 1.21 at high school.

Number of Pupils in General Education Schools, by Regions and in Yerevan, 2012/2013 Academic Year

(person)

	Public Schools			Private Schools			Total		
	Girls	Boys	Total	Girls	Boys	Total	Girls	Boys	Total
Yerevan	51610	54502	106112	2695	3376	6071	54305	57878	112183
Aragatsotn	8584	9916	18500	-	-	-	8584	9916	18500
Ararat	15714	17138	32852	-	-	-	15714	17138	3282
Armavir	16334	18611	34945	167	183	350	16501	18794	35295
Gegharkunik	14908	16509	31417	-	-	-	14908	16509	31417
Lori	15267	16362	31629	38	66	104	15305	16428	31733
Kotayk	16387	17417	33804	55	97	152	16442	17514	33956
Shirak	15071	16357	31428	379	394	773	15450	16751	32201
Syunik	8390	8595	16985	-	-	-	8390	8595	16985
Vayotz Dzor	3222	3654	6876	15	15	30	3237	3669	6906
Tavush	8282	8398	16680	-	-	-	8282	8398	16680
Total	**173769**	**187459**	**361228**	**3349**	**4131**	**7480**	**177118**	**191590**	**368708**

Number of Dropped Out Pupils, by Regions and in Yerevan, as of the Beginning of 2012/2013 Academic Year

(person)

	Total	Including, due to reason:							
		No desire to study	Poor social-economic conditions	Parents do not send (do now allow to go) to school	Disability				
					Auditory disorder	Visual disorders	Musculoskeletal system disorders	Mental retardation	Other
Yerevan	105	83	12	3	1	4	-	1	1
Aragatsotn	42	15	27	-	-	-	-	-	-
Ararat	151	106	36	8	-	-	-	1	-
Armavir	153	100	18	34	1	-	-	-	-
Gegharkunik	93	46	30	6	-	1	3	5	2
Lori	89	76	9	3	1	-	-	-	-
Kotayk	193	122	9	61	-	-	-	1	-
Shirak	146	125	9	11	-	-	-	1	-

Syunik	39	31	7	1	-	-	-	-	-
Vayotz Dzor	6	5	1	-	-	-	-	-	-
Tavush	53	45	7		-	-	-	1	-
Total	**1 070**	**754**	**165**	**127**	**3**	**5**	**3**	**10**	**3**

Number of Basic Education Graduates of General Education Schools, by Regions and in Yerevan, 2012

(person)

	Number of awarded graduation certificates		Including:					
			Graduated with high achievements		Continued study in high school		Admitted to other educational institutions	
	Total	Girls	Total	Girls	Total	Girls	Total	Girls
Yerevan	11602	5510	617	382	5663	2857	2997	1262
Aragatsotn	1925	858	16	10	1340	628	164	47
Ararat	3449	1611	144	101	2116	1077	544	191
Armavir	3697	1737	110	76	2421	1199	475	195
Gegharkunik	3233	1554	182	121	2225	1138	487	174
Lori	3244	1585	193	114	1839	975	662	277
Kotayk	3397	1583	109	75	2050	1069	640	244
Shirak	3422	1627	227	150	2313	1191	620	224
Syunik	1658	808	116	72	1119	577	236	81
Vayotz Dzor	701	329	60	32	532	255	48	10
Tavush	1606	757	64	52	1210	628	257	101
Total	**37934**	**17959**	**1838**	**1185**	**22828**	**11594**	**7130**	**2806**

	Dropped out studies		Remained in 9th grade		Put out of school	
	Total	Girls	Total	Girls	Total	Girls
Yerevan	45	14	27	7	9	3
Aragatsotn	3	1	9	3	4	1
Ararat	4	2	20	10	14	4
Armavir	19	9	11	6	71	21
Gegharkunik	14	3	13	4	5	1
Lori	31	10	15	4	16	4
Kotayk	9	3	15	7	4	3
Shirak	6	3	9	1	16	3
Syunik	-	-	4	1	1	-
Vayotz Dzor	1	1	-	-	-	-
Tavush	13	3	10	2	2	-
Total	**145**	**49**	**133**	**45**	**142**	**40**

Number of Secondary Education Graduates of General Education Schools, by Regions and in Yerevan, 2012

(person)

	Number of awarded graduation certificates				Learned the entire curriculum of previous years		Learned curriculum of the given year but did not receive a graduation certificate		Dropped out of school		Put out of school	
	Total		Of which, graduates with high achievements									
	Total	Girls	Total	Girls	Total	Girls	Total	Girls	Total	Girls	Total	Girls
Yerevan	10029	5187	74	39	9975	5177	30	10	14	4	1	-
Aragatsotn	1857	969	30	12	1857	969	20	10	5	2	-	-
Ararat	3206	1663	113	57	3206	1663	58	27	22	13	3	-
Armavir	3340	1764	241	125	3340	1764	45	19	12	6	2	-
Gegharkunik	3350	1774	13	7	3350	1774	24	5	7	7	6	2
Lori	3119	1688	101	57	3112	1684	39	12	16	10	-	-
Kotayk	2698	1504	120	58	2698	1504	57	21	16	9	2	1
Shirak	3308	1750	9	5	3308	1750	15	2	23	10	10	5
Syunik	120	796	61	32	1520	796	4	3	4	-	-	-
Vayotz Dzor	862	441	21	13	862	441	1	1	3	2	-	-
Tavush	1657	906	29	22	1657	906	5	-	3	1	-	-
Total	**34946**	**18442**	**812**	**427**	**34885**	**18428**	**298**	**110**	**125**	**64**	**24**	**8**

Preliminary Vocational (Technical) Education

In 2012/2013 academic year, there were 43 public educational institutions in preliminary vocational education, of which 25 provided preliminary vocational (technical) and 18 provided secondary vocational education. Students were trained by basic and secondary education curricula. The number of students totaled 6853, of which 26.6% were females. Some 92.1% of students were enrolled on tuition-free basis and 7.9% on tuition-paying basis. The total enrollment rate was 4.1% (2.3% for females and 5.8% for males). Gender equality indicator (the ratio of total enrollment of males to that of females) constituted 0.40.

Number of Students Admitted to Educational Institutions on Tuition-Free and Tuition-Paying Basis, by Regions and in Yerevan, 2012/2013 Academic Year

(person)

	Number of admitted students		Including:			
	Total	Of which, females	Tuition-free basis		Tuition-paying basis	
			Total	Of which, females	Total	Of which, females
Yerevan	1 108	351	927	255	181	96
Aragatsotn	50	3	50	3	-	-
Ararat	51	-	51	-	-	-
Armavir	122	34	122	34	-	-
Gegharkunik	210	30	210	30	-	-
Lori	261	44	249	44	12	-
Kotayk	317	111	317	111	-	-
Shirak	650	228	631	223	19	5
Syunik	163	68	150	55	13	13
Vayotz Dzor	62	22	62	22	-	-
Tavush	117	17	117	17	-	-
Total	**3 111**	**908**	**2 886**	**794**	**225**	**114**

Number of Students Studying in Educational Institutions on Tuition-Free and Tuition-Paying Basis, by Regions and in Yerevan, 2012/2013 Academic Year

(person)

	Number of institutions (unit)		Number of students (person)		Including			
	Preliminary vocational (technical)	Secondary vocational	Total	Of which, females	Tuition-free basis		Tuition-paying basis	
					Total	Of which, females	Total	Of which, females
Yerevan	7	5	2 518	753	2 134	593	384	160
Aragatsotn	1	-	151	29	151	29	-	-
Ararat	-	1	143	3	143	3	-	-
Armavir	2	-	316	93	217	62	99	31
Gegharkunik	1	2	434	49	434	49	-	-
Lori	2	2	561	90	542	90	19	-
Kotayk	5	1	649	174	649	174	-	-
Shirak	5	1	1 328	441	1 309	436	19	5
Syunik	1	3	299	90	281	73	18	17
Vayotz Dzor	-	1	98	33	98	33	-	-
Tavush	1	2	356	65	354	65	2	-
Total	**25**	**18**	**6 853**	**1 820**	**6 312**	**1 607**	**541**	**213**

Number of Students Graduated from Educational Institutions on Tuition-Free and Tuition-Paying Basis, by Regions and in Yerevan, 2012/2013 Academic Year

(person)

	Number of graduates		Including:			
	Total	Of which, females	Tuition-free basis		Tuition-paying basis	
			Total	Of which, females	Total	Of which, females
Yerevan	574	200	420	109	154	91
Aragatsotn	57	24	57	24	-	-
Ararat	47	-	47	-	-	-
Armavir	100	26	78	19	22	7
Gegharkunik	114	11	114	11	-	-
Lori	126	20	124	20	2	-

Kotayk	201	66	201	66	-	-
Shirak	367	141	367	141	-	-
Syunik	113	18	95	12	18	6
Vayotz Dzor	17	-	17	-	-	-
Tavush	93	9	93	9	-	-
Total	1809	515	1613	411	196	104

Secondary Vocational education

In 2012/2013 academic year, 10399 students (of which, females 54.1%) were admitted to 99 public and non-public secondary vocational education institutions (SVEI), the total number of students constituted 29307 (of which, females 52.9%), and the number of graduates constituted 7933 (of which, females 63.6%). Students were trained by basic and secondary education curricula. Some 92.1% of students were enrolled on tuition-free basis and 7.9% on tuition-paying basis. The total enrollment rate was 11.0% (11.9% for females and 10.2% for males). Gender equality indicator (the ratio of total enrollment of males to that of females) constituted 1.17.

