



PART III

ARMENIA – NON-MATERIAL  
POVERTY

## **Chapter 4. Social Transfers in Armenia and Their Impact on Inequality and Poverty Reduction**

### **4.1. System of Social Transfers in Armenia**

Social transfers include pensions and monetary social assistance. Pensions, the largest type of social transfer in Armenia, are an important source of income for the population, especially for pensioners, who often have it as the only source of income; therefore, the general welfare of this group is dependent on the pension size (Table 4.8 provides a breakdown of the number of pensioners in Armenia by the types of pension).

The largest monetary social assistance program in the Republic of Armenia, both in terms of population coverage and funds allocated from the RA State Budget, is the Family Benefit program (FBP).<sup>1</sup>

### **4.2. Impact Assessment of Social Transfers on Poverty Reduction**

Although expenditures on social transfers from the consolidated budget increase year after year, they remain limited as a share of GDP (6.9% in 2019). Nevertheless, social transfers contribute considerably to poverty reduction and although not all the beneficiaries manage to overcome poverty after receiving monetary assistance, both the poverty gap and poverty severity are significantly reduced.

Estimates for 2019 show that if payments of all social transfers (including pensions and social assistance benefits) were halted and households were not able to compensate for this loss, the total poverty rate would increase by 16.6 percentage points (from the current rate of 43.8% to 60.4%).

Pensions, as the biggest component of social transfers, account for a significant share of this reduction, reducing poverty by 14.2 percentage points. However, the role of monetary social assistance, and particularly the effect of the income support provided by the FBP on poverty reduction, is not negligible. In 2019, the Family Benefit program accounted for a reduction of 1.7 percentage points in poverty.

In 2019, 76.2% of FBP beneficiaries belonged to the bottom two consumption quintiles compared to 76.5% in 2018. On the other hand, 80.6% of FBP benefits went to the poorest two quintiles in 2019 as compared to 78.3% in 2018, representing an improvement in targeting towards the poor.

### ***Methodology***

The impact of social protection programs on poverty in the country is assessed through the Integrated Living Conditions Survey (ILCS). The analysis covers two main types of social protection transfers - pensions and state monetary assistance - which include all types of social assistance cash transfers. With the exception of the FBP, all other types of social assistance are allocated to very narrow groups of the population; therefore, these beneficiaries represent a very small share of the ILCS and the number of observations is not enough to draw statistically significant conclusions.

The assessment of the poverty impact of social transfers (pensions and state monetary assistance) is based on the following methodology: poverty indicators observed in the survey (“post-transfer” poverty rate) are compared with those that would be obtained if the transfers would not have been paid (“pre-transfer” poverty rate). The “pre-transfer” consumption aggregate for households is calculated by

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<sup>1</sup> In this document, the Family Benefit program refers to two types of cash transfers; the Family Benefit (cash transfer provided to vulnerable families with children under 18) and the Social Benefit (cash transfer provided to vulnerable families without children under 18). The two benefits form part of the Family Living Standards Enhancement Benefit Program.

subtracting the amount of social transfers (pensions, monetary social assistance, or both) from the observed total consumption aggregate, assuming that the total amount of social transfers is consumed by the household (a situation that is very typical for low-income countries like Armenia). This methodology is especially important for the improved targeting of social assistance. The population that should be targeted by social assistance is the “pre-transfer” poor, since some poor households move out of poverty after they receive social assistance; therefore, the “post-transfer” population, as a target group for observation, would constitute significant inconsistencies.

The impact of pensions on poverty was estimated comparing the “pre-transfer” poverty rate with the poverty rate after receiving pensions, i.e. with “post-pension”, but without “pre-social assistance” poverty rate<sup>2</sup>.

### ***What is the Impact of Social Transfers on the Poverty Rate in Armenia?***

In 2019, AMD 453.2 billion or 6.9% of GDP (as compared to AMD 207.9 billion or 5.8% of GDP in 2008 and AMD 426.2 billion or 7.1% of GDP in 2018) was allocated to social benefits and pensions from the state budget of Armenia. The largest social transfers are pensions that include old age, military and social pensions.

According to the ILCS findings, transfers through the Family Benefit program were considered a source of household income by 13% of the population in 2019, a slightly higher share than in 2018 and thus reverting the recent downward trend. Pensions were indicated as a source of household income by 50.7% of the population, representing a decline with respect to 2018, whereas the share reporting childbirth and childcare allowances, at 2.9%, rose with respect to 2018 (Table 4.1).

**Table 4.1. Armenia. Share of Population Receiving Social Transfers, 2008-2019**

	<i>(percent)</i>			
	Pensions	Family Benefit	Childbirth and childcare allowances	Other benefits
<b>2008</b>	50.5	15.3	0.5	3.7
<b>2009</b>	51.9	12.2	0.7	4.2
<b>2010</b>	52.5	13.4	1.1	3.1
<b>2011</b>	53.3	10.2	1.1	3.2
<b>2012</b>	53.9	13.5	1.4	2.6
<b>2013</b>	53.7	12.2	1	1.6
<b>2014</b>	55.2	13.3	1.3	2.3
<b>2015</b>	54.0	13.5	1.7	2.1
<b>2016</b>	52.4	13.6	1.3	2.7
<b>2017</b>	55.5	12.9	1.4	0.3
<b>2018</b>	52.8	12.6	1.3	1.8
<b>2019</b>	50.7	13.0	2.9	N/A

**Source:** *ILCS 2008-2019*

**Note:** N/A: Comparable information not available from ILCS 2019.

Social transfers - including pensions, FBP, and other monetary social assistance - constituted 27.4% of the total household consumption per adult equivalent in Armenian households in 2019 (Table 4.2). Social transfers made up 37.6% of the total household consumption per adult equivalent in the bottom consumption quintile, whereas for households in the top consumption quintile they made up only 16.7%. The bulk of the share of social transfers in total consumption is represented by pensions.

