



PART IV

ARMENIA: SUBJECTIVE ASSESSMENT  
OF POVERTY IN 2019

## Chapter 7: Subjective Assessment of Poverty and Living Conditions

Poverty is multi-dimensional and can be measured using both objective and subjective approaches. In Armenia, welfare estimates of 2019 based on subjective perceptions (i.e. personal judgment of individuals regarding their own living standards) were 2.0 times lower than those obtained through objective measurement (poverty rate estimates 13.0% and 26.4%, respectively).

Only 1.0% of surveyed households assessed themselves to be extremely poor, which is close to the level of extreme poverty measured through using consumption per adult equivalent (1.4%).

### 7.1. Perception of Living Conditions

ILCS 2019 includes a section on primary concerns about living conditions for all household members aged 16 years and above.

**Table 7.1 – Armenia: Primary Concerns of Household Members, 2019**

Primary concerns	(percent)
	2019
Basic food needs	3.7
Basic non-food needs	11.0
Housing needs	15.4
Appropriate education for children	3.8
Healthcare needs	12.1
Other	4.9

Source: ILCS 2019

In 2019, primary concerns included housing needs (15.4%), healthcare needs (12.1%) and basic non-food need (11.0%). Just as in the previous year, respondents reported housing needs in 2019 as a primary concern (27.6% in 2018 and 15.4% in 2019). 12.1% of the respondents mentioned inability to afford healthcare services, and 3.8% referred to inability to secure appropriate education for their children.

**Table 7.2 – Armenia: Subjective Assessment of Living Conditions, 2008-2019**

	Subjective assessment of living conditions					
	Extremely poor	Poor	Below average	Average	Above average	Rich
2008	2.3	14.7	35.6	43.0	4.2	0.2
2009	2.9	15.0	37.3	41.3	3.4	0.1
2010	2.2	12.4	38.8	42.2	4.0	0.4
2011	2.1	13.3	38.2	43.2	3.1	0.1
2012	3.1	14.5	38.2	39.9	4.2	0.1
2013	3.3	14.7	40.7	36.6	4.6	0.1
2014	2.4	14.6	42.3	36.5	4.1	0.1
2015	1.9	13.7	45.1	36.1	3.2	0.0
2016	1.4	15.2	45.8	34.3	3.2	0.1
2017	1.1	12.0	41.8	41.8	3.2	0.1

<b>2018</b>	0.9	8.5	45.9	40.6	4.0	0.1
<b>2019</b>	1.0	12.0	43.9	40.0	3.0	0.1

Source: *ILCS 2008-2019*

The table below presents a comparison of the objective and subjective assessments of living conditions, where households are ranked by the subjective assessment of their living conditions and by consumption per adult equivalent, with subsequent breakdown by poverty rate.

**Table 7.3 – Armenia: Subjective and Objective (by Decile Groups of Consumption Aggregate) Assessment of Living Conditions, 2019**

*(percent of decile group)*

Decile groups of consumption aggregate <i>(objective assessment)</i>	Subjective assessment of living conditions					
	Extremely poor	Poor	Below average	Average	Above average	Rich
<b>Total, including:</b>	<b>1.0</b>	<b>12.0</b>	<b>43.9</b>	<b>40.0</b>	<b>3.0</b>	<b>0.1</b>
First decile	6.3	28.5	43.0	21.9	0.3	
II	1.0	16.1	44.0	35.1	3.8	
III	1.8	15.2	50.5	31.5	1.0	
IV	1.1	12.7	47.1	37.6	1.4	0.1
V	0.9	8.3	48.7	39.8	2.3	
VI	0.0	10.4	46.8	41.2	1.6	
VII	0.0	10.3	45.1	42.2	2.4	
VIII	0.2	8.5	43.1	44.6	3.6	
IX	0.1	10.1	35.9	49.5	4.0	0.4
Tenth decile	0.2	5.4	38.6	47.8	7.9	0.1

