

Statistical Annex

Annexes are numbered in accordance with the numeration of the respective chapters.

In certain cases insignificant difference between the totals and the sum of the components is the result of rounding the data.

Annex 1

Table A1.1 - Armenia: Population Demographics, Marriages and Divorces, by Regions and in Yerevan, 2012

	Resident population headcount by year-end (in thousands)			Birth			Decease			Marriage	Divorce
	Total	Male	Female	Total	Male	Female	Total	Male	Female		
Armenia, including	3026.9	1451.7	1575.2	42480	22743	19737	27599	14268	13331	19063	3250
Yerevan	1066.3	493.6	572.7	15612	8275	7337	9032	4579	4453	7118	1479
Aragatsotn	133.0	66.7	66.3	1907	1031	876	1269	665	604	875	101
Ararat	261.4	127.7	133.7	3759	2024	1735	2193	1150	1043	1697	208
Armavir	267.1	130.8	136.3	3730	2028	1702	2316	1217	1099	1725	183
Gegharkunik	235.6	119.4	116.2	3189	1762	1427	1927	1041	886	1356	138
Lori	234.7	111.1	123.6	3339	1817	1522	2814	1433	1381	1321	427
Kotayk	255.3	123.9	131.4	3643	1955	1688	2253	1219	1034	1732	245
Shirak	251.3	121.1	130.2	3573	1867	1706	2690	1381	1309	1399	233
Syunik	141.7	69.8	71.9	1551	832	719	1284	656	628	735	104
Vayotz Dzor	52.2	25.7	26.5	630	345	285	499	253	246	370	50
Tavush	128.3	61.9	66.4	1547	807	740	1322	674	648	735	82

Source: RA NSS

Annex 2

Table A3.1 – Armenia: Poverty Indicators for 2008 and 2012
(Standard Errors in Parenthesis)

(percent)

	2008			2012		
	Extremely poor	Poor	Share of the poor in population headcount	Extremely poor	Poor	Share of the poor in population headcount
Urban communities	1.9 (0.3)	27.6 (0.9)	64.9	3.2 (0.5)	32.5 (1.1)	64.6
Yerevan	1.1 (0.4)	20.1 (1.4)	33.8	2.2 (0.6)	25.6 (1.6)	26.7
Other urban communities	2.8 (0.4)	35.8 (1.1)	31.0	4.4 (0.7)	40.2 (1.4)	37.9
Rural communities	1.2 (0.4)	27.5 (1.4)	35.1	2.1 (0.5)	32.1 (1.4)	35.4
Total	1.6 (0.2)	27.6 (0.8)	100	2.8 (0.5)	32.4 (0.9)	100.0

Source: ILCS 2008 and 2012

Note: Consumption is measured per adult equivalent. Poverty indicators are computed using the 2009 minimum food basket and the share of non-food products estimated in 2009. Poverty lines are adjusted for inflation. Standard errors are computed with PSU adjustment.

Table A3.2 – Armenia: Per Adult Equivalent Monthly Consumption, by Decile Groups, 2008 and 2012
(AMD, in 2008 Average Annual Prices)

(percent)

Decile groups	2008		2012		Average annual change in consumption, 2008-2012
	Share in total consumption	Average consumption	Share in total consumption	Average consumption	
1 (the poorest)	4.8	20462	4.3	19635	-1.0
2	5.9	25200	5.6	25295	0.1
3	6.7	28907	6.3	28525	-0.3
4	7.6	32524	7.4	33389	0.7
5	8.4	36311	8.4	38490	1.5
6	9.4	40213	9.3	42504	1.4
7	10.5	44839	10.4	47351	1.4
8	11.9	50663	11.8	53562	1.4
9	13.9	59478	13.9	63241	1.5
10 (the richest)	20.9	90123	23.8	103899	3.6
Average	100	42870	100	45587	1.5

Source: ILCS 2008 and 2012

Table A3.3 – Armenia: Basic Poverty Indicators, by Regions and in Yerevan, 2008 and 2012 (95% Confidence Interval in Braces)

(percent)

	2008				2012					
	Extremely poor		Poor		Extremely poor		Poor		Percentage share in poor population	Percentage share in population headcount
Yerevan	1.1	(0.4)	20.1	(1.4)	2.2	(0.9)	25.6	(1.4)	26.7	33.8
	{0.3 ; 1.9}		{17.3 ; 22.9}		{0.1 ; 4.3}		{22.4 ; 28.7}			
Aragatsotn	0.5	(0.4)	20.3	(3.2)	0.9	(0.5)	21.2	(3.0)	2.2	3.4
	{-0.3 ; 1.3}		{13.9 ; 26.7}		{-0.4 ; 2.1}		{14.4 ; 28.0}			
Ararat	1.6	(0.7)	31.3	(2.9)	2.1	(1.0)	34.6	(2.6)	8.8	8.2
	{0.2 ; 3.0}		{25.5 ; 37.1}		{-0.2 ; 4.3}		{28.5 ; 40.7}			
Armavir	0.7	(0.3)	24.5	(2.4)	3.4	(1.3)	34.3	(2.3)	9.4	8.9
	{0.1 ; 1.3}		{19.7 ; 29.3}		{0.4 ; 6.3}		{29.1 ; 39.5}			
Gegharkunik	0.4	(0.1)	32	(3.1)	1.4	(0.9)	35.5	(2.0)	7.8	7.1
	{0.2 ; 0.6}		{25.8 ; 38.2}		{-0.8 ; 3.5}		{31.0 ; 40.1}			
Lori	2.8	(0.8)	34.2	(2.5)	3.4	(0.6)	38.7	(2.5)	11.6	9.7
	{1.2 ; 4.4}		{29.2 ; 39.2}		{1.9 ; 4.9}		{33.0 ; 44.5}			
Kotayk	2.1	(0.7)	39.5	(2.4)	5.7	(2.0)	42.5	(2.8)	13.1	10.0
	{0.7 ; 3.5}		{34.7 ; 44.3}		{1.1 ; 10.4}		{35.9 ; 49.0}			
Shirak	4.6	(1.3)	42.4	(2.6)	5.5	(1.3)	46.0	(1.4)	12.1	8.5
	{2.0 ; 7.2}		{37.2 ; 47.6}		{2.6 ; 8.4}		{42.7 ; 49.3}			
Syunik	1.3	(0.4)	20.3	(3.0)	0.7	(0.4)	25.6	(2.1)	3.2	4.1
	{0.5 ; 2.1}		{14.3 ; 26.3}		{-0.4 ; 1.7}		{20.8 ; 30.3}			
Vayots Dzor	1.9	(0.9)	21.1	(3.1)	0.5	(0.3)	20.7	(3.2)	1.2	1.8
	{0.1 ; 3.7}		{14.9 ; 27.3}		{-0.3 ; 1.3}		{13.3 ; 28.1}			
Tavush	1.7	(0.7)	23.2	(2.6)	1.9	(1.0)	27.5	(2.6)	3.7	4.4
	{0.3 ; 3.1}		{18.0 ; 28.4}		{-0.5 ; 4.2}		{21.4 ; 33.6}			
Total	1.6	(0.2)	27.6	(0.8)	2.8	(0.5)	32.4	(0.9)	100	100
	{1.2 ; 2.0}		{26.0 ; 29.2}		{1.6 ; 4.1}		{30.3 ; 34.4}			

Source: ILCS 2008 and 2012

Table A3.4 – Armenia: Poverty Rate, by Consumption and Income Indicators (by General Sample) 2012

(percent)

	Consumption non-poor	Consumption poor	Total
Extremely poor: Extreme (food) poverty line = AMD 21732			
Income non-poor	85.4	3.1	88.5
Income poor	10.9	0.6	11.5
Total	96.3	3.7	100
Poor: Total poverty line = AMD 37004			
Income non-poor	46.4	20.8	67.2
Income poor	18.6	14.2	32.8
Total	65.0	35.0	100

Source: ILCS 2012

**Table A3.5. – Armenia: Poor and Extremely Poor Population,
by Both Consumption and Income Indicators, 2008-2012**

	(percent)				
	2008	2009	2010	2011	2012
Extremely poor	0.6	1.2	1.1	1.2	0.6
Poor	14.3	16.6	17.7	16.0	14.2

Source: *ILCS 2008-2012*

Table A3.6 – Armenia: Poverty Rate under Three Methodologies of World Bank, 1996-2012

	1996 methodology		2004 methodology		2009 methodology	
	Poor	Extremely poor	Poor	Extremely poor	Poor	Extremely poor
1996	54.7*	27.7*	...	...	...	...
1998/99	55.1	22.9	56.1	21.0	...	...
2001	50.9	16.0	...	...	...	...
2002	49.7	13.1	...	...	...	...
2003	42.9	7.4	...	...	...	...
2004	39.0	7.2	34.6	6.4	53.5	4.4
2005	X	X	29.8	4.6	...	...
2006	X	X	26.5	4.1	...	...
2007	X	X	25.0	3.8	...	...
2008	X	X	23.5	3.1	27.6	1.6
2009	X	X	28.7	5.2	34.1	3.6
2010	X	X	28.9	5.3	35.8	3.0
2011	X	X	25.4	5.2	35.0	3.7
2012	X	X	21.1	3.5	32.4	2.8

*) In 1996, the Integrated Living Conditions Survey was conducted during one month; thereafter, in 1998/1999 and since 2001 it was conducted annually. Data from 1996-2003 surveys are not extended on the master sample.