Student Flows in Secondary Vocational Education Institutions, by Regions and in Yerevan, 2012/2013 Academic Year

	Number of SVEI (unit)	Admitted (person)		Number of students (person)		Graduated in 2012 (person)	
		Total	Of which, females	Total	Of which, females	Total	Of which, females
Yerevan	35	5753	3260	16579	9237	4164	2803
Aragatsotn	1	96	33	166	58	56	15
Ararat	6	529	295	1402	650	349	171
Armavir	5	507	275	1480	776	479	299
Gegharkunik	8	595	244	1442	678	482	272
Lori	10	727	422	2217	1241	542	328
Kotayk	6	511	216	1414	560	364	212
Shirak	12	858	437	2436	1263	760	510
Syunik	7	444	251	1187	599	306	197
Vayotz Dzor	3	112	67	259	157	104	55
Tavush	6	267	130	725	276	327	185
Total	**99**	**10399**	**5630**	**29307**	**15495**	**7933**	**5047**

Tertiary Education

Bachelor's Degree: In 2012/2013 academic year, 65 public and non-public higher education institutions (HEI) and 12 branches provided professional education at the first level of higher education – that is the one awarding bachelor's degree – under the bachelor's and certified specialist's programs. Some 21342 students (of which, females 53.3%) were admitted to these institutions, the total number of students constituted 90145 (of which, females 52.1%), and the number of graduates constituted 24597 (of which, females 54.8%). The total enrollment rate was 44.9% (46.5% for females and 43.3% for males). Gender equality indicator (the ratio of total enrollment of males to that of females) constituted 1.07.

Student Flows in Higher Education Institutions, by Regions and in Yerevan, 2012/2013 Academic Year

	Number of HEIs (unit)	Number of branches (unit)	Admitted (person)		Number of students (person)		Graduated in 2012 (person)	
			Total	Of which, females	Total	Of which, females	Total	Of which, females
Yerevan	51	-	17920	9334	74726	38297	19558	10512
Aragatsotn	2	-	75	22	305	63	81	35
Ararat	2	-	366	194	1759	981	471	258
Armavir	2	2	697	427	3835	2291	1481	886
Gegharkunik	2	-	70	44	446	272	99	66
Lori	3	5	1223	777	5236	3058	1854	1115
Kotayk	2	2	453	244	1955	942	510	296
Shirak	1	1	104	67	242	153	90	68
Syunik	-	2	434	276	1641	930	453	244
Vayotz Dzor	51	-	17920	9334	74726	38297	19558	10512
Tavush	2	-	75	22	305	63	81	35
Total	**65**	**12**	**21342**	**11385**	**90145**	**46987**	**24597**	**13480**

Master's Degree: In 2012/2013 academic year, 35 public and non-public higher education institutions and 2 academic

institutions provided professional education at the second level of higher education – that is the one awarding master's degree – under the master's program. Some 7125 students (of which, females 66.6%) were admitted to these institutions, the total number of students constituted 12105 (of which, females 68.2%), and the number of graduates constituted 5175 (of which, females 70.5%). The total enrollment rate was 10.2% (13.7% for females and 6.6% for males). Gender equality indicator (the ratio of total enrollment of males to that of females) constituted 2.08.

Number of Students and Graduates in Master's Degree on Tuition-Free and Tuition-Paying Basis, 2012/2013 Academic Year

(person)

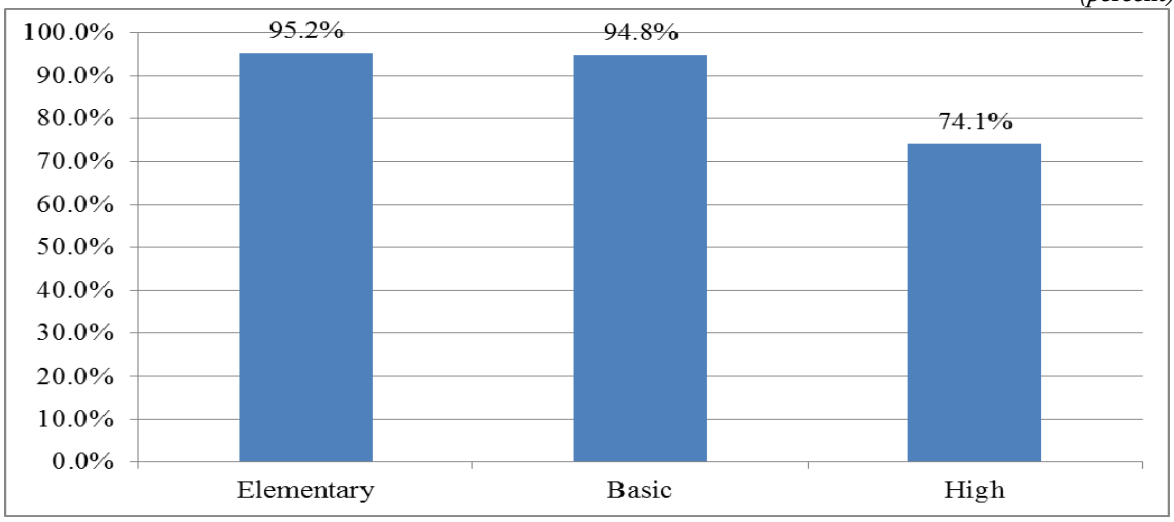
	Master's Degree students		Including:			
	Total	Of which, females	On tuition-free basis		On tuition-paying basis	
			Total	Of which, females	Total	Of which, females
Number of admitted	7 125	4 747	2 078	1 245	5 047	3 502
Of which: foreigner students	161	90	28	7	133	83
Number of students	12 105	8 259	3 283	1 982	8 822	6 277
Including: I course	6 885	4 667	1 796	1 080	5 089	3 587
II course	5 220	3 592	1 487	902	3 733	2 690
Number of foreign students	275	146	42	26	233	120
Including : I course	147	81	27	15	120	66
II course	128	65	15	11	113	54
Number of students graduated in 2012	5 175	3 648	1 614	1 146	3 561	2 502
Of which: foreigner students	134	67	29	16	105	51

9.1. Enrolment in Educational System

Armenia has maintained high enrolment rates in the basic education system. Total enrolment rates in general education schools in the 2012/2013 academic year, by education programs, are presented in Figure 9.1[1]. Available data show very high total enrolment rates in basic education.

Figure 9.1 – Armenia: Enrollment in General Education Schools, by Educational Programs, 2012/2013 Academic Year

(percent)



Source: *RA NSS 2012*

[1] Enrolment rates in the education system are estimated on basis of data received from administrative registers and may differ from those obtained under the ILCS.

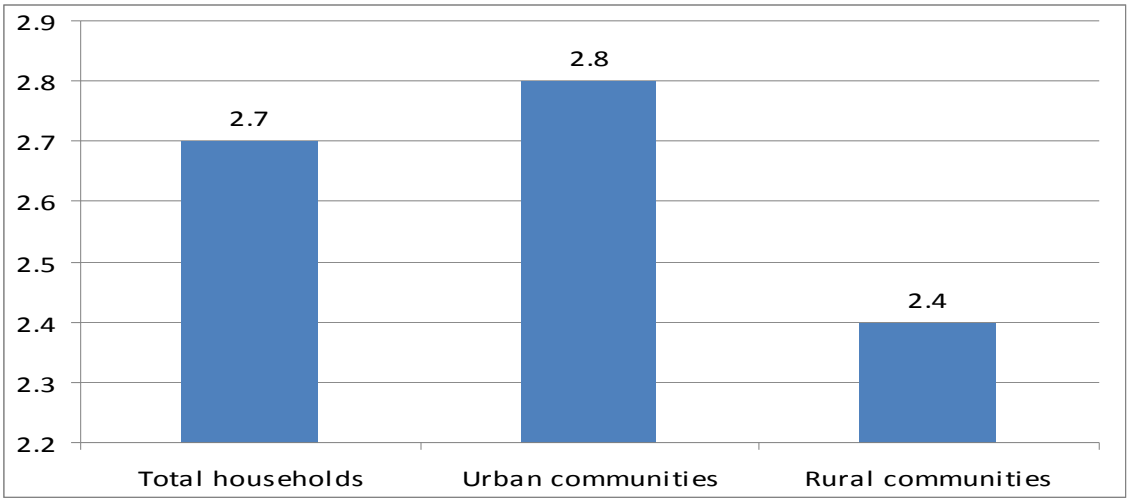
According to administrative statistical data, in 2012 enrolment in preschool education facilities (children of age group 0-5 years) totaled 27.9%, including 36.6% in urban communities and 13.8% in rural communities.