<sup>2</sup> Survey findings provide a picture of the Armenian population with certain statistical error (deviation). “Pre-transfer” and “post-transfer” poverty rates also contain such statistical error. The impact of social transfers on the poverty rate is statistically significant if the confidence intervals related to the average “pre-transfers” and “post-transfers” poverty rates do not overlap.

**Table 4.2. Armenia. Share of social transfers in total household consumption, by consumption quintiles, 2019**

*(percent)*

	Total	Quintile				
		Bottom	II	III	IV	Top
Pensions	23.9	28.2	29.2	27.2	22.7	15.6
Family Benefit	2.8	8.0	3.8	2.1	1.5	0.7
Other social assistance	0.6	1.3	0.6	0.6	0.5	0.4
<b>All social transfers</b>	<b>27.4</b>	<b>37.6</b>	<b>33.6</b>	<b>30.5</b>	<b>24.7</b>	<b>16.7</b>

Source: *ILCS 2019*

Note: All quintiles based on household consumption per adult equivalent.

On average, Armenian households received AMD 16,099 per adult equivalent in social transfers (pensions and monetary social assistance) in 2019. The bulk of this was in pensions (AMD 14,425). Across quintiles, households in the top three consumption quintiles received around AMD 17,000 in social transfers, as opposed to AMD 12,345 in the bottom quintile. This is mainly explained by higher average pensions in the higher quintiles. In contrast, FBP transfers are, on average, higher in households in the bottom quintile, where they averaged AMD 2,535 per adult equivalent, versus AMD 680 for households in the top quintile. This is to be expected, since social assistance, including the FBP, are used as a tool to combat poverty. Pensions, on the other hand, despite their important role in poverty alleviation, are granted to individuals who qualify due to their contribution history, and not due to their vulnerability.

**Table 4.3. Armenia: Average adult-equivalized value of social transfers, by consumption quintiles, 2019**

*(AMD)*

	Total	Quintile				
		Bottom	II	III	IV	Top
Pensions	14 425	9 462	13 422	15 591	15 700	16 175
Family Benefit	1 331	2 535	1 757	1 166	1 023	680
Other social assistance	343	349	267	349	340	392
<b>All social transfers</b>	<b>16 099</b>	<b>12 345</b>	<b>15 443</b>	<b>17 106</b>	<b>17 064</b>	<b>17 246</b>

Source: *ILCS 2019*

Notes: All quintiles based on consumption per adult equivalent. Averages are conditional on the household receiving the social transfer.

Social transfers, although constituting a small share of GDP, remain an important tool for poverty reduction. If payments of social transfers (pensions and monetary social assistance) were stopped and the poor were not able to compensate for this loss from other sources, poverty would increase from the current rate of 43.8% to 60.4%, using the national upper poverty line. Moreover, the poor would become even poorer: the poverty gap, i.e. the mean shortfall of consumption relative to poverty line, would increase from 10.1% to 24.4%. Poverty would also become more severe, and the poverty severity index would increase from 3.4% to 14.2% (Table 4.4, panel A).

Such an unfavorable effect would be even more significant for extremely poor households, defined as those living below the national food poverty line. If payments of all social transfers (pensions and monetary social assistance) were stopped and the extremely poor were not able to compensate for this loss from other sources, the extreme poverty rate would increase from 1.4% to 16.6%. Moreover, the extremely poor would also become even poorer: the poverty gap, i.e. the mean shortfall of consumption relative to extreme poverty line, would increase from 0.2% to 7.7%, and the poverty severity index would increase from 0.0% to 5.4% (Table 4.4, panel B).

Pensions, as the largest component of social transfers, account for most of the impact of social transfers on poverty reduction. However, the role of social assistance, and particularly the role of the FBP, in helping households overcome the poverty burden is still significant. Termination of social assistance would not only increase the number of households below the poverty line but would also lead to the intensification of the poverty gap and severity. If payments of only the FBP were to be terminated, the poverty rate with respect to the upper poverty line would increase by 1.7 percentage points (from 43.8% to 45.5%) and extreme poverty would more than double (from 1.4% to 3.8%). Further, the poverty gap and severity would increase by 1.8 and 1.3 percentage points, respectively. The impacts on extreme poverty gap and severity are much greater: the gap would increase more than four-fold (from 0.2% to 0.9%), whereas severity would rise from 0% to 0.3% (Table 4.4, panel B). These figures show that family benefits are especially important for alleviating extreme poverty in Armenia.

