6. Conclusions

6.1. As opined by international experts studying poverty issues, well-being is defined according to the degree of accessibility, as well as effectiveness, liquidity and efficiency of capital. Most evident examples are physical, human and natural capitals.

Physical   - land, machinery, financial capital;
Human   - education, qualification, skills and health;
Natural   - geographical location, physical infrastructure, and natural resources

Taking into account the fact that explored and effected natural capital of Armenia are rather limited, physical and human capital should be developed in order to improve the living standards of the population.

It is evident that economic growth of a country is the fundamental and primary means of poverty reduction. However, efficiency of economic growth directly depends upon the rate of reducing inequalities existing in the society.

Next, not less important is the factor of development rate of human capital. In a personal dimension, in elaborating poverty reduction strategies aiming at breaking the "vicious circle" of limitation or lack of human capital development capacities, it is important to provide for, in parallel to the above, state order schemes in health and education (including higher education) services.

6.2. One of the most complicated contemporary problems is improvement of social protection of vulnerable groups of population, because poverty has widespread incidence in Armenia. Ministry of Social Security continuously works on solving this problem, using the results of household surveys.

Since 1999, public system of individual official transfers in the social safety net was replaced by the system of family benefits. Rejecting individual transfers to adopt family benefit system was dictated by a number of factors, of which the necessity to ensure the following principles is worth emphasizing:

- Streamlining public endeavors aiming at reduction of polarization and poverty in the society towards more comprehensive and accountable primary structural unit of the society, that is the family, household;
- Optimization in utilization of budget resources channeled to solving these problems;
- Ensuring utmost possible effectiveness of state benefits and allowances by virtue of their better targeting and acquiring highest possible degree of their social implications.

In summarizing the above, overall statistical statements should be emphasized.

1. Poverty has widespread incidence in Armenia, i.e. 55% of population is poor, with poverty scale remaining unchanged throughout a number of years (1996-1999) from the high point, in other words, no poverty reduction tendency is recorded.

2. Population residing in earthquake area is in more strained socioeconomic conditions with poverty covered more than 60% of the population.

3. Urban to rural population is more exposed to poverty, taking into consideration the food accessibility. The advantage of rural population to this end is conditioned by larger capacity of food consumption.

4. Poverty risk groups are:
- unemployed;
- multi-children families;
- multi-member households;
- pensioners and handicap;
- people with low level of educational.

The above mentioned comes to evidence that there is an evident necessity to elaborate and implement a poverty reduction strategy.