



**STATISTICAL COMMITTEE OF
THE REPUBLIC OF ARMENIA
(ARMSTAT)**

WORLD BANK

SOCIAL SNAPSHOT AND POVERTY IN ARMENIA

Statistical and analytical report

Based on the findings of the 2017 Integrated Living Conditions Survey

YEREVAN 2018

In the modern world characterized by diversification of information and intensification of information flows, it is important to “integrate” the three parties to the official statistics, which “occupy the corners of the statistical triangle” and have different dispositions, in particular the respondents, the users and the taxpayers, especially in view of the national and international standards on perception requirements (leveling of communication capabilities). The Statistical Committee of the Republic of Armenia (RA SC) expresses its gratitude to all respondents (providers of information) insofar as this statistical publication is available due to the information provided by them; welcomes feedback and suggestions from the respondents and the taxpayers as the users of statistical information so as to enable further improvement of statistical publications.

Please submit suggestions and comments on further improvement of the publications to the Division for Dissemination of Statistical Information of the RA SC.

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The Statistical Committee of the Republic of Armenia (RA SC) annually publishes the statistical and analytical report “Social Snapshot and Poverty in Armenia” in order to inform the public about the poverty level and the social situation in the country. The contents of the report are developed through the analytical and technical support of the World Bank. The presented analysis is to provide the public with information on the living standards and social situation in the country as of 2017. It provides detailed statistical information on current social and economic developments. The report sets forth the dynamics of poverty in the country assessed in terms of various socio-economic, demographic and geographical dimensions. The findings of the Integrated Living Conditions Survey (ILCS) conducted annually by the RA SC provide the basis for this report. Such statistical surveys are internationally recognized as a most important tool for collecting data outlining the living standards of the population. Surveys facilitate collection of rather comprehensive and valuable information on the welfare of households and individuals, which enables the RA SC to annually provide the public with current information on population revenues, expenditures, poverty levels and other indicators. The RA SC is continuously working to improve these surveys in order to make them fully comparable with the findings of similar research conducted in developed countries. The RA SC has been following modern methodologies and approaches to poverty assessment.

This issue of the “Social Snapshot and Poverty in Armenia” is based on data collected through the integrated living conditions survey of 7 776 households.

Implementation of the ILCS in 2017 was funded by the State Budget and the World Bank. The World Bank's additional funding aims to strengthen social welfare monitoring in Armenia through improving the quality of data collected by the RA SC within surveys at household and individual level. One of the goals of the World Bank is to obtain clear and reliable estimates of welfare in the region (among other estimates, often used as assessments of monetary welfare), thus enabling the Government of Armenia to monitor the progress in the country and coordinate balanced regional economic development processes.

The Census 2011 database was used to formulate the survey sample. The size of the sample allows for the minimum representativeness by regions¹. The survey was conducted from January 1 to December 31, 2017. The ILCS questionnaire was revised for the survey.

The findings of this report are based on the World Bank poverty assessment methodology adjusted in 2009 with the assistance of the World Bank experts. In comparison to the methodology used over 2004-2008, the adjusted methodology has certain features. In particular, the new minimum food basket has been introduced, which reflects changes in the consumption structure since 2004-2008, as well as the current shares of food and non-food products and services. The ILCS 2009 data have been used for designing the new consumption model. The newly defined minimum food basket has been used for estimating

¹ Only 2004-2017 studies have provided data for provincial margin minimization representation.

the extreme (food) and total (lower and upper) poverty lines. The new basket will provide a comparison basis for estimating poverty rates and will be adjusted for average annual inflation rates in the country. The details of the methodology are provided in the “Methodological Explanations” section.

Thus, with a view to documenting socio-economic situation and poverty level in Armenia, this report presents a comprehensive analysis of socio-economic developments and poverty level dynamics in the country over the period of 2008-2017.

The report also uses information provided by the Ministry of Labor and Social Affairs, the Ministry of Healthcare, and the Ministry of Education and Science of the Republic of Armenia.

I hope this report will serve as an important source of information for all users who seek to be informed about socio-economic developments and poverty level in Armenia.

Stepan Mnatsakanyan

Chairman

RA Statistical Committee

Dear wealthy people in Armenia

We apply to you with a kind request, asking for your generous participation in the to-be-conducted integrated living conditions survey of households. Your refusal to participate in the survey would have an adverse impact on the quality of the data we collect. The analysis based on this data is important to the public, as it is meant to “enlighten” the fundamental directions of the programs and policies that will be implemented in our country in the future. Moreover, where a household included in the survey sample refuses to participate, another household is to be selected thus leading to the need for additional work and excessive resource exhaustion. We assure that, according to the Republic of Armenia Law on Official Statistics based on fundamental principles of the official statistics approved by the United Nations General Assembly (Resolution 68/261 of January 29, 2014) all providers of primary personalized information for statistical purposes are guaranteed confidentiality of that information (Article 14).