**Table 4.4. Armenia. Poverty Mitigation Impact of Social Transfers, 2019**

*(percent)*

	A. Poor			B. Extremely Poor		
	Poverty rate	Poverty gap	Poverty severity	Poverty rate	Poverty gap	Poverty severity
<b>Excluding all social transfers (pre-pensions and pre-social assistance)</b>	<b>60.4</b>	<b>24.4</b>	<b>14.2</b>	<b>16.6</b>	<b>7.7</b>	<b>5.4</b>
Pre-pension, post-social assistance	58.8	21.9	11.9	13.5	5.8	3.9
Post-pension, pre-social assistance	46.2	12.5	5.1	4.4	1.2	0.5
Post-pension, post social assistance except FBP	45.5	11.9	4.6	3.8	0.9	0.3
<b>Including all social transfers (post-pension and post-social assistance)</b>	<b>43.8</b>	<b>10.1</b>	<b>3.4</b>	<b>1.4</b>	<b>0.2</b>	<b>0.0</b>

Source: ILCS 2019

Notes: The poor are defined with respect to the national upper poverty line. The extreme poor are defined with respect to the national food poverty line.

### ***What is the Impact of Social Transfers on Inequality in Armenia?***

ILCS estimates show that social transfers also contribute to the reduction of inequality across the consumption distribution. The pre-transfer Gini coefficient of the consumption aggregate distribution in 2019 falls from 0.351 to 0.274 when the consumption aggregate includes pensions; whereas adding also social assistance (i.e., after all social transfers) results in the inequality of consumption fall to 0.279 (Table 4.5).

**Table 4.5. Armenia. Impact of Social Transfers on Inequality of Consumption Aggregate Distribution (Gini Coefficients of Consumption Aggregate), 2008-2019**

	Excluding all social transfers (pre-pension and pre-social assistance)	Post-pension and pre-social assistance	Including all social transfers (post-pension and post-social assistance)
2008	0.316	0.258	0.242
2009	0.346	0.272	0.257
2010	0.359	0.282	0.265
2011	0.357	0.28	0.267
2012	0.359	0.282	0.269
2013	0.354	0.282	0.271

2014	0.377	0.289	0.277
2015	0.375	0.292	0.279
2016	0.362	0.302	0.286
2017	0.376	0.303	0.289
2018	0.388	0.312	0.298
2019*	0.351	0.274	0.279

Source: *ILCS 2008-2019*.

Notes: \* 2019 is not comparable to previous years, due to an update of the consumption measurement methodology.

### 4.3. Coverage and Poverty Targeting of Family Benefit Program

Table 4.6 presents the coverage rate of the FBP by quintiles of pre-social assistance consumption and for people below the upper poverty line for 2016-2019. Coverage of the FBP continued to follow a downward trend between 2016 and 2018, falling from 13.6% to 12.6%; this trend was reversed in 2019, when total coverage rose to 13.0%.

Just over one-fifth (21.2%) of the poor, as measured by the upper poverty line, were covered by the FBP in 2019 (Table 4.6). The share is slightly higher when taking into account all social assistance benefits (23.2%). Coverage of the FBP among the poor in 2019 is not comparable to previous years due to an update of the poverty line and the consumption and poverty measurement methodology. However, coverage by consumption quintiles reveals important improvements among the bottom 20%: after a deterioration between 2017 and 2018, coverage of the FBP and all social assistance among the bottom 20% increased significantly between 2018 and 2019 (from 37.9% to 41.0% and from 39.2% to 45.9%, respectively). Coverage for the top three quintiles for consumption also fell between the two years; this is a positive development, given that social assistance transfers are intended for the poor. In 2019, only 4.1% and 5.8% of the top three quintiles for consumption received the FBP and social assistance in general, respectively. This is somewhat lower than the corresponding coverage for the top three quintiles in 2018—4.7% and 6.1%, respectively.

**Table 4.6. Armenia. Coverage of Family Benefit and All Social Assistance across “pre-Social Assistance” Consumption Quintiles, 2016-2019**

							<i>(percent)</i>
	Total	Quintile					Poor
		Bottom	II	III	IV	Top	
<b>Family Benefit</b>							
2016	13.6	35.3	12.9	10.3	6.4	3.2	24.3
2017	12.9	39.0	13.3	6.8	3.7	1.8	31.3
2018	12.6	37.9	11.1	7.1	4.6	2.5	32.1
2019*	13.0	41.0	11.6	6.0	4.3	1.9	21.2
<b>Social assistance (FBP included)</b>							
2016	17.1	43.4	15.6	11.6	8.2	6.5	30.0
2017	14.4	40.4	14.7	7.6	5.3	4.0	32.8
2018	13.9	39.2	11.9	8.7	6.0	3.7	33.3
2019*	15.4	45.9	13.6	7.5	5.7	4.1	23.2

Source: *ILCS 2016-2019*

Notes: Quintiles based on consumption per adult equivalent before receiving social assistance (including FBP). The poor are defined with respect to the upper national poverty line. \* 2019 figures for poor population not comparable to previous years, due to an update of the poverty line and the consumption and poverty measurement methodology.

Table 4.7 presents the distribution of FBP beneficiaries and the total FBP monetary transfers (benefits) by “pre-FBP” consumption quintile groups. The data show that in 2019 76.2% of beneficiaries were in the lowest two “pre-FBP” consumption quintiles – this represents a slight improvement with respect to

2018, when 75.5% of beneficiaries were in the lowest two quintiles. Moreover, 80.6% of total FBP transfers, or resources went to the bottom two quintiles in 2019, compared to 76.5% in 2018. The factual “leakage” of FBP funds is the transfers distributed to the beneficiaries in the upper consumption quintiles (the top two quintiles): 13.0% (up from 12.2% in 2018) of the beneficiaries received 10.5% (down from 11.2% in 2018) of total FB transfers despite not being vulnerable. In the case of all social assistance transfers (including FBP), in 2019 14.3% (up from 13.8% in 2018) of beneficiaries in the top two quintiles received 11.4% (down from 13.8% in 2018) of transfers despite not being vulnerable. The case of pensions is not analyzed here because pensions, per design, are not necessarily targeted toward the poor and vulnerable.