According to ILCS data, enrollment rate in preschool facilities (children of age group 0-6 years) constituted 27.0% and varied depending on poverty status. Particularly, enrollment among non-poor households was 31%, poor households – 22%, and extremely poor households – 17%. Total enrollment rate in preschool facilities (children of age group 0-6 years) varied by quintile groups of the consumption aggregate. Thus, it was 20% in the first quintile, 26% in the second quintile, 20% in the third and fourth quintiles, and 34% in the fifth quintile.

According to ILCS data, spending on education in 2012 comprised 2.7% 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 Total Household Expenditures on Non-Food Products and Service, 2012

(percent)



Source: *ILCS 2012*

In 2012, according to ILCS data, approximately seven out of ten children of the age group 0-6 years did not attend a preschool facility. As indicated by respondents, the reasons for non-attendance were as follows: the child had a non-working mother – 55.8%, there was no kindergarten – 6.9%, the preschool facility was closed down – 4.0%, or the services were too expensive – 3.2% (Table 9.1).

Table 9.1 – Armenia: Reasons for Non-Enrollment in Preschool Education, 2012

(percent)

	Quintile					Total
	I	II	III	IV	V	
Too expensive	6.3	2.3	3.4	1.1	-	3.2
Poor feeding	-	-	-	-	0.4	0.1
Working hours not suitable	-	-	0.7	-	-	0.1
Risk of infectious diseases	-	0.8	-	0.3	0.5	0.3
Preschool facility closed down	3.4	3.0	7.3	5.2	0.6	4.0
Low quality of services	-	0.5	1.0	1.1	-	0.5
Non-working mother	56.1	57.9	53.9	52.9	58.0	55.8
No kindergarten	6.7	6.0	6.6	6.0	10.2	6.9
Already at school	0.2	0.8	0.4	1.8	0.5	0.7

	Quintile					Total
	I	II	III	IV	V	
Other	27.3	28.7	26.7	31.6	29.8	28.4
Total	**100**	**100**	**100**	**100**	**100**	**100**

Source: *ILCS 2012*

There was a difference between the poorest and the richest quintile groups. Around 6% of respondents in the poorest quintile reported that preschool education was too expensive, while this reason was not indicated by respondents in the richest quintile.

The distance to the nearest preschool facility from the household is considered as one of the key indicators of accessibility. According to ILCS 2012 data, 45% of rural residents reported that the preschool facility was up to 1 km away. Meanwhile, 11% of households responded that it was more than 10 km away. Table 9.2 presents these findings by quintile groups. Some 49% of the respondents in the poorest quintile reported that the distance to the nearest preschool facility was up to 1 km away, whereas the same distance was reported by 43% of the respondents in the richest quintile. 11% of both the poorest and the richest households reported that the nearest preschool facility was more than 10 km away.

Table 9.2 – Armenia: Accessibility of Preschool Education in Rural Communities, 2012

(percent)

Rural communities	Quintile					Total
	I	II	III	IV	V	
Distance to nearest preschool facility						
0-1 km	48.5	47.3	43.9	44.3	42.7	45.1
1-3 km	20.3	26.1	34.3	32.0	31.9	29.4
4-5 km	10.1	6.7	5.8	6.4	5.9	6.9
6-10 km	9.7	9.3	3.4	7.8	8.6	7.7
>10 km	11.4	10.6	12.6	9.5	10.9	10.9
Total	**100**	**100**	**100**	**100**	**100**	**100**
Transportation means used for reaching preschool facility						
Car	2.5	5.8	7.7	10.6	16.8	9.1
Bus	30.7	26.9	22.2	25.2	24.3	25.6
Taxi	0.9	0.9	1.0	1.0	1.2	1.0
On foot	65.9	66.4	69.1	63.2	57.7	64.3
Total	100	100	100	100	100	100

Source: *ILCS 2012*

Elementary School (1-4 Grades)

According to ILCS data, in 2012 total enrolment in elementary education (1-4 grades) constituted 98%[1] and did not significantly vary by poverty status. Enrolment in elementary education for non-poor households at 98% was the same as that for poor households (excluding extremely poor households), whereas for extremely poor households it was 84% only. Total enrollment constituted 94% in the poorest quintile, 98% in the second quintile, 88% in the third quintile, and 107% in the fourth and fifth quintiles.

In 2012, average monthly per pupil expenditures of households with children in elementary school totaled AMD 1820, of which 41% was spent on textbooks, 48% – on other expenses, 3% – on tuition fees, and 8% - on private lessons. In comparison with the average AMD 1820, these expenditures totaled AMD 2017 for non-poor, AMD 1515 for poor, and AMD 1354 for extremely poor households.

[1] These indicators are not comparable with data received through administrative accounting, since ILCS covers the period of calendar year, whereas administrative accounting encompasses the period of academic year comprised of semesters of two different years.

Basic School (5-9 Grades)

According to ILCS data, in 2012 total enrolment in basic education (5-9 grades) constituted 93% and was high both for the poor and the non-poor. Enrolment in basic education was 91% for non-poor households, 95% for poor households, and 103% for extremely poor households. Total enrollment constituted 95% in the poorest quintile, 98% in the second and third quintiles, 88% in the fourth quintile, and 84% in the fifth quintile.

In 2012, average monthly per pupil expenditures of households with children in basic school totaled AMD 2379, of which 43% was spent on textbooks and writing utensils, 9% – on private lessons, 3% – on tuition fees, and 45% – on other expenses. In comparison with the average AMD 2379, these expenditures totaled AMD 2567 for non-poor, AMD 1994 for poor, and AMD 1642 for extremely poor households.

Basic education is mandatory in Armenia. After completing basic education, certain proportion of children of the relevant age drops out of school. According to ILCS data, in 2012 some 13.6% teens of 15-17 years of age did not attend school. The majority of them, 80.2%, told that they had completed schooling or educational studies, whereas 1.0% was not willing to study anymore, 4.8% noted poor health as a reason for not continuing their education, and 8.0% 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.

High School (10-12 Grades)

According to ILCS data, in 2012 total enrolment in high school (of the age group 15-17 years) constituted 71%. At that, it was 73% for non-poor households, 70% for poor households, and 51% for extremely poor households.

In 2012, average monthly per pupil expenditures of households with children in high school totaled AMD 4375, of which 27% was spent on textbooks, 28% – on other expenses, 44% – on private lessons, and 1% – on tuition fees. At that, these expenditures varied by poverty status, as follows: for the non-poor – AMD 4864, of which 24% was spent on textbooks, 26% - on other expenses, 49% – on private lessons, and 1% – on tuition fees; for the poor – AMD 3543, of which 33% was spent on textbooks, 33% – on other expenses, 31% – on private lessons, and 3% – on tuition fees; and for the extremely poor – AMD 1993, of which 58% was spent on textbooks, 42% – on other expenses, 0% – on private lessons, and 0% – on tuition fees.

Higher Education Institutions

As articulated above, in contrast to basic education, enrolment in upper grades of secondary school and in tertiary education is relatively low, with rather visible differences between the poor and the non-poor. High costs of tertiary education and specifically its accessibility, relatively low perceived returns on education were cited as the main reasons explaining why teens from poor households drop out the educational system after completing basic education and, particularly, general secondary education.

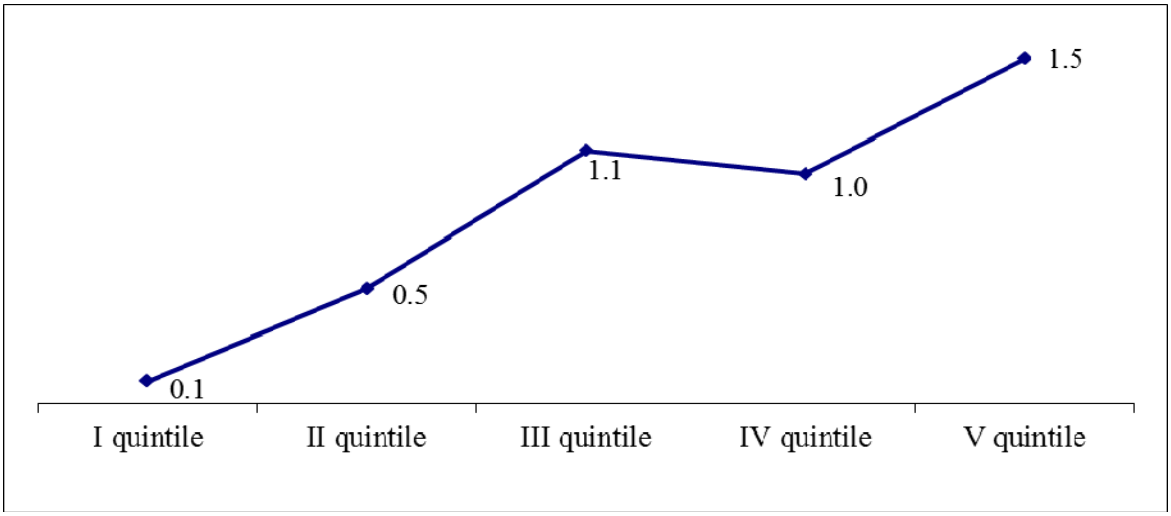
According to ILCS data, in 2012 total enrolment in tertiary education (of the age group 18-22 years) constituted 37%. Enrolment in tertiary education institutions was 44% for non-poor households, 25% for poor households, and 10% for extremely poor households. Total enrollment constituted 19% in the poorest quintile, 25% in the second quintile, 27% in the third quintile, 48% in the fourth quintile, and 64% in the fifth quintile.