Table A3.7 – Armenia: Decomposition of Poverty Rate Changes into Consumption and Redistribution Components over 2008-2012 (Average Values)

	Total	Urban communities	Yerevan	Other urban communities	Rural communities
Extremely poor					
Percentage change in poverty rate	1.20	1.36	1.15	1.60	0.93
Consumption component	-3.97	-4.15	-2.43	-6.08	-3.60
Redistribution component	5.17	5.52	3.58	7.64	4.53
Residual	0.00	0.00	0.00	0.00	0.00
Poor					
Percentage change in poverty rate	4.79	4.91	5.48	4.41	4.56
Consumption component	-17.47	-17.10	-14.96	-19.26	-18.24
Redistribution component	22.25	22.01	20.44	23.67	22.80
Residual	0.00	0.00	0.00	0.00	0.00

Source: *ILCS 2008-2012*

Note: Changes in poverty rate over 2008-2012 can be explained by the changes in average consumption level and in consumption distribution. Decomposition of the changes in poverty rate into the components of consumption and redistribution (following a methodology developed by Datt and Ravallioni (1992)) enables demonstrating the impact of the increase (decrease) in consumption on poverty rate provided that inequality of distribution remains unchanged, and vice versa.

The 4.79 percentage point increase in total poverty rate in Armenia over 2008-2012 derived from two components, i.e. from the increase in average consumption level, which resulted in a 17.47 percentage point decrease of the poverty rate, and from the increase in consumption inequality level, which resulted in a 22.25 percentage point increase of the poverty rate. Hence, the increase in the components of consumption and redistribution jointly resulted in an increased poverty rate.

When looking across regions, it is obvious that the increase in total poverty rate in rural communities by 4.56 percentage points derived from the increase in average consumption level, which resulted in a 18.24 percentage point decrease of the poverty rate, and from the increase in consumption inequality level, which resulted in a 22.80 percentage point increase of the poverty rate.

Table A3.8 – Armenia: Determinants of Consumption, 2008 and 2012

Dependent variable: ln (Consumption per Adult Equivalent)

	2008 all conditions		2012 all conditions	
Characteristics of household				
0-5 age group	-0.026	(0.010)**	-0.046	(0.012)***
6-14 age group	0.014	(0.008)*	-0.008	(0.013)
15-18 age group	-0.052	(0.013)***	-0.028	(0.014)*
19-25 age group	0.011	-0.009	-0.015	(0.017)
26-45 age group	0.022	(0.008)**	0.001	(0.013)
46-60 age group	f		f	
61+ age group	-0.023	(0.012)*	0.004	(0.019)
Ln (household size)	-0.213	(0.022)***	-0.263	(0.027)*
Characteristics of household head				
Age	-0.007	(0.003)*	0.007	(0.005)
(Age) ²	0	(0.000)**	0	(0.000)***
Female	-0.06	(0.010)***	-0.54	(0.015)***
Disabled	-0.027	-0.037	-0.017	(0.013)
Elementary and primary, incomplete secondary education	f		f	
General secondary education	0.076	(0.013)***	0.024	(0.018)
Specialized secondary education	0.261	(0.097)**	0.071	(0.04)
Tertiary education	0.237	(0.013)***	0.291	(0.167)***
Hired employee	f		f	
Self-employed	0.053	(0.027)*	-0.011	(0.04)
Other employment	0.044	-0.064	-0.043	(0.132)
Unemployed	-0.014	-0.021	0.014	(0.04)
Pensioner	0.048	-0.036	-0.007	(0.029)
Non-participant of labor market	0.019	-0.071	0.209	(0.077)**
Other characteristics of household				
Members in migration	0.074	(0.018)***	0.187	(0.030)***
Members returned from abroad	0.079	(0.025)***	0	0
Members returned from other regions of Armenia	0	0	-0.043	(0.048)
Share of hired employee members of household	f		f	
Share of self-employed members of household	-0.023	-0.024	-0.038	(0.049)
Share of otherwise employed members of household	-0.049	-0.076	-0.097	(0.093)
Share of unemployed members of household	-0.244	(0.023)***	-0.312	(0.016)***
Share of pensioner members of household	-0.283	(0.062)***	-0.289	(0.028)***
Share of other non-employed members of household	0.094	(0.033)**	-0.134	(0.032)***
Yerevan	f		f	
Aragatsotn	-0.075	(0.020)***	0	(0.013)
Ararat	-0.148	(0.011)***	-0.086	(0.016)***
Armavir	-0.043	(0.015)**	-0.145	(0.023)***
Gegharkunik	-0.16	(0.016)***	-0.112	(0.017)***
Lori	-0.165	(0.011)***	-0.2	(0.010)***
Kotayk	-0.196	(0.007)***	-0.26	(0.007)***
Shirak	-0.211	(0.007)***	-0.248	(0.007)***
Syunik	-0.022	(0.010)**	-0.173	(0.004)***
Vayotz Dzor	0.008	-0.015	0.019	(0.015)***
Tavush	-0.028	(0.014)*	-0.112	(0.016)***
Constant	11.112		11.354	
Adjusted R square	0.235		0.2919	0.2379
Poor MSE	0.3724		0.39645	0.4181
Number of observations	7294		7237	4714

Source: ILCS 2008 and 2012

Note: f – reference category, * denotes 10% significance; ** denotes 5% significance; *** denotes 1% significance.

Table A3.9 – Armenia: Consumption Components, by Quintiles and by Regions, 2008 and 2012
(at 2012 Average National Prices) (AMD, per Month)

	Poorest		2		3		4		5		Total	
	2008	2012	2008	2012	2008	2012	2008	2012	2008	2012	2008	2012
All households												
Food	16056	15711	19096	20139	21703	26118	25238	30986	30461	40404	22512	26671
Alcohol and tobacco	762	903	1234	1443	1537	1709	2050	2108	2733	3290	1663	1890
Clothing and shoes	254	256	565	921	1061	1448	2061	1953	4427	7670	1674	2449
Utilities and communication (telegraph)	2263	4140	3693	5793	5069	7322	5670	8973	8720	14326	5084	8111
Transportation	148	555	363	1170	549	2572	875	4095	1099	7865	607	3251
Household goods	737	465	1357	678	2281	860	3624	1089	8378	1959	3276	1010
Recreation, culture	0	43	1	115	2	160	13	224	67	1793	17	467
Education	144	26	778	176	1315	524	1943	640	4048	1578	1646	589
Healthcare	12	534	154	1032	259	1444	687	2419	6133	8037	1449	2693
Other services	324	452	586	757	983	1202	1472	1603	2839	5597	1232	1922
Estimated value of durable goods	2149	4548	2904	5856	3512	6453	4128	7974	5876	10235	3710	7013
Average	22849	27633	30730	38080	38270	49812	47760	62065	74782	102755	42870	56067
Food consumption in-kind	2478	1829	2909	2890	3529	3892	4691	5080	4541	6261	3630	3990
Yerevan												
Food	14847	14016	17411	18226	19810	23814	22448	27900	28426	36255	21670	25556
Alcohol and tobacco	976	1261	1469	1457	1725	1528	2483	2224	2747	3618	2018	2188
Clothing and shoes	144	183	471	659	759	1083	1614	1281	4532	8587	1865	2954
Utilities and communication (telegraph)	2872	4915	4197	7278	5974	8612	6183	10671	9676	16175	6327	10292
Transportation	211	1135	366	1838	549	2970	855	4830	863	8903	622	4491
Household goods	730	397	1462	568	2597	663	3895	843	9088	1600	4245	898
Recreation, culture	0	59	2	151	4	167	9	156	69	1839	23	600
Education	247	10	966	298	1630	429	2482	635	4844	1566	2405	694
Healthcare	1	897	173	1220	224	2204	998	3531	4877	9879	1656	4197
Other services	733	551	1252	768	1593	1334	2591	1712	4251	5790	2334	2406