**Table 4.7. Armenia. Distribution of Family Benefit and Other Social Assistance Recipients and Transfers across Consumption Quintiles, 2019**

*(percent)*

	Quintile				
	Bottom	II	III	IV	Top
Family benefit based on “Pre-FB” consumption quintiles					
Beneficiaries	57.2	19.0	10.7	8.8	4.2
Transfers	63.5	17.1	8.9	7.3	3.3
Social assistance (FB included) based on “pre-social assistance” consumption quintiles					
Beneficiaries	56.0	18.5	11.2	8.8	5.5
Transfers	63.1	17.3	8.1	6.9	4.5

**Source:** *ILCS 2019*

**Notes:** *All quintiles based on consumption per adult equivalent.*

**Table 4.8 – Armenia: Number of Pensioners and Amount of Average Pension, by Types of Pension, as at End of Year 2019**

	Number of pensioners (person)	Amount of average pension (AMD)
Labor	464 110	40 034
Military service	1 779	26 553
Other types	6 91	338 412
Number of pensioners	466 580	40 424

**Source:** *Ministry of Labor and Social Affairs*

## Chapter 5: Housing Conditions

Integrated Living Conditions Surveys (ILCS) provide a unique opportunity to collect 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 2008-2019, based on ILCS data.

### 5.1. Housing Conditions

As of 2019, most of the households in Armenia (89.3%) owned their homes. Multi-apartment buildings were most common in urban communities – with 74.6% share in total dwelling, whereas private houses with 89.1% share in total dwelling comprised a majority in rural communities (Table 5.1).

The share of persons living in hostels as of 2019 was higher in Yerevan. The proportion of residents of hostels, temporary dwellings and other types of abode was 2.7% in urban and 2.9% in rural communities. Most of the people living in temporary dwellings were poor and belonged to the first quintile.

**Table 5.1 – Armenia: Households, by Type of Dwelling, Type of Community, Poverty Rate, and Quintile Group of Consumption, 2019**

*(percent)*

	Total	Including, by type of dwelling				
		House	Apartment	Hostel	Temporary dwelling	Other abode
<i>By type of community</i>						
Urban, including	100	22.7	74.6	1.1	1.5	0.1
Yerevan	100	21.1	77.4	1.3	0.1	0.1
Other urban	100	24.5	71.7	0.8	3.0	0.0
Rural	100	89.1	8.0	1.1	1.7	0.1
Total	100	45.9	51.4	1.1	1.5	0.1
<i>By poverty status</i>						
Non poor	100	43	55	1	1	0
Poor (excluded the extremely poor)	100	52	45	1	2	0
Extremely poor	100	59	34	1	4	2
<i>By quintile groups of consumption aggregate</i>						
First	100	54.5	40.7	1.0	3.7	0.1
Second	100	47.6	49.6	1.3	1.3	0.2
Third	100	44.9	53.1	0.9	1.0	0.1
Forth	100	45.5	51.9	1.2	1.4	0.0
Fifth	100	37.2	61.5	0.9	0.4	0.0

Source: ILCS 2019

**Occupancy rates** are a serious problem in the country. According to 2019 survey data, the average occupancy rate of a 1-room apartment was 2.07 persons. Occupancy rates differed by poverty status. Thus, according to survey data, occupancy rate of 1-room apartments in the bottom quintile was 1.5 times higher than in the top quintile. In 2019, this occupancy



rate comprised 2.65 persons in the bottom and 1.73 persons in the top quintile. 556 out of 1000 households (against 877 in 2008 and 507 in 2018) living in a 1-room apartment had 2 or more inhabitants.

Rural households in 2019 had more living space than urban ones (Table 5.2). However, in terms of the availability of necessary amenities, urban housing was in a much better situation than the rural one. Only 33.7% of rural households reported having in-house (functional) kitchen, cold water supply, flush toilet and bathtub, whereas in urban communities such households comprised 94.9%.

**Table 5.2 – Armenia: Availability of Living Space, 2019**

*(per household member, square meter)*

<b>Total availability of living space, including</b>	<b>25.4</b>
Urban communities	22.6
Rural communities	29.8

Source: ILCS 2019

Survey findings also reflect on the households' subjective assessment of their dwelling conditions (Table 5.3).

**Table 5.3 – Armenia: Households' Subjective Assessment of Dwelling Conditions, 2019**

*(percent)*

	Total	Subjective assessment of dwelling conditions				
		Very good	Good	Satisfactory	Bad	Very bad
<i>By type of community</i>						
Urban, including	100	1.8	25.2	59.2	10.9	2.9
Yerevan	100	1.7	18.7	64.0	11.7	3.9
Other urban	100	1.9	32.3	53.8	10.1	1.9
Rural	100	0.6	20.1	58.2	18.1	3.0
Total	100	1.4	23.4	58.9	13.4	2.9
<i>By poverty status</i>						
Non poor	100	1.6	26.3	59.9	10.6	1.6
Poor (excluded the extremely poor)	100	1.1	19.1	57.4	17.8	4.6
Extremely poor	100	0.0	1.5	34.7	36.6	27.2
<i>By quintile groups of consumption aggregate</i>						
First	100	0.8	17.7	53.8	19.5	8.2
Second	100	1.4	19.1	60.5	17.1	1.9
Third	100	0.9	22.3	62.6	12.1	2.1
Forth	100	1.5	26.2	58.7	11.7	1.9
Fifth	100	2.3	31.8	58.2	6.9	0.8

Source: ILCS 2019

Poor and, particularly, extremely poor households were more likely to reside in substandard dwelling. While 20.4% of non-poor households were not satisfied with the size of their living space, the share of dissatisfied respondents was 29.6% among the poor and 49.4% among the extremely poor (Table 5.4). Similarly, the main complaints from the

extremely poor were about poor heating, dilapidated walls and floor, as well as dampness, broken frames and doors, dampness, lack of green zones, leaking roofs, and poor lighting.