In 2012, average monthly per student expenditures of households with members in higher education institutions totaled AMD 24604, of which 88% was spent on tuition fees, 5% – on textbooks, 5% – on other expenses, 2% – on private lessons. At that, these expenditures varied by poverty status, as follows: for the non-poor – AMD 24577, of which of which 88% was spent on tuition fees, 5% – on textbooks, 5% – on other expenses, 2% – on private lessons; for the poor – AMD 24694, of which 88% was spent on tuition fees, 4% – on textbooks, 5% – on other expenses, 3% – on private lessons; and for the extremely poor – AMD 24746, of which 89% was spent on tuition fees, 4% – on textbooks, 7% – on other expenses.

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 23 times lower than the average, whereas the same indicator for the fifth quintile was 3 times higher than the average.

Figure 9.3 – Armenia: Share of Spending on Education in Total Expenditures, by Quintile Groups, 2012

(percent)



Source: *ILCS 2012*

Some 6.9% of households reported that during the current and previous academic years they were requested to give a gift to a teacher or a lecturer. Then, 13.6% of households reported that the gift was given to the teacher or the lecturer at their personal initiative or by others' request.

One of the most important indicators of education accessibility is the distance between the household and the nearest (secondary) school. According to ILCS 2012 data, 69% of respondents in rural communities reported that the secondary school was up to 1 km away. Meanwhile, 2.7% of households cited that it was more than 4 km away, whereas 1.4% of households reported that the distance to nearest secondary school was more than 10 km. Table 9.3 presents these findings by quintile groups.

Table 9.3 – Armenia: Rural Communities - Distance to Nearest (Secondary) School and Transportation Means Used for Reaching School, 2012

(percent)

Rural communities	Quintile					Total
	I	II	III	IV	V	
Distance to nearest secondary school						
0-1 km	74.2	67.1	58.6	70.4	74.1	68.8
1-3 km	23.5	29.3	38.0	27.3	23.9	28.5
4-5 km	1.3	0.7	0.2	1.1	1.0	0.9
6-10 km	0.4	1.6	-	-	0.3	0.4
>10 km	0.6	1.3	3.2	1.2	0.7	1.4
Total	**100**	**100**	**100**	**100**	**100**	**100**
Transportation means used for reaching school						
Car	-	3.1	3.5	4.8	7.1	4.0
Bus	5.0	3.3	4.4	1.9	2.0	3.1
Taxi	-	-	-	-	-	-
On foot	95.0	93.6	92.1	93.3	90.9	92.9
Total	**100**	**100**	**100**	**100**	**100**	**100**

Source: *ILCS 2012*

In the opinion of both boys and girls within the age group of 16-20 years, the main reason for not continuing education was that they completed the secondary school (61% and 58%, respectively). The next most important reason reported by representatives of both genders in all quintiles (except for the richest quintile) was the high cost of education, cited by 5.9% of boys and 3.5% of girls. 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, 2012

(percent)

	Quintile					Total
	I	II	III	IV	V	
Boys						
Illness	-	2.4	-	-	-	0.5
High cost	5.1	3.6	8.5	11.4	2.1	5.9
Does not want to study	2.8	-	-	-	-	0.8
Does not attend temporarily, but intends to continue studies	2.1	1.8	-	-	0.5	1.1
Family reasons	-	-	-	-	-	-
Has graduated from basic school (9th grade)	4.9	3.6	5.5	-	2.8	3.9
Has graduated from secondary school (12th grade)	57.8	60.2	64.4	62.1	62.3	61.0
Has completed educational studies	27.3	28.3	19.4	18.8	28.5	24.8
Other	-	0.1	2.2	7.7	3.8	2.0
Total	**100**	**100**	**100**	**100**	**100**	**100**
Girls						
Illness	2.2	3.2	3.3	-	-	1.9
Has to work	0.2	-	-	-	-	0.1
Transportation problems	-	-	4.1	-	-	0.8
High cost	4.0	1.6	6.2	6.1	-	3.5
Does not want to study	1.7	2.1	-	-	-	0.9
Does not attend temporarily, but intends to continue studies	-	2.3	0.4	-	-	0.6
Family reasons	-	1.6	-	-	-	0.3
Has graduated from basic school (9th grade)	29.5	20.3	28.3	5.8	4.9	19.5
Has graduated from secondary school (12th grade)	55.5	53.6	49.7	64.7	69.9	57.9
Has completed educational studies	6.8	6.9	8.0	21.0	25.2	12.4
Other	0.1	8.4	-	2.3	-	2.1
Total	**100**	**100**	**100**	**100**	**100**	**100**

Source: *ILCS 2012*

According to ILCS data, 78% of students in higher education institutions were from non-poor households, 21% – from poor households, and 1% – from extremely poor households.

9.2. Courses for Persons Not Studying in Educational Institutions (14 Years and Above)

According to ILCS data, in 2012 only 0.5% of persons aged 14 years and above not studying in an educational institution had attended any course within the 12 months prior to the survey. The distribution of courses by duration was as follows: more than a month – 35.2%, up to two weeks – 51.2%, up to one month – 8.4%, one month – 5.2%. The state or the community had paid for the courses in most cases – 58.7%. The main objective of the courses was reported as advanced training – 37.1%, study – 34.3%, and retraining – 28.6%. The following courses were attended most often: foreign language – 19.2%, accounting – 14.3%, computer – 9.8%, handicraft – 4.6%. Average monthly per course expenses of households totaled AMD 37 thousand, and the maximum fee constituted AMD 67 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 over years 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 (7.3% in 2012). 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 13 percentage points or 40% (from 32.4% to 45.4%), while poverty gap and severity would also considerably increase. The situation would deteriorate particularly for the population in receipt of social transfers.

In comparison with monetary social assistance, pensions, as a larger component of social transfers, have more significant implications in terms of poverty reduction. 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 72.9% of all beneficiaries receiving 73.9% of funds allocated to the program belong to the two bottom consumption quintiles. This, however, does not rule out the need for further improvement of program targeting, since some 48% of the poorest 20% 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 transfers would not have been paid ("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 a 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, i.e. with "post-pension" but "pre-social assistance" poverty rate[1].

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

In 2012, AMD 288.5 billion or 7.2% of GDP (as compared to AMD 207.9 billion or 5.8% of GDP in 2008, AMD 240.2 billion or 7.6% of GDP in 2009, AMD 244.0 billion or 7.1% of GDP in 2010, and AMD 256.4 billion or 6.8% of GDP in 2011) was allocated to social benefits and pensions from the state budget of Armenia. The largest constituent in social transfers is pensions, which include retirement, military, and social pensions.

Social transfers in 2012 constituted 17.1% of the gross average monthly per capita income for Armenian households, thus maintaining a higher ratio as compared to the previous years (16.5% in 2008 and 17.5% in 2011) (Table 7.1). Social transfers made up 24.8% of the average monthly income per adult household member in the lower quintiles of consumption, whereas for the households in the top consumption quintile they made up 9.3% only (Table A.3.10 of Annex 2). When looking across the types of communities, social transfers were an important source of income mainly for urban households outside Yerevan at 27.8%, then for households in Yerevan at 23.9% and for rural households at 22.0% of their average monthly income (Table A.3.10 of Annex 2).

According to ILCS 2012, FB was reported as a source of income by 13.5%, pensions – by 53.9%, unemployment benefit – by 0.5%, childbirth and childcare allowances – by 1.4%, and other benefits, including privileges – by 2.6% of households (Table 10.1).

Table 10.1 – Armenia: Share of Households Having Reported Social Transfers as a Source of Income, 2008-2012

(percent)

	2008	2009	2010	2011	2012
Pension	50.5	51.9	52.5	53.3	53.9
Family benefit	15.3	12.2	13.4	10.2	13.5
Unemployment benefit	0.6	1.1	1.3	1.2	0.5
Childcare and childbirth allowance	0.5	0.7	1.1	1.1	1.4
Other benefits	3.7	4.2	3.1	3.2	2.6

Source: *ILCS 2008-2012*

Based on the 2012 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). Particularly, poverty rate would increase from 32.4% to 45.4%; 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 5.6% to 17.8%. Also, poverty would become more severe, since the poverty severity index would increase from 1.6% to 11.2%. 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

[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 statistically significant if confidence intervals of pre-transfer and post-transfer average poverty rates do not overlap.

were not able to compensate this loss from other sources, extreme poverty rate would increase from 2.8% to 18.2%. Also, the extremely poor would become even poorer since the poverty gap, i.e. the deficit of their average consumption relative to poverty line would increase from 0.3% to 8.6%; and extreme poverty would become more severe since the poverty severity would increase from 0.1% to 7.4%.