	Poorest		2		3		4		5		Total	
	2008	2012	2008	2012	2008	2012	2008	2012	2008	2012	2008	2012
Estimated value of durable goods	2524	4616	3075	6039	3493	6893	4164	8275	6216	10480	4195	7654
Average	23284	28040	30844	38501	38359	49698	47721	62059	75591	104691	47311	61930
Food consumption in-kind	791	722	573	616	736	1075	1540	1646	2075	3552	1263	1734
Other urban households												
Food	15654	15764	18871	20290	21914	26970	25275	31175	30302	41377	21318	25576
Alcohol and tobacco	726	893	1208	1392	1413	1987	1729	2048	2598	2629	1408	1681
Clothing and shoes	273	190	523	669	1170	1068	2210	1887	4395	7373	1420	1905
Utilities and communication (telegraph)	2209	4020	3970	5859	5314	7628	6587	9731	9351	15228	4977	7865
Transportation	148	265	307	697	435	1789	753	3059	1482	5161	534	1905
Household goods	774	404	1412	636	2045	747	3360	1077	8778	1713	2756	843
Recreation, culture	0	35	0	115	3	141	37	365	137	1391	27	347
Education	145	51	804	129	1275	615	2262	636	4238	2278	1460	633
Healthcare	11	450	206	1127	276	1049	323	1813	7041	6633	1182	1936
Other services	126	426	321	720	584	1045	856	1717	1572	6421	590	1792
Estimated value of durable goods	2194	4699	2986	6178	3607	6776	4556	8829	6245	10495	3623	7037
Average	22259	27198	30609	37813	38037	49813	47948	62335	76138	100700	39296	51519
Food consumption in-kind	962	854	1052	1074	1392	1498	1503	1831	2529	3192	1382	1565
Rural households												
Food	17454	17011	20476	21471	23439	27392	27668	33624	33849	46107	24378	28663
Alcohol and tobacco	643	626	1097	1476	1451	1651	1873	2043	2815	3331	1547	1787
Clothing and shoes	313	396	673	1338	1273	2034	2358	2597	4282	6479	1715	2438
Utilities and communication (telegraph)	1870	3665	3070	4601	3946	6023	4636	6965	6699	10659	3982	6254
Transportation	100	448	418	1065	644	2828	970	4105	1186	8514	657	3228
Household goods	699	596	1230	798	2161	1108	3552	1317	6931	2732	2803	1260
Recreation, culture	0	42	0	88	0	168	2	195	11	2060	2	444
Education	65	7	623	124	1029	534	1265	648	2620	1006	1080	452
Healthcare	21	344	87	806	280	1111	647	1816	7463	6322	1486	1916
Other services	211	404	353	781	677	1210	857	1431	1532	4600	704	1575

	Poorest		2		3		4		5		Total	
	2008	2012	2008	2012	2008	2012	2008	2012	2008	2012	2008	2012
Estimated value of durable goods	1806	4307	2705	5439	3450	5847	3824	7154	5062	9632	3339	6386
Average	23184	27845	30732	37987	38351	49906	47652	61895	72451	101441	41691	54402
Food consumption in-kind	5574	3930	6364	6192	8161	8022	9488	10247	10029	13108	7898	8204

Source: *ILCS 2008 and 2012*

Table A3.10 – Armenia: Sources of Income, by Consumption Quintiles and by Regions, 2012 (at 2012 Average National Prices) (AMD, per Month, per Adult Equivalent)

Sources of income	1	2	3	4	5	Total
All households						
Hired employment	14642	19261	24746	31277	47622	27509
Self-employment	2179	2047	3013	4544	8886	4134
Agricultural activities	4220	5802	6038	8706	7966	6546
Transfers from relatives	2871	4452	4399	5744	10661	5625
Social transfers	9060	9818	8835	9594	9213	9304
Pensions	7014	8332	7706	8625	8292	7994
Other social assistance	2047	1486	1129	969	920	1310
Sales of real estate	39	11	3	24	144	44
Rental and interest income on property	20	10	38	104	532	141
Other income	803	804	1216	2159	7068	2410
Income in-kind	2722	3992	4449	6157	7221	4908
Average	36557	46197	52737	68308	99313	60622
Yerevan						
Hired employment	20160	31346	36523	48250	69669	44540
Self-employment	3001	2380	4259	5809	11248	5965
Agricultural activities	378	391	529	376	477	435
Transfers from relatives	3051	4440	4052	5557	9860	5858
Social transfers	8916	9388	9889	10456	9091	9551
Pensions	7382	8474	9021	9786	8244	8618
Other social assistance	1534	915	865	670	847	933
Sales of real estate	113	17	10	47	155	75
Rental and interest income on property	0	0	80	196	950	315
Other income	908	670	676	1710	1533	1160
Income in-kind	726	621	1080	1644	3536	1732
Average	37252	49254	57094	74045	106520	69630
Other urban households						
Hired employment	14132	18913	24984	29836	34176	23080
Self-employment	2446	2848	4282	7261	11294	5114
Agricultural activities	3015	2626	2676	3627	3024	2970
Transfers from relatives	3673	5300	3509	6939	11354	5778
Social transfers	9706	10334	9234	9145	9499	9625
Pensions	7264	8370	7982	8041	8540	7974
Other social assistance	2442	1964	1252	1104	959	1650
Sales of real estate	15	20	0	17	295	59
Rental and interest income on property	50	30	44	137	382	113
Other income	826	659	1277	2256	2250	1344
Income in-kind	1072	1290	1511	2137	2782	1656
Average	34935	42018	47517	61356	75057	49739
Rural households						
Hired employment	10827	10321	14796	17021	24292	15158
Self-employment	1186	1104	1027	1660	3143	1560
Agricultural activities	8809	12672	13126	19433	23906	15396
Transfers from relatives	1733	3731	5354	5140	11334	5275
Social transfers	8375	9703	7665	9113	9163	8797
Pensions	6406	8191	6409	7964	8160	7420
Other social assistance	1969	1512	1256	1148	1003	1377
Sales of real estate	9	0	0	7	0	3

Sources of income	1	2	3	4	5	Total
Rental and interest income on property	0	0	0	0	0	0
Other income	692	1031	1618	2498	19833	4506
Income in-kind	6375	8894	9445	12786	16760	10700
Average	38006	47455	53032	67659	108431	61395

Source: *ILCS 2012*

Note: *Income is defined as total disposable income. Income is measured per adult equivalent.*

Annex 3

Table A7.1 – Armenia: Average Monthly Consumption Expenditures per Household Member, 2008, and 2011-2012

(AMD)

	Total households			Including					
				Urban communities			Rural communities		
	2008	2011	2012	2008	2011	2012	2008	2011	2012
Consumption expenditures; including:	28878	32585	34921	30568	35041	36489	25754	28059	32094
• Food	14984	17184	17059	15086	17277	17110	14794	17010	16969
• Non-food products; <i>of which:</i>	4730	5022	6159	5082	5546	6075	4079	4059	6309
Clothing, shoes, textiles	1247	1444	1667	1243	1650	1635	1254	1066	1725
Furniture and household goods	1122	626	484	1238	678	456	909	529	535
Pharmaceuticals, medical supplies	536	1114	1136	635	1228	1345	354	902	758
Construction materials	133	153	66	178	210	41	49	47	109
Fuel	544	418	1256	521	404	1085	586	445	1566
• Alcoholic beverages	227	245	242	218	236	223	243	263	275
• Tobacco	1019	1123	1199	1094	1225	1269	882	934	1072
• Personal services; <i>including:</i>	7918	9011	10262	9088	10757	11812	5756	5793	7469
Consumer and utility services; <i>of which:</i>	2635	3567	4305	3052	4046	5031	1865	2685	2996
Floor space fee	36	47	280	55	72	432	2	0	6
Utility services; <i>of which:</i>	2599	3520	4025	2997	3974	4599	1863	2685	2991
Electricity	1031	1378	1495	1144	1490	1617	821	1171	1274
Natural gas	1254	1833	2078	1351	2030	2401	1075	1470	1496
Wood	19	43	23	10	25	8	37	75	50
Consumer services; <i>of which:</i>	46	183	153	52	258	178	36	45	109
Shoe repair	4	66	115	5	91	133	3	22	81
Cultural services	3	12	178	5	7	169	0	21	194
Tuitions	1221	167	440	1457	249	499	783	15	335
Medical assistance	1035	686	876	1029	707	979	1048	537	691
Health recovery, including leisure	20	53	80	30	81	118	1	3	13
Transportation services	967	1003	1227	1199	1226	1386	539	591	940
Communication services	1404	1570	2009	1553	1870	2281	1129	1017	1519
Legal services	16	92	184	22	123	239	5	35	85