**Table 5.4 – Armenia: Household Complaints about Housing Conditions, by Poverty Status, 2019**

*(percent)*

	<b>Non poor</b>	<b>Poor</b>	<b>Extremely poor</b>
<b>Total</b>	<b>100*</b>	<b>100*</b>	<b>100*</b>
Insufficient living space	20.4	29.6	49.4
Noisy neighbors and surroundings	4.4	2.4	1.6
Poor lighting	9.1	12.6	37.2
Poor heating	37.5	54.3	80.7
Dampness	18.9	26.2	56.6
Leaking roofs	10.7	15.5	38.3
Dilapidated walls and floor	18.3	29.7	70.4
Broken frames and doors	16.2	24.8	49.5
Heavy traffic	5.7	6.0	6.0
Industrial pollution	4.7	2.2	0.0
Frequent breakdowns of elevator	8.7	6.1	0.0
Poor water supply	10.3	11.5	20.6
Poor garbage disposal	16.6	14.5	11.4
Poor maintenance of public areas and yards of multi-apartment buildings	21.8	21.3	15.7
Lack of green zones	27.8	23.4	40.2
Other	3.5	1.8	6.4

Source: *ILCS 2019*

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

## 5.2. Access to Drinking Water, Sewerage, and Garbage Disposal

**Access to drinking water:** According to ILCS 2019, overwhelming majority of households reported having access to a centralized water supply system. Such systems were available to about 99.5% of urban and 90.6% of rural households (Table 5.5).

Among the households with centralized water supply, 94.5% had in-house water supply, 5.0% had a water tap in the yard, and the remaining 0.5% used a tap on the street.

**Table 5.5 – Armenia: Access to Drinkable Water, 2008 and 2019**

*(percent)*

Main source of water	Country total		Urban communities		Rural communities	
	2008	2019	2008	2019	2008	2019
Centralized water supply	97.1	96.1	99.5	99.5	92.4	90.6
Less than one hour	0.7	0.0	0.1	0.0	1.9	0.0
1-5 hours	31.3	5.4	31.2	2.3	31.4	12.0
6-12 hours	28.6	10.4	32.6	12.1	20.5	16.9
13-23 hours	5.7	4.9	5.9	8.2	5.3	2.1
24 hours	33.7	79.3	30.2	77.5	40.9	69.0
Spring water, well	1.2	0.9	0.1	0.3	3.1	2.0
Own system of water supply	0.5	2.0	0.1	0.0	1.3	5.2
Delivered water	1.1	0.1	0.2	0.1	3.0	0.2
Other sources	0.1	0.1	0.1	0.1	0.2	0.0

Source: *ILCS 2008 and 2019*

However, access to a centralized water supply system did not necessarily amount to appropriate water supply services. In 2019, water was available to households for about an average 21 hours daily. Only 79.3% of households with centralized water supply systems reported to have 24-hour supply. While this was an obvious improvement as compared to 2008, still 5.4% of households had water for 1-5 hours daily. Moreover, not all communities in the country had water supply on everyday basis. On average, households had water supply for 30 days within a month.

In 2019, 0.9% of urban households had water supply for 3 weeks within a month.

In rural communities, 0.4% of households had water supply for 1-7 days, 0.7% – for 2 weeks, and 2.1% – for 3 weeks within a month.

Countrywide, 0.3% of households had water supply for 2 weeks, and 1.5% – for 3 weeks within a month.

**Table 5.6 – Armenia: Availability of Water Supply Services, by Quintile Groups of Consumption Aggregate, 2008 and 2019**

(percent)

	First quintile		Second quintile		Third quintile		Forth quintile		Fifth quintile	
	2008	2019	2008	2019	2008	2019	2008	2019	2008	2019
Centralized water supply	96.6	95.2	96.4	95.6	96.0	95.9	97.8	96.9	98.2	97.4
Less than 1 hour	1.1	0.0	1.0	0.1	0.5	0.0	0.5	0.0	0.5	0.1
1-5 hours	35.5	5.7	33.8	4.6	28.6	5.8	30.1	6.4	29.4	4.4
6-12 hours	24.0	11.6	26.9	12.0	28.2	8.1	32.7	9.4	30.3	10.1
13-23 hours	4.5	4.6	6.5	4.2	6.2	4.2	5.1	6.3	6.1	5.8
24 hours	34.9	78.1	31.8	79.1	36.5	81.9	31.6	77.9	33.7	79.6
Spring water, well	1.6	1.2	1.2	1.1	1.1	1.1	1.4	0.3	0.6	.06
Own system of water supply	0.5	2.4	0.7	1.9	0.8	2.1	0.3	2.3	0.5	1.0
Delivered water	1.0	0.0	1.7	0.2	2.0	0.0	0.3	0.0	0.7	0.5
Other sources	0.3	1.2	-	1.2	0.1	0.9	0.2	0.5	0.0	0.5

**Source:** *ILCS 2008 and 2019*

In 2019, availability of centralized water supply in households did not significantly differ across quintiles of consumption aggregate and ranged between 95-97%.