Table 10.2 – Armenia: Poverty Mitigation Implications of Social Transfers, 2012

(percent)

	Poor			Extremely poor		
	Poverty rate	Poverty gap	Poverty severity	Poverty rate	Poverty gap	Poverty severity
Post-transfer rate (post-pension and post-social assistance)	32.4	5.6	1.6	2.8	0.3	0.1
Pre-transfer rate (pre-pension and pre-social assistance)	45.4	17.8	11.2	18.2	8.6	7.4
Before receipt of pensions (pre-pension and post-social assistance)	43.7	15.6	9.2	15.4	6.7	5.6
Before receipt of total social assistance (pre-family benefit and other social assistance, post-pension)	33.7	7.4	2.7	5.6	1.1	0.4
Before receipt of family benefit (pre-family benefit, post-pension and other social assistance)	33.6	7.2	2.6	5.4	1.0	0.3

Source: *ILCS 2012*

Pensions, as a larger component of social transfers, have stronger 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 2.6 percentage points (from 2.8% to 5.4%), and poverty rate would increase by 1.2 percentage points (from 32.4% to 33.6%). Poverty gap and severity, in turn, would increase by 1.6 and 1.0 percentage points, respectively, whereas extreme poverty gap and severity would increase by 0.7 and 0.3 percentage points, respectively (Table 10.2). These indicators reflect the fact that family benefits have a particularly significant impact on extreme poverty.

Observations of poverty rate implications of socials transfers over 2010-2012 demonstrate the vital importance of social transfers. Non-payment of social transfers would result in the increase of poverty by 51.4% or 18.4 percentage points in 2010, by 52.0% or 18.2 percentage points in 2011, and by 40.1% or 13 percentage points in 2012 (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, by 6 times in 2011, and by 6.5 times in 2012.

Table 10.3 – Armenia: Poverty Mitigation Implications of Social Transfers, 2010 and 2012

(percent)

	Poverty rate		Including, extreme poverty rate	
	2010	2012	2010	2012
Post-transfer rate (post-pension and post-social assistance)	35.8	32.4	3.0	2.8
Pre-transfer rate (pre-pension and pre-social assistance)	54.2	45.4	20.9	18.2

	Poverty rate		Including, extreme poverty rate	
	2010	2012	2010	2012
Before receipt of pensions (pre-pension and post-social assistance)	51.9	43.7	17.3	15.4
Before receipt of total social assistance (pre-family benefit and other social assistance, post-pension)	39.4	33.7	6.8	5.6
Before receipt of family benefit (pre-family benefit, post-pension and other social assistance)	38.8	33.6	6.5	5.4

Source: *ILCS 2010 and 2012*

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 everyday life of such households. Obviously, the situation in this case would be much more severe than the one resulting from non-payment of social transfers estimated for the entire population, as 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 35.7% to 56.8%, and the share of the extremely poor among pensioners would increase from 3.6% to 26.8%. Poverty rate among households in receipt of FB was much higher as compared to the average; even with the receipt of FB it comprised 45.7% against 32.4% average poverty rate. Termination of FB would lead to a drastic increase of poverty among such households, from 51.7% to 60.6%, and the respective increase among the extremely poor would be from 7.4% to 26.5%.

Table 10.4 – Armenia: Poverty Rate Implications of Social Transfers for Households in Receipt of Pensions and/ or Other Social Assistance, 2012

(percent)

	Extremely poor	Poor	Poverty gap (P1/P0)	Poverty severity
Households in receipt of pension				
After receipt of pension	3.6	35.7	6.4	1.9
Before receipt of pension	26.8	56.8	24.8	15.9
Households in receipt of social assistance				
After receipt of social assistance	6.6	45.7	9.8	3.2
Before receipt of social assistance	22.5	53.2	19.9	9.4
Households in receipt of family benefit				
After receipt of family benefit	7.4	51.7	11.2	3.6
Before receipt of family benefit	26.5	60.6	23.0	10.9

Source: *ILCS 2012*

Note: *Poverty severity (P1/P0) reflects the consumption deficit of the poor or extremely poor population relative to, respectively, 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 across regions also highlights its importance, especially for the extremely poor population. Extreme poverty implications of family benefit remain significant in Yerevan and in all regions, except for Aragatsotn region. If family benefits were not to be paid, and the households were not able to compensate this loss from other sources, the increase in extreme poverty would range between 0.8%-6.1%. Family benefits are also quite vital for the extreme poor population in Kotayk, Lori, Gegharkunik, Syunik, Tavush and

Vayotz Dzor regions, given the fact that non-payment family benefits would result in an increase of the share of extremely poor population ranging between 2.1-6.4 times.

Non-payment of family benefits would lead to an increase of total poverty by 28% in Tavush region, 5% in Gegharkunik region, and 4% in Lori region (Table 10.5).

Table 10.5 – Armenia: Poverty Rate Implications of Family Benefit, by Regions, 2012

(percent)

	Post-transfer rate (post-pension and social assistance)		Before receipt of family benefit (pre-family benefit, post-pension and other social assistance)		Impact of non-payment of family benefit, percentage point	
	Extreme poverty rate	Poverty rate	Extreme poverty rate	Poverty rate	Extreme poverty rate	Poverty rate
Yerevan	2.2	25.6	4.0	26.1	1.8	0.5
Aragatsotn	0.9	21.2	0.9	21.3	0	0.1
Ararat	2.1	34.6	3.5	34.8	1.4	0.2
Armavir	3.3	34.3	4.1	35.2	0.8	0.9
Gegharkunik	1.4	35.5	3.4	37.2	2.0	1.7
Lori	3.4	38.7	7.4	40.4	4.0	1.7
Kotayk	5.7	42.5	11.8	43.9	6.1	1.4
Shirak	5.5	46.0	9.8	47.6	4.3	1.6
Syunik	0.7	25.6	1.9	26.0	1.2	0.4
Vayotz Dzor	0.5	20.7	3.2	20.7	2.7	0
Tavush	2.2	27.5	6.5	35.3	4.3	7.8
Total	**2.8**	**32.4**	**5.4**	**33.6**	**2.6**	**1.2**

Source: *ILCS 2012*

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 to the most vulnerable.

Study of the family benefit system shows that the coverage of the extremely poor by the FB system changed – in 2012, only 66.0% 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 2012 only 8.0% of the "pre-FB" non-poor households received family benefit, which constituted an increase compared to the previous period (7.4% in 2008). Besides targeting, this also had objective reasons.

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 status. Therefore, there is no coverage issue related to pensions. However, in the family benefit program involvement of the poor and non-the poor reflects low inclusion but high exclusion errors, meaning that the usage of rather effective limitations 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, these limitations and coefficients appear to limit entry of the poor, as well.

Table 10.6 – Armenia: Beneficiaries of Social Transfers, 2008 and 2012

(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	2012	2008	2012	2008	2012
Poor	37.6	27.6	33.8	24.4	70.9	69.9
Extremely poor	79.3	70.0	77.5	66.0	95.4	94.0
Non-poor	11.2	12.3	7.4	8.0	36.5	41.4

Source: *ILCS 2008 and 2012*

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 in 2012 decreased from 0.359 to 0.282 when pensions are added to the consumption aggregate, and to 0.269 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 Coefficients of Consumption Aggregate), 2008-2012

	2008	2009	2010	2011	2012
Pre-transfer (before receipt of pensions and social assistance)	0.316	0.346	0.359	0.357	0.359
Before receipt of social assistance (including pensions, excluding social assistance)	0258	0.272	0.282	0.280	0.282
Post-transfer (after receipt of all social transfers)	0.242	0.257	0.265	0.267	0.269

Source: *ILCS 2008-2012*

10.5. Family Benefits

According to ILCS 2012 findings, 13.3% of Armenia's households applied to the FB system; among them 12.0% was recognized as vulnerable and entitled for family benefit, 1.0% was registered in the FB system but did not receive benefits, and 0.3% was registered in the system and received emergency assistance. The vast majority of households, 86.7%, never applied to the FB system; among the reasons for non-application, 50.5% indicated that "they did not hope to get any assistance", and 19.9% considered themselves to be well-off.

Whereas over 2008-2011 the share of households having applied to the system had been decreasing year after year (in 2004, some 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%), in 2012 the number of applicants increased by 13.3% relative to the previous year. The share of those having become beneficiaries due to application changes in the following way: in 2004, some 60% of applicant households were entitled to the benefit, in 2007 – 74%, in 2008 – 77.4%, and in 2009 – 74.3%, in 2010 – 83.3%, in 2011 – 77.2%, and in 2012 – 91.7%).