Source: ILCS 2008 and 2011-2012

Table A 7.2. – Armenia: Household per Capita Average Monthly Consumption Expenditures, by Decile Groups, 2004-2012

(AMD)

2004	Total	Decile groups of consumption expenditures									
		I	II	III	IV	V	VI	VII	VIII	IX	X
Consumption expenditures	19251	5740	8535	10436	12289	14154	16288	18950	22638	28763	54713
<i>Including:</i>											
Food*	10797	4214	6090	7480	8543	9428	10437	11693	13425	15853	20815
Alcoholic beverages	163	21	38	63	53	85	120	146	211	275	614
Tobacco	808	296	399	531	652	732	801	866	1090	1157	1560
Non-food products	2787	492	872	929	1315	1623	2030	2634	3092	4696	10180
Services	4696	717	1136	1433	1726	2286	2900	3611	4820	6782	21544

2005	Total	Decile groups of consumption expenditures									
		I	II	III	IV	V	VI	VII	VIII	IX	X
Consumption expenditures	21109	6071	9233	11583	13514	15500	17902	20878	24902	31248	60276
<i>Including:</i>											
Food*	12035	4448	6598	8348	9322	10417	11846	13124	14937	17803	23518
Alcoholic beverages	179	18	32	42	63	82	112	152	182	350	751
Tobacco	835	261	436	519	624	735	863	1022	1217	1160	1513
Non-food products	3014	506	828	1005	1403	1711	1892	2555	3134	4525	12588
Services	5046	838	1339	1669	2102	2555	3189	4025	5432	7410	21906

2006	Total	Decile groups of consumption expenditures									
		I	II	III	IV	V	VI	VII	VIII	IX	X
Consumption expenditures	23276	7321	10878	13239	15249	17561	20117	23319	27457	34187	63377
<i>Including:</i>											
Food*	13149	5318	7852	9182	10199	11631	12867	14068	15884	18434	26031
Alcoholic beverages	210	18	34	62	73	114	131	214	258	356	842
Tobacco	953	283	463	564	783	839	1013	1125	1326	1373	1759
Non-food products	3250	515	917	1284	1501	2184	2327	2934	3652	5337	11837
Services	5714	1187	1612	2147	2693	2793	3779	4978	6337	8687	22908

2007	Total	Decile groups of consumption expenditures									
		I	II	III	IV	V	VI	VII	VIII	IX	X
Consumption expenditures	26297	8065	11841	14424	16876	19554	22533	26077	31446	40137	72006
<i>Including:</i>											
Food*	14080	5620	8085	9450	10602	12056	13465	15311	17475	19976	28761
Alcoholic beverages	236	31	65	77	100	108	146	216	309	441	863
Tobacco	975	367	447	697	881	891	993	1109	1295	1384	1685
Non-food products	4113	578	1091	1223	1586	2094	2881	3465	4638	7338	16232
Services	6893	1469	2152	2976	3708	4406	5049	5975	7729	10999	24465

2008	Total	Decile groups of consumption expenditures									
		I	II	III	IV	V	VI	VII	VIII	IX	X
Consumption expenditures	28878	9132	13434	16316	19398	22536	25824	29585	35254	44165	73124
<i>Including:</i>											
Food*	14984	6153	8906	10250	11710	12967	14766	16371	18520	20882	29311
Alcoholic beverages	227	37	50	64	121	142	138	176	318	370	850
Tobacco	1019	408	540	721	796	1054	983	1044	1361	1405	1884
Non-food products	4730	670	1110	1535	2156	2727	3607	4720	5850	8413	16508
Services	7918	1864	2828	3747	4615	5645	6330	7274	9206	13095	24571

2009	Total	Decile groups of consumption expenditures									
		I	II	III	IV	V	VI	VII	VIII	IX	X
Consumption expenditures	27667	8984	13033	15934	18692	21468	24564	28475	33321	41394	70813
<i>Including:</i>											
Food*	14145	5715	8220	9730	11139	12504	13525	15586	17145	20347	27541
Alcoholic beverages	238	17	42	64	92	119	183	249	296	463	860
Tobacco	1035	458	542	744	884	1082	1114	1065	1303	1385	1777
Non-food products	7955	695	1196	1686	2192	2600	3168	4361	5685	7100	14257
Services	4294	2100	3032	3709	4384	5164	6575	7214	8892	12100	26378

2010	Total	Decile groups of consumption expenditures									
		I	II	III	IV	V	VI	VII	VIII	IX	X
Consumption expenditures	28646	9478	13371	16177	18680	21544	24759	28260	33515	42086	77560
<i>Including:</i>											
Food*	14844	6124	8495	9962	11338	12753	14197	15611	18382	21942	29672
Alcoholic beverages	272	29	44	72	115	135	161	199	308	584	1074
Tobacco	1009	369	558	694	771	879	1086	1214	1229	1538	1766
Non-food products	4439	809	1244	1803	2151	2585	3403	4135	5288	7228	15625
Services	8082	2147	3030	3645	4305	5191	5913	7101	8307	10793	29422

2011	Total	Decile groups of consumption expenditures									
		I	II	III	IV	V	VI	VII	VIII	IX	X
Consumption expenditures	32585	10677	15154	18419	21344	24404	27803	32088	37591	47385	90979
<i>Including:</i>											
Food*	17184	6716	9530	11373	12935	14302	16590	18630	21150	25115	35486
Alcoholic beverages	245	30	62	67	71	95	149	251	286	500	942
Tobacco	1123	476	689	745	965	1036	995	1311	1351	1629	2031
Non-food products	5022	873	1386	2000	2520	2936	3761	4435	5677	7364	19163
Services	9011	2582	3487	4234	4853	6035	6308	7461	9127	12777	33357

2012	Total	Decile groups of consumption expenditures									
		I	II	III	IV	V	VI	VII	VIII	IX	X
Consumption expenditures	34927	11506	16502	19897	23215	26757	30488	35006	41039	51231	93472
<i>Including:</i>											
Food*	17059	7276	9734	11495	13081	14616	16330	18550	20957	24713	33820
Alcoholic beverages	242	33	45	64	80	107	139	212	309	377	1048
Tobacco	1200	492	670	873	915	1091	1114	1161	1592	1696	2379
Non-food products	6162	900	1919	2616	3254	4042	5427	5945	7080	9558	20823
Services	10264	2804	4134	4849	5885	6901	7477	9138	11101	14888	35402

Source: ILCS 2004-2012

*) Including consumption cost of own production food

Annex 4

Table A10.1 – Armenia: Number of Pensioners and Amount of Average Pension, by Years and by Types of Pension

Type of pension	Number of pensioners (person)				Amount of average pension (AMD)			
	01.01.2010	01.01.2011	01.01.2012	01.01.2013	01.01.2010	01.01.2011	01.01.2012	01.01.2013
Insurance	467555	465084	454488	452505	26056	28647	28701	31248
Social	50470	50980	51294	52436	10067	13130	13182	16236
Military service	9176	8018	6794	5902	19587	19263	14779	16353
Total pensioners* (insurance, social, military)	522835	520257	509312	508071	24520	27107	27062	29696

Source: Ministry of Labor and Social Affairs, State Social Security Service

*) The sum of the lines 1, 2, and 3 is not equal to the total number of pensioners, as there are pensioners who receive both military and other pensions.