Nevertheless, 10.3% of non-poor households, 11.5% of poor households and 20.6% of extremely poor households reported poor water supply services (Table 5.4).

**Centralized sewerage system:** More households had access to a centralized sewerage system in 2019, as compared to 2008 (74.7% and 66.7%, respectively) (Table 5.7).

**Table 5.7 – Armenia: Access to Centralized Sewerage System, 2008 and 2019**

*(percent)*

	Urban		Yerevan		Other urban		Rural		Total	
	2008	2019	2008	2019	2008	2019	2008	2019	2008	2019
Centralized sewerage system	91.1	97.3	96.5	96.8	85.5	97.7	19.0	38.1	66.7	74.7
Centralized sewerage system not operational	0.2	2.7	0.1	3.2	0.3	2.3	1.3	61.8	0.6	25.2
No sewerage system	8.7	0.0	3.4	0.0	14.2	0.0	79.7	0.1	32.7	0.1

Source: ILCS 2008 and 2019

As shown in the table, with respect to the access to a centralized sewerage system urban/rural differences were rather significant. Residents of other urban communities had almost universal access to a centralized sewerage system (97.7%). Urban communities reported 97.3% accessibility of centralized sewerage systems, whereas in rural communities this indicator was 38.1% only. This is an important issue since availability of a sewerage system has strong implications in terms of proper sanitary conditions and healthcare.

**Garbage disposal:** In 2019, 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 (95.7% against 80.9%) (Table 5.8). Urban communities are 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 11.4% of the extremely poor, 14.5% of the poor, and 16.6% of the non-poor were dissatisfied with garbage disposal services (Table 5.4).

**Table 5.8 – Armenia: Garbage Disposal, 2008 and 2019**

*(percent)*

	Urban		Yerevan		Other urban		Rural		Total	
	2008	2019	2008	2019	2008	2019	2008	2019	2008	2019
Garbage collector system and/ or disposal by truck, garbage piled up for disposal	98.0	99.9	99.5	100	96.5	99.8	47.4	89.0	80.9	95.7
Garbage burned	0.8	0.1	0.1	0.0	1.5	0.2	31.9	10.6	11.3	4.1
Garbage buried	0.4	0.0	0.1	0.0	0.6	0.0	10.4	0.2	3.8	0.1
Other	0.8	0.0	0.3	0.0	1.4	0.0	10.3	0.2	4.0	0.1

Source: ILCS 2008 and 2019

### 5.3. Heating

Most of the surveyed households both in urban and rural communities reported to have heated their dwellings. In 2019, the share of such households was 98.5% (Table 5.9).

Households used the following types of fuel for heating: natural gas – 50.5%, wood – 34.4%, electricity – 18.4% etc.

**Table 5.9 – Armenia: Heating Options, 2018 and 2019***(percent)*

	Urban		Yerevan		Other urban		Rural		Total	
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Not heated</b>	1.7	1.5	2.7	2.4	0.7	0.5	0.5	1.7	1.3	1.5
<b>Heated, including by the use of the following options</b>	99.8	<b>98.5</b>	97.3	<b>97.6</b>	99.3	<b>99.5</b>	99.5	<b>98.3</b>	98.7	<b>98.5</b>
Central heating	0.1	0.1	0.1	0.2	0.2	0.1	0.0	0.6	0.1	0.3
Oil, diesel	0.0	0.1	0.0	0.0	0.0	0.1	0.1	1.8	0.1	0.7
Electricity	20.1	28.2	23.8	34.6	15.9	21.8	1.0	3.0	12.8	18.4
Natural gas	64.9	64.6	69.6	68.2	59.7	60.8	16.2	27.9	46.4	50.5
Wood	14.4	12.5	6.3	5.5	23.3	19.3	71.3	68.7	36.0	34.4

**Source:** *ILCS 2018 and 2019*

In 2019, natural gas was the main option for heating of household dwellings (50.5%). Overall, natural gas remains the main heating option both in Yerevan and in other urban communities (Table 5.9), 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 (Table 5.10), in 2019 the most commonly used options were both home-made ovens (36.0%) and local/ individual boiler (29.4%). The population in urban communities preferred local/ individual boilers (39.7%), as opposed to rural population giving preference for home-made ovens (72.7%).

**Table 5.10 – Armenia: Types of Appliances Used for Heating, 2019***(percent)*

	Urban	Yerevan	Other urban	Rural	Total
Electric stove	7.9	10.2	5.5	0.9	5.3
Electric heater	9.6	10.9	8.3	0.4	6.1
Gas stove	1.2	1.3	1.2	0.5	0.9
Home-made oven	13.4	5.7	21.6	72.7	36.0
Factory-made oven	26.3	19.5	33.6	10.5	20.3
Local individual boiler	39.7	50.3	28.4	12.7	29.4
Local collective boiler (for the whole building)	0.7	0.8	0.5	0.3	0.5
Central heating	0.1	0.1	0.1	0.4	0.2
Other	1.1	1.2	0.8	1.8	1.3
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Source:** *ILCS 2019*

**Table 5.11 – Armenia: Share of Households Providing for Sufficient Heating in Cold Weather, 2019**

(percent)

<i>By type of community</i>	
Urban, including	48.7
Yerevan	47.9
Other urban	49.6
Rural	55.9
Total	51.5
<i>By poverty status</i>	
Non poor	59.0
Poor (excluded the extremely poor)	42.5
Extremely poor	22.0
<i>By quintile groups of consumption aggregate</i>	
First	37.0
Second	49.1
Third	53.9
Forth	59.0
Fifth	66.3

Source: *ILCS 2019*

#### 5.4. Availability of Durable Goods

In 2019, 97% of population had mobile phones and 33.1% of population had landline telephone.