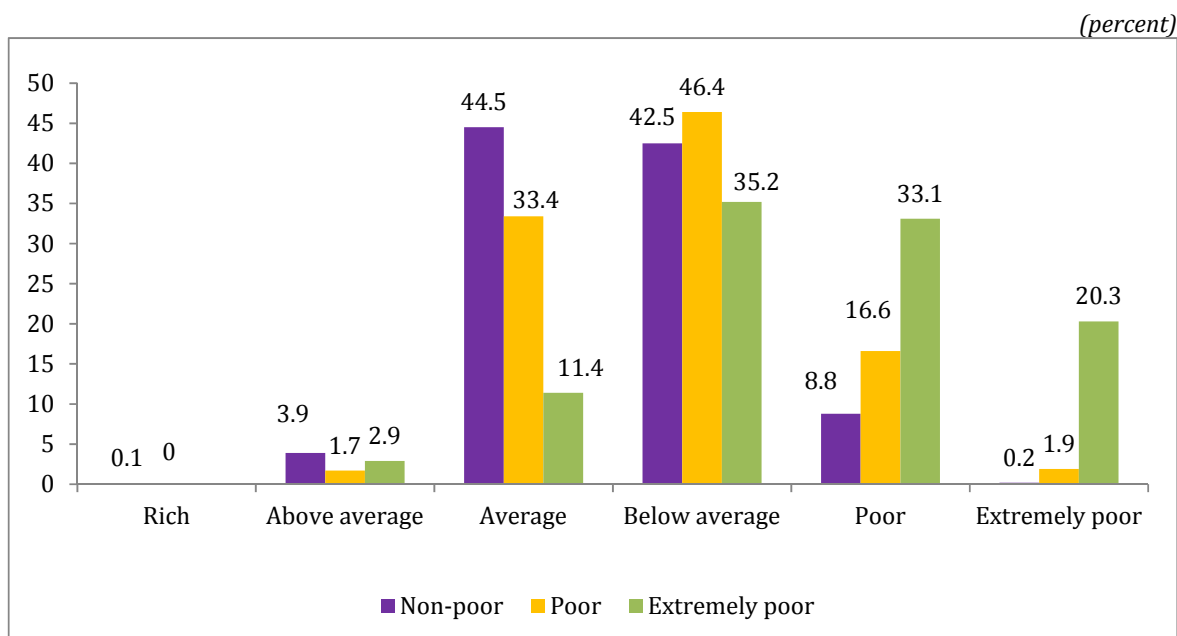
Source: *ILCS 2019*

Note: *Consumption is measured per adult equivalent*

Although the findings are generally consistent, the subjective assessment of total poverty appears to be lower than the objective one. 12.0% of the population (excluding the extremely poor) considered themselves poor. At the same time, 1.0% of the population considered themselves extremely poor, which is close to the extreme poverty rate estimate of 1.4% based on consumption per adult equivalent. Interestingly, 3.0% of the households assessed their living conditions to be above average, and only 0.1% of respondents considered themselves rich.

Graph 7.1 groups the surveyed households by the subjective assessment of their living conditions and by poverty rate estimated on basis of consumption per adult equivalent.

**Graph 7.1 – Armenia: Subjective and Objective Assessment of Living Conditions, 2019**



Source: ILCS 2019

Households were also asked to identify the per month per capita amount they thought a household would need in order to live well and very well, or to survive. The table below presents the respective results of ILCS 2019.

**Table 7.4 – Armenia: Household Perception of per Capita Average Monthly Income Needed for Living, 2019**

	AMD	USD
For living very well	475 922	991
For living well	157 955	329
For survival	67 224	140

Source: ILCS 2019

## 7.2. Satisfaction with Quality of Paid Services

The survey explored opinions of respondent households regarding paid services of different providers. Table 7.5 presents relevant findings of the survey. As one can see, in 2019 most households (97.7%) were satisfied with electricity supply. There was also a high level of satisfaction with postal services – 96.3%, sewerage – 94.6%, water supply – 89.6% and garbage disposal – 82.3%. At the same time, a part of the population expressed dissatisfaction in relation to public transportation (23.9%), health care (19.8%), garbage disposal (17.3%), bank services (12.7%) and water supply (10.2%).

**Table 7.5 – Armenia: Satisfaction with Paid Services, 2018 and 2019**

(Percent)