Table A10.2 – Armenia: Determinants of Entitlement to Family Benefit, 2012

Independent variables	dF/dx	Standard errors
0-5 age group	0.076	(0.006)***
6-14 age group	0.069	(0.006)***
15-18 age group	0.064	(0.006)***
19-25 age group	-0.003	-0.006
26-45 age group	-0.006	-0.005
46-60 age group	f	f
61+ age group	0.006	-0.007
Ln (household size)	-0.055	(0.010)***
Per adult equivalent consumption	-0.001	-0.01
Age of household head	0.001	-0.001
(Age of household head) ²	0	(0.000)*
Female head of household	0.043	(0.010)***
Elementary education (household head)	f	f
Incomplete secondary education (household head)	-0.003	-0.012
General secondary education (household head)	-0.014	-0.011
Specialized secondary education (household head)	-0.02	(0.011)*
Tertiary education (household head)	-0.04	(0.007)***
Non-participant of labor market (household head)	-0.004	-0.01
Unemployed (household head)	0.013	-0.03
Self-employed (household head)	-0.002	-0.008
Other employment (household head)	0.002	-0.019
Members in migration	0.021	-0.025
Members returned from abroad	0.051	-0.049
Availability of personal car	-0.046	(0.006)***
Temporary dwelling	-0.1	(0.042)**
Land used by household	-0.012	(0.003)***
Availability of own land	-0.032	(0.019)*
Availability of irrigated land	-0.012	-0.009
Receipt of loan	0.018	-0.013
Livestock	-0.004	-0.007
LR chi2(38)	681.99	
Prob > chi2	0	
Pseudo R2	0.2488	
Number of observations	4272	

Source: *ILCS 2012*

Note: *f* – reference category, * denotes 10% significance; ** denotes 5% significance; *** denotes 1% significance

Annex 5

REPUBLIC OF ARMENIA SOCIAL PROTECTION SYSTEM IN 2012

Policies implemented in the social protection area in 2012 stemmed from the pre-election program of the President of the Republic of Armenia, the strategic and long-term programs of the Armenian Government, and the fundamental principles of social justice and protection.

The works aimed at implementation of reforms in the sector were furthered and deepened in 2012. Initiatives in the pension sphere entered a new phase by implementing the new database for the current pension system, establishing the infrastructures for the transition to the multi-level pension system, and for the most part completing preparatory works for the launch of the pilot project of integrated social services. In order to implement the new state policy in employment area, the employment strategy was developed and endorsed by the Government. New strategic approaches were proposed for reconsidering and dealing with the problems of the disabled. Significant measures were taken for regulating the process of socio-medical expert examination.

To provide for the implementation of the sectoral policy, in 2012 the Ministry of Labor and Social Affairs developed and submitted to the Government 20 draft laws, of which 15 were adopted by the National Assembly. Moreover, 47 Government's Decrees (of which 10 Protocol Decisions) and 8 Prime Minister's Decrees were developed and adopted. Then, 3 normative orders of the Minister of Labor and Social Affairs passed public registration.

1. Labor Market and Employment

2012 was marked by commencement of radical reforms in the employment area. Particularly, the following acts were developed and adopted by the Government:

- 1) Government's Protocol Decision No 40 from October 4, 2012 "On Endorsing the Concept Paper and the 2012-2015 Action Plan for the Development of Professional Orientation System in the Republic of Armenia";
- 2) Government's Protocol Decision No 45 from November 8, 2012 "On Endorsing the 2013-2018 Strategy for Employment and the Report on Social Involvement in the Republic of Armenia";
- 3) Government's Decree No 1549-N from December 13, 2012 "On Renaming the "Center for Professional Orientation of Young People" and on Making Changes in the Government's Decree No 1915-N from December 14, 2006".

The concept paper for the draft Law on Employment deriving from the 2013-2018 Strategy for Employment was developed and circulated among stakeholders, articulating the basic provisions of the new law to define the approaches and mechanisms for the development and implementation of the employment policy in the country.

State regulation of the population's employment is carried out in accordance with annual state programs on employment, which comprise:

- 1) Payment of unemployment benefit;
- 2) Professional training of the unemployed;
- 3) Professional training of the non-employed disabled persons looking for a job, rehabilitation of their capacity to work;
- 4) Professional training of non-employed land owners looking for a job;
- 5) Training for a new profession of the non-employed receiving a long-years' service, privileged, or partial pension;
- 6) Compensation of material expenses of the unemployed seconded to another place for job, and of the non-employed disabled persons looking for a job;
- 7) Financial assistance to the unemployed having applied for state registration of entrepreneurial activities, and to the non-employed disabled persons looking for a job;
- 8) Partial redress of salary to employers for recruitment of persons not competitive in labor market;

- 9) Organization of paid public works;
- 10) Organization of employment fairs;
- 11) Organization of on-job training of the unemployed that have professional education, but lack professional experience, and of the non-employed disabled persons looking for a job;
- 12) Provision of the necessary facilities at employer's premises for the non-employed disabled persons looking for a job;
- 13) Organization of labor market research and planning works;
- 14) Payment of funeral allowance.

Outcomes of implementation of the measures established under the 2012 state program for employment are as follows:

As of December 31, 2012, due to increased employment rates, the number of job seekers registered at regional and territorial centers of the “State Service for Employment” agency of the Ministry of Labor and Social Affairs (hereinafter: the Agency) decreased by 11.9% constituting 72.043 persons, and the number of those having received the status of unemployed decreased by 10.5% constituting 62.171 persons.

During the year, 247.501 persons were consulted by regional and territorial employment centers. Some 18.563 job seekers were included into state programs for employment. Another 510 persons were included into programs implemented by the international organizations. Furthermore, 2.204 persons, instead of the planned 2.143, were included into active programs of employment regulation.

As of December 31, 2012:

- 11.513 job seekers were placed to job, thus attaining the planned 20% increase in the number of those placed to job;
- From among the graduates of the professional training courses (599 persons), 52.0% (311 persons) – as compared to the planned 50% – were placed to job; the job placement process is currently going on;
- 6.1% of the persons – as compared to the planned 5% – that are not competitive in labor market (16.861 persons), were placed to job;
- Due to measures taken within the reporting period, the number of employers collaborating with regional and territorial centers of the Agency increased, and cooperation with major employers was improved; the number of job vacancies offered by employers increased by 15.9% in comparison with the previous year (8232 vacancies) constituting 9541 vacancies.

From the beginning of the year, 16.257 unemployed persons become entitled to **unemployment benefit**, as compared to 21.730 of the previous year. The number of the recipients of unemployment benefit decreased from 14.448 in the beginning of the year by 3.345 and constituted 11.103 by the end of the year. The average monthly number of the beneficiary unemployed persons totaled around 12.818 against the approved 20.850, which resulted in savings of program funds of AMD 529836,8 thousand.

Some 1.477 persons – as compared to the planned 1.438 – were included into the program of **professional training** (of which 1.135 unemployed, 84 disabled, 251 land owners looking for a job, and 7 non-employed persons receiving a long-years’ service, privileged, or partial pension), which became possible due to negotiations for concluding contracts at prices lower than the planned average.

In addition to the above-mentioned, professional training courses were organized for 266 job seeker women by the funding of the UN Vocational Education and Training Project, 56 refugees by the funding of the office of the UN High Commissioner for Refugees, and 151 women by the funding of the DVV-International organization.

Under the program of **state support to the unemployed and the disabled for state registration of entrepreneurial activities**, financial assistance was provided to 147 persons – as compared to the planned 140 – of whom 6 were disabled persons.

Within the reporting period 226 persons – as compared to the planned 180 – of whom 129 were disabled persons, were included in the program of **partial redress of salary to employers for recruitment of persons not competitive in labor market**.

Within the framework of the program for **provision of the necessary facilities at employer's premises for the non-employed disabled persons looking for a job**, 32 workplaces – as compared to the planned 55 – were adjusted for the disabled.

Under the program for **compensation of material expenses of the unemployed seconded to another place for job and of the non-employed disabled persons looking for a job**, 28 persons – as compared to the planned 30 – were provided a job in a new place.

Within the program for **organization of on-job training of the unemployed that have professional education, but lack professional experience, and of the non-employed disabled persons looking for a job**, some 304 persons – as compared to the planned 300 – of whom 5 were disabled, received on-job training; in addition, 37 young people were included in on-job training programs with the assistance of the UN Vocational Education and Training program.

Some 7 employment fairs were organized in Hrazdan, Ijevan, Gyumri Artashat, Goris and Yerevan (for Syrian Armenians) within the framework of the program for **organization of employment fairs**, where 247 employers and 9.450 job seekers participated, and 1.353 available vacancies and 908 planned workplaces were offered. Hence, within three months after the fairs 414 persons were placed to job.

Under the program for **research works**, a selective research of employers was conducted to assess the changes in the economy and labor market over the previous and the next three years, as well as the planned specializations by sectors.

In 16 work clubs established at employment centers 88 groupworks were implemented in 2012 with the involvement of 817 job seekers, of whom 215 were placed to job, and 239 were included in state programs for employment regulation in 2012.

International cooperation

The Livelihood Improvement through Fostered Employment (LIFE) program has been implemented since 2012 in collaboration with the USAID. Within the framework of the program, the Armenian office of the organization “Save the Children” conducted with its partner organizations retraining seminars for 2 staff members of the Agency and 10 senior retrainers.