In 2012, 94.5% 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 for 63% of them. Almost every second household (47.9%) definitely indicated that it was not easy to get all the necessary documents.

Some 95.1% of registered households were fully or partially satisfied with the services of social inspectors. Only 29.2% of households informed the social service about the changes occurred in the family after registration, with 57.1% of them having had no changes to be informed about.

Only 27.3% of households considered the FB system to be a fair one, whereas 13.4% found it to be unfair, and 59.3% felt hard to express any viewpoint.

As to the question on the proportion of FB beneficiaries which were really needy, the majority of households – 48.0% felt hard to answer, and opinions of the others were distributed as follows: 14.3% found that almost all beneficiaries were needy, 10.2% found that more than half were needy, 11.3% found that half of them were needy, 10.2% found that less than half were needy, and 6.1% found that a very small share of beneficiaries were needy. Over the 12 months preceding the survey, only around 8.9% 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, based on the ILCS findings. The available data obviously show that in 2012 some 72.9% of the beneficiaries were in the lower "pre-FB" consumption quintiles getting 73.9% of the FB budget. The real "leakage" of FB funds was the resources distributed to the beneficiaries in upper consumption quintiles; that is, the 14.0% of beneficiaries getting 13.4% of the FB budget were not needy. Hence, there is still a need for improved targeting of the program, since some 48% 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, 2012

(percent)

	Quintile				
	Lower	II	III	IV	Upper
Family benefit					
Beneficiaries	52.1	20.8	13.1	7.9	6.1
Amounts	53.7	20.2	12.8	7.6	5.8
Social assistance (including family benefit)					
Beneficiaries	45.0	19.1	12.7	9.8	8.4
Amounts	24.7	21.5	19.8	18.3	15.7

Source: ***ILCS 2012***

Which groups of the population are more likely to be included into or excluded from the FB 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 also high among both households not having an absent member and among rural landless households (Table 10.9).

Table 10.9 – Armenia: Poverty Status and "Pre-FB" Coverage, by Specific Groups of Households, 2008 and 2012

(percent)

Specific group of household	Extreme poverty rate		Poverty rate		Coverage of the "pre-FB" poor	
	2008	2012	2008	2012	2008	2012
Households with 4 and more children	23.1	17.0	56.7	47.3	76.7	57.4
Households without a working member	11.6	10.9	43.6	46.4	71.1	68.2
Households without income from hired employment	8.3	7.3	37.6	39.4	69.4	58.5
Rural landless households	4.0	6.2	28.3	33.7	65.8	68.0
Households without an absent member	4.8	5.7	31.1	34.3	68.3	64.1

Source: ***ILCS 2008 and 2009***

Determinants of entitlement to family benefit: In order to identify the factors determining the likelihood of FB entitlement for specific households, certain parameters of the statistical model were estimated (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; 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 household descriptors such as dwelling conditions (apartment, detached house, temporary dwelling etc), availability of private car and land[1]. 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, were more likely to be entitled for FB. The larger was the share of children in the household, the higher was the likelihood – relative to the compared category (share of 45 to 60 year old adult members) – for the household to get FB, provided that the size of the household remains unchanged. The presence of members aged 0-5, 6-14, and 15-18 years had a positive effect on the likelihood of getting FB (by 5.2, 5.2 and 6.4 percentage points, respectively).

With other conditions being equal, the likelihood of getting FB was higher for female-headed households (by 2.4 percentage points) than for households headed by males.

Households headed by persons with tertiary educational level in average were much less likely to qualify for FB, as compared to those headed by persons with elementary education.

Employment status of the household head was closely related to the likelihood of getting FB. If the household head was unemployed, the likelihood of getting FB for such household was higher (by 2.6 percentage points) as compared to that 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 reduced the likelihood of receiving family benefit (by 3.4 percentage points).

Contrary to what could be logically expected, living in a temporary dwelling reduced the likelihood of FB (by 4.4 percentage points), just like the size of the household did (by 3.4 percentage points).

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

Chapter 11: Housing Conditions

Integrated Living Conditions Surveys (ILCS) provide 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 the period of 2008-2012, based on ILCS data.

11.1. Housing Conditions

As of 2012, most of the households in Armenia (91.1%) owned their homes. Multi-apartment buildings were most common in urban communities – with 68.8% share in total dwelling, whereas private houses with 94.7% share in total dwelling dominated in rural communities (Table 11.1). Majority of persons living in hostels resided in Yerevan. The proportion of residents of hostels, temporary dwellings and other abode was 4.5% in both urban and rural communities. Most of the people living in temporary dwellings were poor and belonged to the first consumption quintile.

Table 11.1 – Armenia: Households, by Type of Dwelling, Type of Community, Poverty Rate, and Quintile Group of Consumption, 2012

(percent)

	Total	Including, by type of dwelling				
		House	Apartment	Hostel	Temporary dwelling	Other abode
By type of community						
Urban, *including*	100	26.2	68.8	3.0	2.0	0.0
Yerevan	100	17.2	79.0	3.8	-	0.0
Other urban		35.6	58.0	2.2	4.1	0.1
Rural	100	94.7	1.7	1.1	2.2	0.3
Total	**100**	**49.3**	**46.2**	**2.4**	**2.0**	**0.1**
By poverty rate						
Non poor	100	47.8	48.1	2.4	1.6	0.1
Poor	100	53.7	40.9	2.7	2.6	0.1
Extremely poor	100	45.8	41.6	1.7	9.5	1.4
By quintile groups of consumption aggregate						
First	100	51.6	41.8	3.2	3.0	0.4
Second	100	55.8	39.4	2.4	2.4	-
Third	100	50.5	44.3	3.7	1.5	-
Forth	100	50.6	45.9	1.6	1.7	0.2
Fifth	100	41.0	55.6	1.6	1.8	-

Source: *ILCS 2012*

Occupancy rates are a serious problem in the country. According to 2012 survey data, the average occupancy rate of a 1-room apartment was 2.4 persons. Occupancy rates 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 2012, this occupancy rate comprised 3.23 persons in the bottom and 2.01 persons in the top quintile. Some 670 (as compared to 877 in 2008, 721 in 2009, 688 in 2010, and 679 in 2011) out of 1000 households living in a 1-room apartment had 2 or more habitants. Rural households in 2012 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 the rural one. Only 10.6% of rural households reported having in-house (functional) kitchen, cold water supply, flush toilet, and bathtub, whereas in urban communities such households comprised 87.2%.

Table 11.2 – Armenia: Availability of Living Space, 2012

(per household member, square meter)

Total availability of living space, *including*	**23.13**
Urban communities	20.70
Rural communities	27.52

Source: *ILCS 2012*

Survey findings also provide for the surveyed households' subjective assessment of their dwelling conditions (Table 11.3). In 2012, most of the households, particularly 62.4%, rated their dwelling conditions as satisfactory (as compared to 60.2% in 2008, 62.2% in 2009, 63.3% in 2010, and 64.8% in 2011). Every fifth household (around 19%) rated their dwelling conditions as bad, and a further 4.3% – as extremely bad. Only 14.5% considered their dwelling conditions to be good or very good (as compared to 12.2% in 2008, 12.3% in 2009, 13.2% in 2010, and 12.4% in 2011). The subjective assessment of dwelling conditions was further broken down by the type of community, poverty status, and quintile groups of consumption aggregate. In 2012, urban households were more satisfied with their dwelling conditions than comparable rural households (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, 36% assessed their dwelling as bad or extremely bad, whereas in the top quintile such assessment was reported by 14% of households.

Table 11.3 – Armenia: Households' Subjective Assessment of Dwelling Conditions, 2012

(percent)

	Total	Subjective assessment of dwelling conditions				
		Very good	Good	Satisfactory	Bad	Very bad
By type of community						
Urban, *including*	100	0.4	14.9	63.8	16.5	4.4
Yerevan	100	0.2	10.2	66.6	18.0	5.1
Other urban	100	0.6	19.8	60.9	15.0	3.7
Rural	100	0.4	12.6	59.7	23.2	4.1
Total	100	0.4	14.1	62.4	18.8	4.3
By poverty rate						
Non poor	100	0.5	15.5	64.7	16.2	3.1
Poor	100	0.2	11.0	57.4	24.8	6.6
Extremely poor	100	-	4.0	46.1	33.6	16.2
By quintile groups of consumption aggregate						
First	100	-	9.3	55.0	27.1	8.6
Second	100	0.3	12.2	58.6	23.8	5.1
Third	100	0.2	12.8	64.4	18.1	4.5
Forth	100	0.7	15.0	64.6	16.5	3.2
Fifth	100	0.7	18.6	66.7	12.2	1.8

Source: *ILCS 2012*

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 substandard dwelling. While in general 22.7% of households were not satisfied with the size of their living space, the share of the essentially dissatisfied respondents was 25.4% among the poor and 35.5% among the extremely poor (Table 11.4). Similarly, the main complaints from the extremely poor were about poor heating, dampness, leaking roofs, poor lighting and water supply.