Over the recent years, the number of households having mobile phones sharply increased, especially among rural residents, where the share of such households in 2019 reached 97.2%.

**Table 5.12 – Armenia: Accessibility of Computer and Internet Connection for Any Household Member over Last 12 Months, 2019**

(percent)

	2019		
	Total	Urban	Rural
<b>Total households; including</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Computer accessibility for any household member at any place*</b>	59.3	65.0	50.3
<b>Internet accessibility for any household member at any place</b>	66.5	70.8	59.9
At home, permanently and non-permanently	55.1	61.4	45.4
Elsewhere*; including	41.5	45.0	35.9
At work	5.8	7.9	2.4
At an educational institution	2.5	3.0	1.7
At others' home	3.1	4.1	1.5
At a (free) Internet access point	0.9	1.4	0.1
At a (paid) Internet access point	0.6	0.9	0.1
Via mobile phone or elsewhere via mobile device	39.1	42.2	34.4

Source: *ILCS 2019*

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

**Table 5.13 – Armenia: Accessibility of Internet Connection over Last 12 Months, by Gender and Age of Household Member, 2019**

(percent)

	Total population	Gender		Age			
		Male	Female	<5	5-14	15-24	25+
<b>Household members use the Internet</b>	66.5	65.8	67.2	25.6	73.3	83.0	66.1
At home, permanently and non-permanently	55.1	54.4	55.9	22.0	61.6	67.8	54.7
Elsewhere; <i>including</i>	41.5	41.6	41.4	10.3	38.3	65.0	40.9
At work	5.8	6.0	5.6	0.0	0.1	5.6	7.4
At an educational institution	2.5	2.4	2.6	0.0	6.4	12.9	0.3
At others' home	3.1	2.9	3.3	1.0	6.2	4.2	2.5
At a (free) Internet access point	0.9	0.9	0.9	0.0	0.5	2.6	0.7
At a (paid) Internet access point	0.6	0.7	0.5	0.0	0.7	1.2	0.6
Everywhere, via mobile phone	39.1	39.2	38.9	10.2	35.0	62.8	38.4
Elsewhere, via mobile device	0.1	0.1	0.0	0.0	0.2	0.2	0.0

Source: ILCS 2019

## Chapter 6: Health and Education Profile of Poverty

### 6.1. Health and Poverty

According to ILCS 2019, subjective assessment of health status shows that 93.4% of population describe their health as satisfactory, good and very good, while 6.6% describe it as bad or very bad. With regard to poverty profile of subjective assessment of health status, 6.0% of the non-poor, 4.8% of the poor and 6.6% of the extremely poor population reported about bad health status.

**Table 6.1: Armenia – Subjective Assessment of Health, by Poverty Status, 2019**

*(percent)*

Subjective assessment	Non-poor	Poor	Extremely poor	Total
Very good	10.8	10.8	7.5	10.8
Good	55.2	61.3	58.8	56.7
Neither good nor bad	27.0	22.6	24.8	25.9
Bad	6.0	4.8	6.6	5.6
Very bad	1.0	0.9	2.3	1.0
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: ILCS 2019

The table below presents the distribution of population by the type of medical specialists in healthcare institutions visited for any reason as of the last interview within the survey month.

**Table 6.2: Armenia – Visits to Primary Healthcare Facilities, by Type of Medical Specialists and by Poverty Status, 2019  
(as of the Last Interview within the Survey Month)**

*(percent)*

Types of medical specialists	Non-poor	Poor	Extremely poor	Total
Family doctor	43.0	49.2	40.6	44.1
Pediatrician	10.6	15.9	30.0	11.5
Diagnostic center	2.8	0.7	0.0	2.4
Specialist	2.1	3.2	8.4	2.3
Emergency aid	36.4	29.6	21.0	35.2
Other	5.1	1.4	0.0	4.5
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: ILCS 2019

In case of sickness, 44.1% of patients applied for consultation to a family doctor.

**Table 6.3: Armenia – Visits to Primary Healthcare Facilities, by Type of Medical Specialists and by Urban/Rural Communities, 2019  
(as of the Last Interview within the Survey Month)**

*(percent)*

Types of medical specialists	Yerevan	Other urban	Rural	Total
Family doctor	29.2	51.2	38.6	44.1
Pediatrician	16.2	10.5	13.8	11.5
Diagnostic center	0.9	3.5	2.0	2.4
Specialist	3.1	2.3	2.8	2.3
Emergency aid	45.8	28.9	38.5	35.2



Other	4.8	3.6	4.3	4.5
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: *ILCS 2019*

Patients used most often emergency aid in Yerevan, and services of family doctors in other urban and rural communities.