In collaboration with the IMF:

- The project “Protection of Migrant Workers in the Russian Federation, and Extension of the Positive Impact of Migration in Armenia, Azerbaijan and Georgia” has been implemented;
- The project “From Crisis to Secure and Dignified Work” has been furthered to support the disabled in finding jobs.

In cooperation with the Armenian representation of the United Nations, the program Vocational Education and Training (VET) has been implemented. Under the program, since the beginning of the year 35 contracts were signed with organizations to arrange professional training courses for 266 job seekers. Also, 37 contracts were signed with employers to arrange on-job training of young people from rural communities, who lacked professional experience.

In accordance with the memorandum of understanding with the office of the UN High Commissioner for Refugees, 13 contracts were signed with organizations to conduct professional training courses for 56 persons with current or former refugee status.

2. Pension Security

A number of legal acts regulating pension security sphere were developed and entered into force in 2012, including:

- 1) Republic of Armenia Law on Making Changes and Amendments in the Republic of Armenia Law on State Pensions, adopted on March 19, 2012;
- 2) Government’s Decree No 1860-N from December 29, 2011 “On Making a Change in the Government’s Decree No 1734-N from December 30, 2010”;

- 3) Government's Decree No 1084-N from August 16, 2012 "On Making Amendments and Changes in the Government's Decree No 665-N from May 5, 2011";
- 4) Government's Decree No 1238-N from September 20, 2012 "On Making Amendments and Changes in the Government's Decree No 668-N from May 5, 2011";
- 5) Government's Decree No 1627-N from December 20, 2012 "On Making Amendments and Changes in Several Decrees of the Republic of Armenia Government".

Pursuant to the Government's Decree No 1860-N from December 29, 2011 "On Making a Change in the Government's Decree No 1734-N from December 30, 2010", the amount of basic pension was established at AMD 13.000 as compared to its former amount at AMD 10.500.

In 2012, the number of pensioners registered in the system totaled 508.071 persons, the average pension constituted AMD 29.688, the average labor pension amounted to AMD 31.248 (comprising an increase of 8.9%), and the average social pension amounted to AMD 16.236 (comprising an increase of 23%).

The main priority of the pension security system in 2012 was implementation of pension reforms. Accordingly, works were consistently carried out for the development of the legal acts providing for implementation of pension reforms pursuant to the Government's Decree No 1487-N from November 13, 2008 and the Prime Minister's Decree No 113-A from February 16, 2011.

Works for the development of the new database in state pension security area were also consistently carried out. Due to those works, the module of the said system designed for income tax collection was launched enabling provision of relevant reports by employers exceptionally in electronic form.

Further works were carried out for the development of informational infrastructures in state pension security sphere. In particular, certain modules of the system were upgraded enabling full automation of the decision-making process.

3. Social Assistance

System of Public Benefits (Monetary Allowance)

Public benefits are assigned and allocated in accordance with provisions of the Law on Public Benefits as a separate form of monetary allowance defined by Article 10 of the Law on Social Assistance. The Government establishes the procedures and peculiarities of assignment and payment, as well as the size of the benefit.

Territorial social service units (hereinafter: TSSU), which are separated divisions of public governance or territorial self-governance bodies (hereinafter: territorial bodies) are responsible for the assignment and allocation of public benefits, including family benefit, childcare allowance, childbirth lump-sum allowance, benefits to the families of deceased national heroes of Armenia and to the families of posthumous holders of "Battle Cross" order.

The system of public benefits as an instrument for elimination of extreme poverty needs revamping in order to support dealing with alleviation of total poverty and forming sustainable families. Social policies are to be directed to preventing migration from border and highly mountainous regions, increasing social activity of their population, which would result in reduction of social indifference.

Family Benefit and Lump-Sum Allowance

The purpose of the family benefit program is to assist poor families. The issue of better targeting of family benefit program has always been viewed as a major challenge of social assistance sector, and relevant measures in this area were mainly carried out in 4 directions: (i) revision of the procedures for assessment of family vulnerability based on ILCS results; (ii) improved administration; (iii) training of the staff of territorial bodies; and (iv) public outreach.

Reforms in the system of family benefits have been implemented in line with the strategic directions of the PRSP and SDP, as well as the findings of the annual ILCS conducted by the NSS, by means of revising the rules for assessment of family vulnerability.

Eligibility for family benefit is determined by the family vulnerability score, which is calculated in accordance with the procedure for family vulnerability test as approved by the Government's Decree No 2317-N from December 29, 2005. According to that procedure, a number of indirect indicators are used for testing family (household) vulnerability, including the social group of each household member, the number of household members incapable to work, the place of residence, dwelling conditions, average monthly income of the household etc.

Each indicator has its numerical value, and the family's vulnerability score is determined by the product of such values. The higher is this score, the more vulnerable is the family. The indicator of gross average monthly income comprises accrued and payable remuneration and other similar income of household members for paid work, pensions, unemployment benefits, childcare allowances for children under 2 years of age, benefits to the families of deceased national heroes of Armenia and to the families of posthumous holders of "Battle Cross" order, monetary allowance in accordance with the Government's Decree No 668-N from May 5, 2011 "On Establishment of the Size of Monetary Allowance to Military Servicemen and to Members of Their Families, by Categories of Persons Eligible for Monetary Allowance, and of the Procedure for Award and Payment of Monetary Allowance", as well as the income from livestock breeding and land cultivation.

For 2012, the score for eligibility to family benefit has been established at "30.00".

As in the previous years, in 2012 the main priority of the Government's policy was enhanced targeting of the family benefit. For that reason, changes in this area mainly related to the family benefit system and were realized in two directions – revision of the procedures for assessment of family vulnerability and improved administration.

The main change was introduced in the structure of average monthly income of households and in the formula for calculating income coefficient.

Starting from January 2012, gross average monthly income comprises also monetary allowance paid to military servicemen and to members of their families, as well as childcare allowances for children under 2 years of age, and benefits to the families of deceased national heroes of Armenia and to the families of posthumous holders of "Battle Cross" order.

At the same time, the amount of pensions has been increased since January 2012.

Pursuant to a Government's Decree, the impact of the income coefficient in the family vulnerability calculation formula has been **mitigated**, resulting in neutralization of the impact of the average monthly "increased income".

According to the new formula, gross average monthly income entitling to family benefit has almost doubled in comparison to 2011. Thus, a pensioner (not a heirless one) would become eligible for family benefit if receiving a pension equal to AMD 27.300 (as compared to AMD 13.650 in 2011); or, a family comprising of one pensioner, a married couple and two underage children (13 and 10 years of age) would become eligible at AMD 62.000 (as compared to AMD 31.000 in 2011).

Due to these modifications, low income families, and especially those having children, also become eligible for family benefit.

This is commensurate with the recorded inflation and the increase in poverty rate in the previous year. At the same time, the modifications have an anti-corruption nature. Bearing in mind that in previous years, by means of aligning different databases, the Ministry discovered cases, when people concealed the fact of their employment or disguised the amount of their wages, this measure enabled poor families with low income to be included in the system without taking devious ways.

The positive impact of the modifications aimed at improving procedures for assignment and payment of public benefits is demonstrated firstly by the circumstance that, in 2012, more data related to eligibility for public benefits are admitted on basis of applicants' declaration, with further on-line check of reliability of such data.

In particular, it is worth to mention that in 2011 on-line data were available only from territorial divisions of the State Register of Population of the Police regarding the domicile (or composition of family) of an applicant, whereas in 2012 the data from the State Cadaster of Real

Estate on the size, type and cadastral net income of the land owned by households were also accessible on-line. The mentioned two types of data are directly used by TSSUs in the form of responses to their on-line inquiries.

On-line data are also received from the Ministry of Transport and Communication, the Road Police, the Civil Registry Office and the Company Registry Agency of the Ministry of Justice on monthly basis, facilitated through “Nork Informational and Analytical Center” CJSC, which provides for centralized matching of various databases and furnishes the output to TSSUs to work with the families, examine their social-economic conditions, and make proposals on their eligibility to family benefit.

Modifications in the family benefit program over the last years had certain impact on the number of eligible households registered in the family benefit system, including that on the number of such eligible households having children. The dynamics of modifications is presented below.