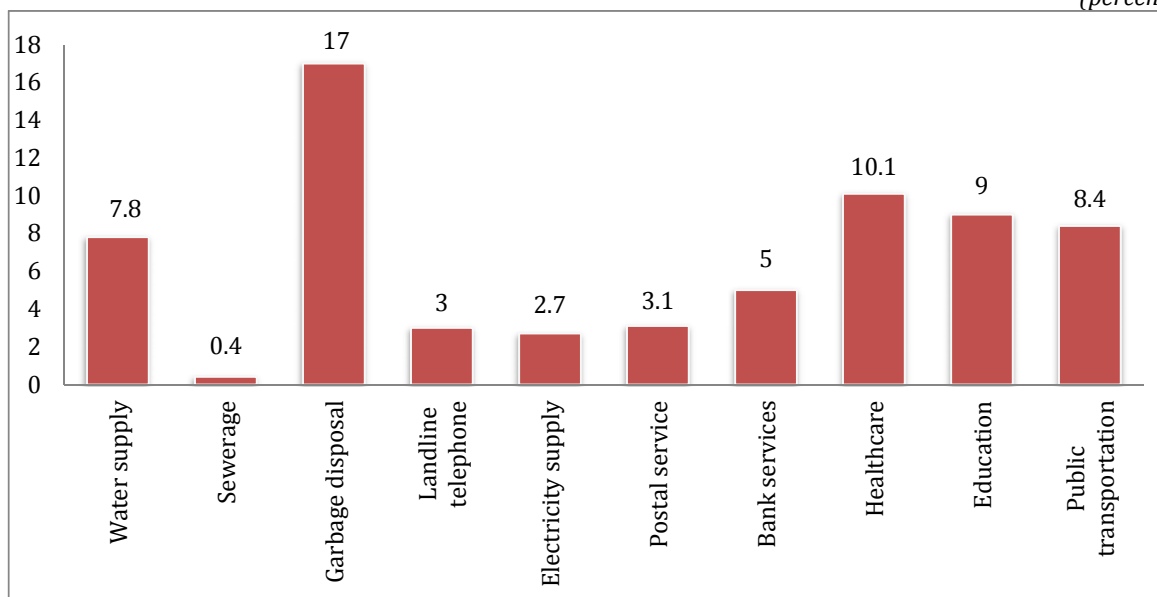
Type of paid service	Satisfied		Not satisfied		Felt hard to answer	
	2018	2019	2018	2019	2018	2019
Water supply	87.3	89.6	12.3	10.2	0.4	0.3
Sewerage	76.5	94.6	11.7	4.9	11.8	0.5
Garbage disposal	78.7	82.3	19.6	17.3	1.7	0.3
Landline telephone	49.2	96.7	4.9	1.4	45.9	1.9
Electricity supply	98.9	97.7	0.9	2.2	0.2	0.1
Postal service	73.5	96.3	2.5	1.4	24.0	2.3
Bank services	73.7	86.1	6.6	12.7	19.7	1.2
Healthcare	62.3	78.1	21.4	19.8	16.3	2.1
Education	54.9	85.1	11.1	10.5	34.0	3.6
Public transportation	72.1	75.9	19.5	23.9	8.4	0.2

Source: ILCS 2018 and 2019

Graphs 7.2 illustrates the negative perceptions of the service quality dynamics for 2019.

**Graph 7.2 – Armenia: Household Perceptions of Negative Dynamics in Service Quality, 2019**

(percent)



Source: ILCS 2019

According to ILCS 2019, the most negative dynamics in respect of provided services were reported in relation to garbage disposal (17.0%), health care (10.1%), education (9.0%) and public transportation (8.4%) (Graph 11.2).

A small fraction of the respondents applied to the management of the service operators in case of deteriorated service quality. Table 7.6 illustrates the steps taken by the population in relation to deteriorated service quality and the outcomes of such actions. As one can see, it is quite uncommon for people to apply in request of improving service quality.

In addition to quantitative data, qualitative information is also important. Thus, in relation to the complaints for poor performance, the management took steps to remedy the

situation with regard to 44.6% of appeals regarding bank services, 39.9% of appeals regarding healthcare services, 41.1% of appeals regarding water supply, and 17.1% of appeals regarding public transportation.

**Table 7.6 – Armenia: Appeals to Management of Service Operators  
in Case of Service Quality Deterioration, 2018 and 2019**

*(Percent)*

Type of paid service	Observed deterioration of provided service quality		Did not apply to management for deterioration of provided service quality		After applying, management took certain steps for remedying the situation	
	2018	2019	2018	2019	2018	2019
Water supply	1.9	7.8	97.0	27.3	22.0	41.1
Sewerage	1.0	2.4	98.9	97.8	64.7	70.7
Garbage disposal	4.2	17.0	97.3	97.9	9.1	49.2
Landline telephone	0.2	3.0	99.4	97.4	97.3	96.6
Electricity supply	0.5	2.7	97.3	96.8	94.6	93.3
Postal service	0.2	3.1	99.5	99.6	97.2	64.7
Bank services	0.6	5.0	99.8	99.2	13.8	44.6
Healthcare	5.3	10.1	99.7	99.2	31.7	39.9
Education	3.5	9.0	99.9	99.3	73.7	44.8
Public transportation	3.1	8.4	98.6	98.0	5.9	17.1

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