**Table 6.4: Armenia – Payments for Primary Healthcare Services, by Type of Medical Specialists, 2019**  
(as of the Last Interview within the Survey Month)

Types of medical specialists	Total payments	Including		
		Payment to personnel by price-list	Gifts or services	Consultancy-related payments (X ray, laboratory examination)
Family doctor	100	13.4	8.9	77.7
Pediatrician	100	28.9	14.3	56.8
Diagnostic center	100	54.4	0.7	44.9
Specialist	100	98.6	0.1	1.3
Emergency aid	100	80.5	0.6	18.9
Other	100	98.7	0.2	1.1
<b>Total</b>	<b>100</b>	<b>83.1</b>	<b>0.9</b>	<b>16.0</b>

Source: *ILCS 2019*

As of the last interview within the survey month, patients having applied for assistance to the specialists in diagnostic centers on average incurred expenses comprising 54.4% of payments to personnel by price-list, only 0.7% of gifts, and 44.9% of X-ray or laboratory examination payments.

**Table 6.5: Armenia – Main Reasons for Not Applying to Primary Healthcare Facilities, by Poverty Status, 2019**  
(as of the Last Interview within the Survey Month)

	Non-poor	Poor	Extremely poor
<b>Total, including:</b>	<b>100</b>	<b>100</b>	<b>100</b>
Self-treatment	59.1	52.1	26.4
Lack of finance	12.6	24.5	49.0
Remoteness	0.2	0.0	0.0
Problem was not serious	7.4	7.8	19.3
Help was not required	6.3	7.9	5.3
Relative or friend was a physician	5.6	2.5	0.0
Other	8.8	5.2	0.0

Source: *ILCS 2019*

According to ILCS 2019, expenses on medical services comprised 7.2% of household consumption expenditures, or on average AMD 3080.

Only 10.5% of population was eligible for state-funded free medical assistance. The breakdown by poverty status shows that it was available for 2.1% of the extremely poor, 24% of the poor, and 73.9% of the non-poor population. On the other hand, 0.1% of the extremely poor, 11.5% of the poor (excluding the extremely poor), and 88.4% of the non-poor population had medical insurance.

**Table 6.6: Armenia –Beneficiaries of State-Funded Free Medical Assistance and Holders of Medical Insurance, by Poverty Status, 2019**

	<i>(percent)</i>		
	<b>Non-poor</b>	<b>Poor</b>	<b>Extremely poor</b>
Medical insurance	88.4	11.5	0.1
Free medical assistance	73.9	24	2.1

Source: *ILCS 2019*

## 6.2. Education and Poverty

According to ILCS 2019, gross enrollment in preschool facilities (the age group 0-6 years) was 34% and varied depending on poverty status. Particularly, enrollment among non-poor households was 37%, among poor households (excluding the extremely poor) – 27%, and among extremely poor households – 24%. Gross enrollment in preschool facilities (the age group 0-6 years) varied by quintile groups of the consumption aggregate. Thus, it was 26% in the first quintile, 31% in the second quintile, 38% in the third and fourth quintiles, and 41% in the fifth quintile.

**Table 6.7 – Armenia: Reasons for Non-Enrollment in School Education (Age Group 6 Years and Above), 2019**

	<i>(percent)</i>		
	<b>Non-poor</b>	<b>Poor</b>	<b>Extremely poor</b>
Poor health, disability	0.7	0.8	1.3
Has to work	1.8	2.4	3.2
Too expensive	1.3	1.6	2.4
No school in the vicinity	0.1	0.1	0.0
Family reasons	3.5	4.7	11.3
Does not want to study	6.5	10.3	20.6
Has studied as much as wanted	85.3	78.5	59.6
Low quality of education	0.1	0.0	0.0
Other (specify)	0.7	1.6	1.6
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: *ILCS 2019*

Average monthly per pupil expenditures of households with children at school totaled AMD 7620, of which AMD 643 was spent on textbooks, AMD 10571 – on private lessons, AMD 30128 – on tuition fees, AMD 24447 – on private lessons for university exam preparation, and 949 – on other educational expenses.

**Table 6.8 – Armenia: Reasons for Individuals of Age Group 16-20 Years Not to Go for Further Education, by Gender, 2019**

	<i>(percent)</i>	
	<b>Quintile</b>	<b>Total</b>

	I	II	III	IV	V	
<b>Boys</b>						
Poor health, disability	0.4	-	9.6	-	6.8	3.0
Has to work	-	0.5	2.7	-	-	0.7
Too expensive	0.8	12.6	4.3	2.7	-	4.5
No school in the vicinity	-	-	-	-	-	-
Family reasons	2.2	4.2	-	6.7	-	2.6
Does not want to study	11.3	12.0	16.7	23.5	7.3	14.1
Has studied as much as wanted	64.1	49.5	66.7	65.4	61.9	61.1
Low quality of education	-	-	-	-	-	-
Other (specify)	21.2	21.2	-	1.7	24.0	14.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Girls</b>						
Poor health, disability	-	8.1	-	-	-	1.9
Has to work	6.4	2.3	6.4	-	-	4.2
Too expensive	12.1	13.2	6.1	7.9	12.4	10.8
No school in the vicinity	-	-	-	-	-	-
Family reasons	11.8	.5	6.6	-	18.0	7.3
Does not want to study	13.8	9.3	3.4	7.8	-	9.2
Has studied as much as wanted	47.5	61.8	71.5	84.3	47.7	59.5
Low quality of education	-	-	-	-	-	-
Other (specify)	8.4	4.8	6.0	-	21.9	7.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: *ILCS 2019*