Table 1: Family Benefit Program in Armenia, 2008-2012

	2008	2009	2010	2011	2012
Registered families (percent of the total number of families in Armenia)	21,54	19,16	17,11	14,91	16,04
Beneficiary families (percent of the total number of registered families)	73,25	73,4	78,77	78,94	80,3
Beneficiary families (percent of the total number of families in Armenia)	15,77	14,0	13,50	11,77	12,88
Families with children (percent of the total number of beneficiary families)	76,34	81,19	78,28	78,07	77,51
Funds allocated from the state budget of Armenia (AMD billion)	29388	32324	31022	35497	37105
Number of beneficiary families	121160	107493	105005	91575	96309
Average amount of benefit (AMD)	21100	23560	26850	26850	29350

During 2012, further efforts were made towards increasing allocation of family benefits to the poorest families, particularly to the ones with many children, while paying special attention to the families living in highly mountainous or border areas.

The size of family benefit is determined by adding to the base benefit component an increment for each family member below 18 years of age (child), whereby the size of the increment is dependent on the vulnerability score of the family, its place of residence, and the number of children in the family.

The increment is assigned for the three defined ranges of the vulnerability score, particularly those ranging between: (i) 30.01-35.00; (ii) 35.01-39.00; and (iii) 39.01 and higher. The difference of increments for each range equals AMD 500, and the higher is the vulnerability score, the higher is the increment.

Within the defined ranges of the vulnerability score, the size of increment also varies. Particularly, the increment for children of families living in highly mountainous and border areas is AMD 500 more than the increment determined for that range, and if there are 4 or more children in the family, the increment per child is another AMD 1.000 more.

In 2012, the base benefit was established at AMD 16.000 as compared to AMD 13.500 in 2011. The size of the increment during 2012 ranged between AMD 5.500-8.000. The benefit for families without children equaled AMD 16.000, whereas that for families with children depended on the vulnerability score, the number of children, and the place of residence of the family.

In 2012, average monthly family benefit equaled AMD 29.350, as compared to AMD 26.850 in 2011.

The Law on Public Benefits establishes specific criteria for the assignment of lump-sum allowance within the system of family benefits, such as the birth of a child in a family eligible for family benefit, the

child's school enrollment, and the funeral of a deceased family member (except for pensioners, working members, and persons with at least one year insurance record).

With regard to families eligible for family benefit, the size of the lump-sum allowance for childbirth was set as AMD 50 thousand, for child's school enrollment – AMD 25 thousand, and for funeral of a family member – AMD 50 thousand. In 2012, the following payments of lump-sum allowance were made to families eligible for family benefit: for childbirth – 4610 cases, for child's school enrollment – 9366 cases, and for funeral of a deceased family member – 124 cases.

In coordination with social assistance council, TSSUs may allocate urgent quarterly aid to families experiencing hardships, which are registered in the system, but are not eligible for benefit. The decision on allocation or rejection of urgent aid is taken at quarterly reviews. The size of such aid is equal to the size of the basic benefit, i.e. AMD 16.000 for 2012. Some 9094 families received urgent aid in 2012.

Lump-Sum Childbirth Allowance

Since 2009, the size of lump-sum childbirth allowance depends on the number of children born into the family. Its size was established at AMD 50 thousand for the first and the second children, and AMD 430 thousand for the third and every next child. These rates remained unchanged in 2012. The table below presents the number of recipients of childbirth allowance, by years.

Table 2: Child Birth Allowance Beneficiaries and Total Public Spending, 2009-2012

Years	2009	2010	2011	2012
Number of births (in Armenia)	44466	44810	43340	42033
Beneficiaries	45823	43033	38724	43449
Total spending (AMD thousand)	5067585	4719455	4271800	4561930

Childcare Allowance for Children under 2 Years of Age

According to Law on Public Benefits, parents on leave in care of children under 3 years of age in accordance with the Labor Code of Armenia are eligible for childcare allowance until the child reaches 2 years age. For a number of years, the size of this type of allowance was very small at AMD 3.000, but in 2009 it was raised by six times equaling AMD 18.000. Such increase in the size of the allowance is one of the main reasons for the substantial growth of the number of beneficiaries.

Table 3: Beneficiaries of Childcare Allowance for Children under 2 Years of Age and Total Public Spending, 2010-2012

	2010		2011		2012	
	Beneficiaries (child)	Spending (AMD thousand)	Beneficiaries (child)	Spending (AMD thousand)	Beneficiaries (child)	Spending (AMD thousand)
Total	8058	2568462	10777	2923974	11299	3004000

The abrupt growth of financing for these two types of allowances over the last three years was the result of the increased size of benefits and the higher number of beneficiaries. At that, the higher number of parents eligible for childcare allowance might partly reflect the impact of the global crisis, as being on leave allows a parent to avoid redundancy cuts (since it is prohibited to dismiss such parents for a period of three years).

At the same time, the issue of portfolio provision of social services is emphasized. Rendering **integrated social services** is a perspective way to enhance their quality and availability, improve customer focus, and increase effectiveness of assessment and monitoring and the overall efficiency of the entire process.

The process of introducing the new system requires significant time and efforts; therefore it should be implemented in a phased manner embracing different areas of administration. For the successful introduction

of the new system there is the need for carrying out substantial work to elaborate new legislation, to clarify the scope of the powers at each level, as well as to identify the areas of joint effort, design relevant mechanisms and their normative basis.

In order to introduce the integrated social services system (hereinafter: the system), the Government's Decree No 952-N from July 26, 2012 was adopted to endorse the implementation plan of the system, providing for the launch of a pilot project of integrated social services in Ararat region.

Due to the introduction of the system, territorial centers for comprehensive provision of social services will be established in the country. Such centers will host various territorial divisions of the agencies providing social services, such as the social security divisions of the Ministry of Labor and Social Affairs, (regional) territorial employment centers, committees of socio-medical expert examination, territorial bodies of regional municipalities (Yerevan, Gyumri, Vanadzor, Ararat and Jermuk municipalities).

To that end, relevant decrees of the Government attached to the Ministry of Labor and Social Affairs buildings and premises (in Baghramyan, Vardenis, Tzambarak, Vanadzor, Hrazdan, Charentzavan, Yeghvard, Artik, Gyumri, Meghri, Noyemberyan, Yeghegnadzor, and Ajapnyak) or provided for conclusion of open-end contracts with the head of the respective municipality for free-of-charge usage of real estate (in Yerevan, Ararat, Artashat, Vedi, Masis, Armavir, Maralik, and Ashotzk).

It is expected that, based on the results of the pilot project of integrated social services implemented in Ararat region since September 1, 2012, draft legal acts providing for the introduction of the system will be developed and submitted to the Government, in order to:

- Establish a technical and economic basis of the system of integrated social services;
- Develop a unified database in the social protection area (informational integration) enabling automatic exchange of information;
- Implement a "one-stop" service delivery principle;
- Commence all-extensive (total) retraining of the staff of the bodies (organizations) providing social services.

Table 4: Basic Family Benefit, Increments and Lump Sum Allowance, 2009-2012

		2009	2010	2011	2012	
Eligibility score		30.00	30.00	30.00	30.00	
Basic family benefit		10000	10000	13500	16000	
Increment for each family member below 18	Differentiation					
	30.01-35.00		5500	5500	5500	5500
		4 and more underage children (large family)	6500	6500	6500	6500
		Living in highly mountainous and border areas	6000	6000	6000	6000
		Large family living in highly mountainous and border areas	7000	7000	7000	7000
	35.01-39.00		6000	6000	6000	6000
		Large family	7000	7000	7000	7000
		Living in highly mountainous and border areas	6500	6500	6500	6500
		Large family living in highly mountainous and border areas	7500	7500	7500	7500
	39.01 and more		6500	6500	6500	6500
		Large family	7500	7500	7500	7500
		Living in highly mountainous and border areas	7000	7000	7000	7000
		Large family living in highly mountainous and border areas	8000	8000	8000	8000

	2009	2010	2011	2012
Urgent aid	10000	10000	13500	16000
Lump-sum monetary allowance, including that for:				
Childbirth	50000	50000	50000	50000
Child's school enrollment	25000	25000	25000	25000
Decease of family member	50000	50000	50000	50000
Total public spending (AMD billion)	32.324	31.022	35.497	37.105
Average benefit	23560	23350	26850	29350
Beneficiary families (program)	114000	110700	110159	110159
Beneficiary families (actual)	107492	105005	91575	96309

4. Social Protection

Disabled and Elderly

Pursuant to the 2006 UN Convention on the Rights of Persons with Disabilities and to the 2006-2015 Strategy on Social Protection of Persons with Disabilities, works on integration of disabled persons into the society continued in 2012.

Measures implemented in the social protection area were aimed at social inclusion of disabled persons, establishment of equal rights and opportunities, creation of available environment for persons with disabilities in all spheres of social life, implementation of programs for their medical and social rehabilitation, education and employment, provision of prosthesis and rehabilitation devices, as well as other services.