Table 11.4 – Armenia: Household Complaints about Housing Conditions, by Poverty Rate, 2012

(percent)

	Non poor	Poor	Extremely poor
Total	**100***	**100***	**100***
Insufficient living space	21.3	25.4	35.5
Noisy neighbors and surroundings	5.9	4.4	9.6
Poor lighting	9.3	13.1	22.7
Poor heating	38.2	46.1	59.1
Dampness	26.9	31.7	45.6
Leaking roofs	14.6	17.9	29.6
Dilapidated walls and floor	18.9	30.2	40.5
Broken frames and doors	17.0	27.9	39.2
Heavy traffic	1.3	0.6	1.9
Industrial pollution	2.1	2.4	1.6
Frequent breakdowns of elevator	3.3	2.9	2.3
Poor water supply	17.9	22.6	26.3
Poor garbage disposal	14.4	16.7	16.3
Poor maintenance of public areas and yards of multi-apartment buildings	12.3	12.4	9.6
Other	3.3	5.3	6.5

Source: *ILCS 2012*

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

In 2012, only 2.9% or 23.6 thousand households reported to have renovated their dwelling in the year prior to the survey; at that, most of them, particularly 72.3%, were non-poor households, whereas the same indicator for poor households constituted 27.7% only.

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

Access to drinking water: According to ILCS 2012, majority of households reported having access to a centralized water supply system. Such systems were available to about 99.6% of urban and 90.8% of rural households (Table 11.5).

Among the households with centralized water supply, 89.3% had in-house water supply; 9.3% had a water tap in the yard, and the remaining 1.4% used a tap on the street.

Table 11.5 – Armenia: Access to Drinkable Water, 2008 and 2012

(percent)

Main source of water	Total		Urban communities		Rural communities	
	2008	2012	2008	2012	2008	2012
Centralized water supply	97.1	96.6	99.5	99.6	92.4	90.8
Less than one hour	0.7	-	0.1	-	1.9	-
1-5 hours	31.3	13.7	31.2	8.8	31.4	24.3
6-12 hours	28.6	20.0	32.6	19.8	20.5	20.4
13-23 hours	5.7	7.1	5.9	7.2	5.3	7.0
24 hours	33.7	59.2	30.2	64.2	40.9	48.3
Spring water, well	1.2	1.7	0.1	0.4	3.1	4.3
Own system of water supply	0.5	1.5	0.1	-	1.3	4.6
Delivered water	1.1	0.1	0.2	-	3.0	0.2
Other sources	0.1	0.1	0.1	0.0	0.2	0.1

Source: *ILCS 2008 and 2012*

However, access to a centralized water supply system did not necessarily amount to appropriate water supply services. In 2012, water was available to households only for about an average 16 hours daily. Only 59.2% of households with centralized water supply systems reported to have 24-hour supply. While this was an obvious improvement as compared to 2008, still 13.7% of

households had water for only1-5 hours daily. Moreover, not all communities in the country had water supply on daily basis. On average, households had water supply for 29.7 days within a month. In 2012, as much as 0.1% of urban households had water supply for 1-7 days, 0.1% - for 2 weeks, and 1.4% - for 3 weeks within a month, while 0.7% of rural households had water supply for 1-7 days, 1.8% - for 2 weeks, and 6.4% - for 3 weeks within a month. Overall, 0.3% of households in the country had water supply for 1-7 days, 0.6% - for 2 weeks, and 3.0% - for 3 weeks within a month.

Table 11.6 – Armenia: Availability of Water Supply Services, by Quintile Groups of Consumption Aggregate, 2008 and 2012

(percent)

	First quintile		Second quintile		Third quintile		Forth quintile		Fifth quintile	
	2008	2012	2008	2012	2008	2012	2008	2012	2008	2012
Centralized water supply	96.6	97.8	96.4	95.6	96.0	96.	97.8	96.3	98.2	97.1
Less than 1 hour	1.1	-	1.0	-	0.5	-	0.5	-	0.5	-
1-5 hours	35.5	16.5	33.8	17.5	28.6	15.5	30.1	11.8	29.4	9.4
6-12 hours	24.0	24.0	26.9	20.8	28.2	18.9	32.7	21.5	30.3	16.4
13-23 hours	4.5	5.2	6.5	5.7	6.2	5.7	5.1	8.6	6.1	9.2
24 hours	34.9	54.3	31.8	56.0	36.5	59.9	31.6	58.1	33.7	65.0
Spring water, well	1.6	1.1	1.2	2.1	1.1	1.9	1.4	1.7	0.6	1.7
Own system of water supply	0.5	1.1	0.7	2.0	0.8	1.7	0.3	1.8	0.5	1.2
Delivered water	1.0	-	1.7	0.3	2.0	0.1	0.3	-	0.7	-
Other sources	0.3	-	-	-	0.1	0.1	0.2	0.2	0.0	0.0

Source: *ILCS 2008 and 2012*

In 2012, availability of centralized water supply in households did not significantly differ across quintiles of consumption aggregate and ranged between 96-98%.

Nevertheless, 17.9% of non-poor households, 22.6% of poor households and 26.3% of extremely poor households reported about poor water supply services (Table 11.4).

Centralized sewerage system: More households had access to a centralized sewerage system in 2012, as compared to 2008 (68.0% and 66.7%, respectively) (Table 11.7).

Table 11.7 – Armenia: Access to Centralized Sewerage System, 2008 and 2012

(percent)

	Urban		Yerevan		Other urban		Rural		Total	
	2008	2012	2008	2012	2008	2012	2008	2012	2008	2012
Centralized sewerage system	91.1	95.9	96.5	99.4	85.5	92.2	19.0	13.0	66.7	68.0
Centralized sewerage system not operational	0.2	0.0	0.1	-	0.3	0.0	1.3	0.0	0.6	0.0
No sewerage system	8.7	4.1	3.4	0.6	14.2	7.8	79.7	87	32.7	32.0

Source: *ILCS 2012*

With respect to the access to a centralized sewerage system, urban/rural differences were rather significant. Residents of Yerevan had almost universal access to a centralized sewerage system (99.4%). Other urban communities reported 92.2% accessibility of centralized sewerage systems, whereas in rural communities this indicator was 13.0% only. This is an important issue since availability of a sewerage system has strong implications in terms of sufficient sanitary conditions and healthcare.

Data on availability of a centralized sewerage system differentiated by quintile groups of consumption aggregate (Table 11.8) demonstrates that the richest fifth quintile group has better access to such systems than the poorest quintile group (72.8% versus 69.8%).

Table 11.8 – Armenia: Availability of Centralized Sewerage System, by Quintile Groups of Consumption Aggregate, 2012

(percent)

	Quintile groups of consumption aggregate				
	I	II	III	IV	V
Centralized sewerage system	69.8	63.0	67.4	65.8	72.8
Centralized sewerage system not operational	-	0.1	-	-	-
No sewerage system	30.2	36.9	32.6	34.2	27.2

Source: *ILCS 2012*

Garbage disposal: In 2012, the share of households using centralized garbage disposal services (garbage collector system, disposal by truck, garbage piled up for disposal) increased in comparison with 2008 (85.6% versus 80.9%) (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 certain part of the households, particularly 14.4% of the extremely poor, 16.7 % of the poor, and 16.3% of the non-poor were dissatisfied with garbage disposal services (Table 11.4).

Table 11.9 – Armenia: Garbage Disposal, 2008 and 2012

(percent)

	Urban		Yerevan		Other urban		Rural		Total	
	2008	2012	2008	2012	2008	2012	2008	2012	2008	2012
Garbage collector system and/ or disposal by truck, garbage piled up for disposal	98.0	98.7	99.5	100	96.5	98.1	47.4	59.2	80.9	85.6
Garbage burned	0.8	0.6	0.1	0.0	1.5	1.2	31.9	25.8	11.3	9.1
Garbage buried	0.4	0.4	0.1	-	0.6	0.0	10.4	11.6	3.8	3.9
Other	0.8	0.3	0.3	-	1.4	0.7	10.3	3.4	4.0	1.4

Source: *ILCS 2008 and 2012*

11.3. Heating

Most of the surveyed households both in urban and rural communities reported to have heated their dwellings. In 2012, the share of such households constituted 98.6% (Table 11.10).

Households relied on the following types of fuel for heating: natural gas – 51.4% (as compared to 57.1% in 2010), wood – 30.1% (as compared to 25.8% in 2010), electricity – 14.7% (as compared to 11.7% in 2010) etc.

In comparison with the previous year, the share of households, which reported using electricity and natural gas for heating purposes increased, respectively, from 13.4% to 14.7% and from 50.0% to 51.4% (in 2012, some 80.5% of households had centralized natural gas supply). The share of households using wood as fuel for heating decreased from 31.0% to 30.1%.

Table 11.10 – Armenia: Heating Options, 2010 and 2012

(percent)

	Urban		Yerevan		Other urban		Rural		Total	
	2010	2012	2010	2012	2010	2012	2010	2012	2010	2012
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**
Not heated	1.7	1.9	2.4	2.7	1.1	1.1	0.5	0.5	1.3	1.4
Heated, *including by the use of the following options*	98.3	98.1	97.6	97.3	98.9	98.9	99.5	99.5	98.7	98.6
Central heating	0.4	0.0	0.1	-	0.7	0.1	-	-	0.3	0.0
Oil, diesel	-	0.1	-	-	-	0.1	0.1	-	0.0	0.0
Electricity	17.2	21.8	23.2	29.7	11.0	13.8	1.0	0.9	11.7	14.7
Natural gas	69.4	63.7	70.1	66.5	68.7	60.8	33.2	27.3	57.1	51.4
Wood	12.0	13.6	6.0	3.4	18.2	24.0	52.5	62.1	25.8	30.1
Other	1.0	0.8	0.6	0.4	1.4	1.2	13.2	9.6	5.1	3.8

Source: *ILCS 2010 and 2012*

In 2012, natural gas was the main option for heating of household dwellings (51.4%). Overall, natural gas remains the main heating option both in Yerevan and in other urban communities (Table 11.10), whereas rural communities still rely on wood as the main option for heating purposes.

As far as the types of appliances used for heating are concerned, in 2012 the most commonly used options were both factory-made ovens (35%) and home-made ovens (34%). The population in urban communities preferred factory-made ovens (40%), as opposed to rural population giving preference for home-made ovens (72%).

Table 11.11 – Armenia: Types of Appliances Used for Heating, 2012

(percent)

	Urban	Yerevan	Other urban	Rural	Total
Electric stove	11.4	17.2	5.5	0.4	7.7
Electric heater	10.1	12.2	7.9	0.5	6.8
Gas stove	2.4	3.5	1.3	0.4	1.7
Home-made oven	14.6	3.8	25.7	71.8	34.1
Factory-made oven	40.4	33.1	47.9	23.3	34.6
Local individual boiler	20.7	29.5	11.5	3.5	14.8
Local collective boiler (for the whole building)	0.1	0.2	0.1	-	0.1
Central heating	-	-	-	-	-
Other	0.3	0.5	0.1	0.1	0.2
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: *ILCS 2012*

In general, spending on utilities made up 12.3% of the average monthly consumption expenditures of households, whereas that on electricity comprised the largest portion as compared to other utility services; in 2012, it constituted 35% (in 2011, 39%) of all utility expenses, as shown in Table A7.1 of Annex 3. Communication expenses comprised 5.8% in the average monthly consumption expenditures of households.

Comparative analysis of the shares of spending on different services within the average monthly consumption expenditures of non-poor, poor, and extremely poor households is presented in Graph 11.1.

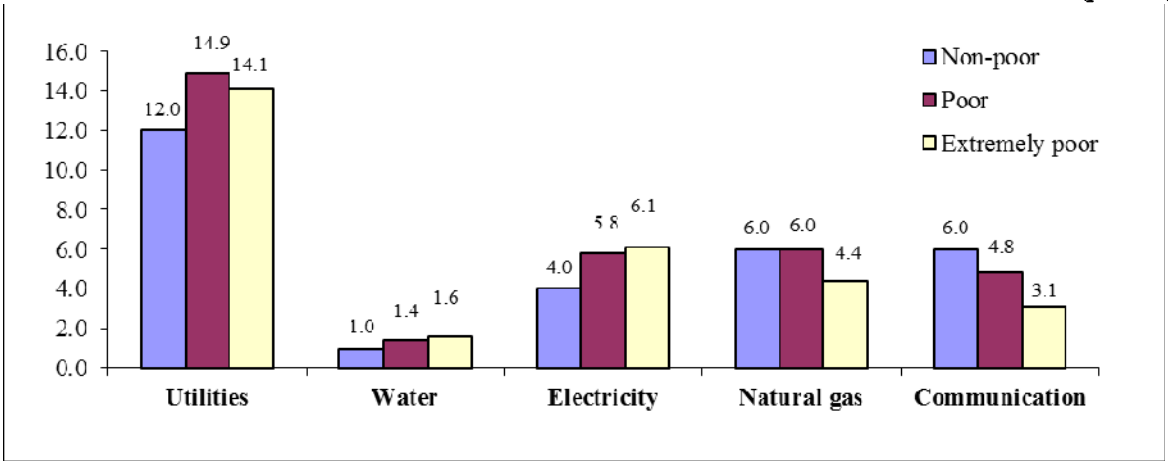
In 2012, expenditures of non-poor households on utility services (monthly average per capita) were 3.0 times higher, and those on natural gas were 4.8 times higher than the same of the extremely poor households. In the same period, expenditures of the non-poor households on communication

services (monthly average per capita) were 6.8 times higher than those of the extremely poor households.

Average monthly per capita spending on natural gas only constituted AMD 2.547 for non-poor households, AMD 1.152 for poor households and AMD 526 for extremely poor households.

Graph 11.1 – Armenia: Household Spending on Different Services within Total Consumption Expenditures, by Poverty Rate, 2012

(percent)



Source: *ILCS 2012*

Note: *Expenses on communication services include phone bills, telegraph, and Internet connection payments*

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 respondents had a refrigerator.

In 2012, the most frequently purchased durables were computers, vacuum cleaners, satellite dishes, washing machines, and mobile phones.

Table 11.12 – Armenia: Availability of Durable Goods, 2008 and 2012

(per 100 households, percent)

	Total		Urban		Rural	
	2008	2012	2008	2012	2008	2012
TV set	98	98	99	99	98	98
Refrigerator	91	95	94	95	85	93
Washing machine	79	89	82	90	73	89
Vacuum cleaner	46	67	52	72	33	57
Sewing machine	42	51	41	53	45	48
Gas stove	86	89	89	90	80	89
Satellite dish	7	23	6	18	9	33
Mobile phone	72	92	75	91	68	92
Video player	35	42	37	42	31	42
Video camera	3	6	3	7	1	5
Photo camera	22	33	21	32	23	34
Music center	23	35	26	30	19	43
Computer	10	39	14	48	2	22

Source: *ILCS 2008 and 2012*

In 2012, some 3.7% of households had cable radio (as compared to 2.9% in 2011).

Over the recent years, the number of households having mobile phones sharply increased, especially among rural residents, where the share of such households in 2012 reached 92%, which is slightly above the same indicator at 91% among rural residents.

According to the statistical reports of communication service providers, the number of active subscribers to mobile communication services reached 3.322,8 thousand in 2012, which was a 6.0% increase from the respective indicator of 2010 and 3.5% higher than in 2011.

Nevertheless, the number of households owning a personal computer is still small (39%), although this figure has increased by almost 4 times as compared to 2008.

Table 11.13 – Armenia: Household Members' Access to Computer and Internet Connection, 2008 and 2012

(percent)

	2008			2012		
	Total	Urban	Rural	Total	Urban	Rural
Total households; *including*	**100**	**100**	**100**	**100**	**100**	**100**
Computer accessible (available) for any household member *	17.9	21.8	10.3	45.3	53.7	28.9
At home	10.2	14.3	2.1	38.9	47.6	21.7
Elsewhere	10.5	11.2	9.2	19.0	20.8	15.5
Any household member has Internet connection	5.9	8.6	0.5	34.5	44.9	18.1
At home, permanently	2.9	4.3	0.2	32.5	40.2	17.3
At home, non-permanently	3.0	4.3	0.3	2.0	2.7	0.8
Any household member uses the Internet	**			25.0	23.8	27.4
At work	…	…	…	9.2	11.8	4.2
At an educational institution	…	…	…	5.0	5.9	3.4
At an Internet (free) access point	…	…	…	1.1	1.3	0.7
At an Internet (paid) access point	…	…	…	4.1	4.1	3.9
Everywhere, via mobile phone	…	…	…	15.7	12.0	23.0
Elsewhere, via mobile device	…	…	…	0.3	0.4	0.3

Source: *ILCS 2008 and 2012*

Note:

* *The sum total is greater than 100, since a household member might be using the computer both at home and elsewhere.*

*** In 2008, some 5.8% of household members used the Internet at other places.*

In 2012, some 32.5% of households had permanent Internet connection (19.1% in 2011), and 2.0% had non-permanent Internet connection (3.1% in 2011) at home. In the same period, some 25% of households used the Internet connection at other places, including at work – 9.2% (8.1% in 2011), at an educational institution – 5.0% (4.7% in 2011), at an Internet free access point – 1.1% (1.4% in 2011), at an Internet paid access point – 4.1% (6.2% in 2011), everywhere via mobile phone – 15.7% (17.0% in 2011), and elsewhere via mobile device – 0.3% (0.5% in 2011).