Pursuant to the provisions of the above-mentioned convention and the *“Council of Europe Action Plan to promote the rights and full participation of people with disabilities in society: improving the quality of life of people with disabilities in Europe 2006-2015”*, the draft Law on Protection of the Rights and Social Inclusion of Persons with Disabilities in the Republic of Armenia was developed and submitted to the Government, regulating legal relations pertaining to the definition of disability; to social, medical and vocational rehabilitation of the persons with disabilities; to the provision of an available environment; to the minimum social, legal, and economic guarantees for their education, employment and healthcare, as well as equal participation in social life.

In order to regulate socio-medical expert examination procedures and to provide for the accountability and transparency of the work of socio-medical expert examination bodies, changes and amendments were made in the following legal acts:

- 1) Government's Decree No 1633-N from December 6, 2012 “On Making Changes and Amendments in the Government's Decree No 276-N from March 2, 2006”;
- 2) Government's Decree No 1592-N from December 6, 2012 “On Making Changes and Amendments in the Government's Decree No 780-N from June 13, 2003”;
- 3) Government's Decree No 1632-N from December 6, 2012 “On Making Changes in the Government's Decree No 1822-N from November 14, 2002”;
- 4) Government's Decree No 1631-N from December 6, 2012 “On Making Changes and Amendments in the Government's Decree No 1821-N from November 14, 2002”.

Government's Decree No 684-N from May 31, 2012 defined the deadlines for establishing the fact of disability through various diagnostic examinations.

Pursuant to the Government's Decree No 948-N from July 19, 2012, children below 18 with hearing problems and disabled persons of 18-30 years of age will be provided digital and analogue hearing aids of European production based on state certificates, thus enabling the disabled to obtain hearing aids fitting their needs and making the process more open and competitive.

Government's Protocol Decree No 39-N from September 27, 2012 adopted the “2013 Annual Program and Action Plan for the Social Protection of Disabled Persons”.

As of December 31, 2012, some 186.384 persons with disabilities were registered in the country, of which 8.078 were children. Among them, 67% were of working age, but only 8-9% were employed.

In 2012, for the first time 18.208 persons with disabilities underwent expert examination, and disability of 16.446 persons (90.3%) was confirmed, whereas that of 1.762 persons (9.7%) was not confirmed. Among them, 4.7% were qualified as 1st category disabled, 33.2% as 2nd category disabled, 56.0% as 3rd category disabled, and 6.1% as “disabled child”.

During 2012, some 74.648 persons were examined by socio-medical expert examination bodies, including 3.179 persons below 18 years of age. Among them, the number of re-examined persons totaled 56.536 (including 2.000 persons below 18 years of age). Out of all examined persons, 71.549 (95.8%) were qualified as having disability.

In 2012, 979 persons received socio-medical and mental health rehabilitation treatment, disabled and socially vulnerable persons received 16.400 prosthesis and rehabilitation devices, including 1.351 hearing aids (of which 218 of European production), 390 wheel-chairs, 852 prosthesis of upper and lower extremities, 697 corsets, 254 stretchers, 364 orthosis, 694 surgical footbeds, 10 recliners, 1470 crutches, 662 sticks, 1522 orthopedic shoes, 2253 prosthetic shoes, 560 breast prosthesis, 5 small wheel-chairs, 5 knee-pads, 157 walkers, 1217 items were repaired, 100 disabled persons received sound-generating devices, 90 disabled persons were provided eye prosthesis, and 200 persons (including 100 children) received hearing aid supplements.

Some 10 persons with visual problems passed training with “Arev” software and were given computers. Books, note books, and bulletins with Braille system were printed and “speaking” books were published.

All the implemented activities were aimed at social integration of persons with disabilities in order to ensure their comprehensive involvement in every sphere of social life.

The main objective of the state policy for old age persons is to improve the quality of life of persons living alone, and those in need of care or shelter.

Government’s Protocol Decree No 31 from August 2, 2012 endorsed the “Strategy for Dealing with Problems of Ageing Population and for Social Protection of Elderly People”.

- **24-hour care services for elderly**

24-hour care services for elderly people living alone and for people with disabilities were provided by four nursing homes under the Ministry of Labor and Social Affairs – No 1 in Yerevan, Nork Nursing Home, Vardenis Neurological/ Psychiatric and Gyumri Nursing Home. Expenditures for care of 1,090 pensioners living in nursing homes are fully covered by the state.

- **In-house social service for single elderlies**

Care and social service under this program were provided by the state non-commercial organization “In-House Social Service for Single Elderlies and Persons with Disabilities” under the Ministry of Labor and Social Affairs, which provides services to 1.500 such persons in Yerevan.

- **Day care services for persons with mental health problems**

The mental healthcare day center affiliated with Vardenis Neurological/ Psychiatric Nursing Home provided care and social services to 50 persons with mental problems and to their family members.

- **Temporary shelter for homeless people**

The temporary hostel for homeless people affiliated with the Nursing Home No 1 serviced 60 persons.

- **Social services provided to single elderlies and persons with disabilities in-house and at regional day care centers**

State support was provided for compensation of staff salaries of the charity organization “Mission Armenia” working in 8 regions and servicing 4.200 single elderlies and persons with disabilities in-house and at regional day care centers.

- **24-hour Care and Social Services for Elderlies at Vanadzor Nursing Home**

55 pensioners were serviced at Vanadzor Nursing Home.

- **Lump-sum compensation for the harm caused to repressed citizens**

According to the Law on Repressed Persons, repressed citizens are entitled to a lump-sum allowance equaling 12 times the basic salary (AMD 12.000). This compensation is allocated only once and exclusively to persons which have the status of the repressed.

- **Children**

In Armenia, the main objective in the children's social protection area is their social integration and improvement of the quality of life for children experiencing hardships.

The basic ideology of reforms and the Government's policy is to provide for the care and upbringing of children in families, by means of reducing the number of children in orphanages and childcare boarding schools and preventing the inflow of children into such facilities.

In order to implement the reforms, as well as to develop a national program for the protection of children's rights, the Prime Minister's Decree No 232-A "On Establishing an Interagency Committee and Endorsing Its Composition" was adopted on March 20, 2012.

Also, Government's Decree No 1694-N "On Endorsing the 2013-2016 Strategic Program and Action Plan for the Protection of Children's Rights in the Republic of Armenia, and on Repealing Government's Decree No 1745-N from December 18, 2003" was adopted on December 27, 2012.

In 7 orphanages within the system of the Ministry, 750 children deprived of parental care were serviced, of which 520 in specialized orphanages, whereas 735 children from socially vulnerable families received care and protection at 8 boarding schools.

Due to the implemented policy, reduction of the number of children at state orphanages enabled reorganization of one state orphanage into a specialized orphanage by the Government's Decree No 716-N from June 7, 2012 "On Making a Change in the Government's Decree No 210-N from January 23, 2003". Under the said decree, the state non-commercial organization "Orphanage after Mary Izmirlyan" was reorganized into the "Specialized Orphanage after Mary Izmirlyan" engaged in socio-psychological rehabilitation of disabled children aged 0-18 years, protection of their rights and interests, provision of material and housing needs, care and upbringing, education and medical assistance.

Government's Decree No 1659-N from December 20, 2012 "On Renaming the State Non-Commercial Organization "Zatik Orphanage of Yerevan", and on Making Changes in the Government's Decree 209-N from January 23, 2003" reorganized the state non-commercial organization "Zatik Orphanage of Yerevan" into a children support center. Due to reorganization, "Zatik" Support Center of Yerevan currently provides the following services:

- 24-hour care of children aged 3-18 years experiencing hardships, for a period up to 6 months;
- Day care of children aged 6-18 years experiencing hardships, in Yerevan.

In order to provide for a universal approach to the social protection of children experiencing hardships, to strengthen the functions of the National Committee for Protection of Children Rights in managing, monitoring and coordinating the system of child protection in Armenia, as well as to revise the sectoral policy the Government adopted the following legal acts in 2012:

- Prime Minister's Decree No 1295-N from December 28, 2012 "On Establishing the National Committee for the Protection of Children Rights, Endorsing the Charter and the Composition of the Committee, and Repealing the Prime Minister's Decree No 835-N from October 28, 2005";
- Joint order of the Minister of Education and Science No 726-A and of the Minister of Labor and Social Affairs No 67-A/1/ from July 20, 2012 "On Establishing Uniform Management in Special Educational Facilities for Children with Special Needs, and on Endorsing the Action Plan for Their Social Protection".