

ARMENIA – POVERTY SNAPSHOT  
OVER 2020-2024

# Chapter 1: Demographics and Migration

## 1.1. Population Number Dynamics

Starting from 1, January 2023, the current count of the permanent population<sup>1</sup> of the Republic of Armenia is being carried out taking as a base the results of the 2022 Population Census of the Republic of Armenia which have been updated with the indicators of natural movement and net migration of population, recorded within the reporting period.

According to this source, as of January 1, 2025, the permanent population of the Republic of Armenia was 3 076.2 thousand people, compared to 2989.5 thousand people recorded at the beginning of 2024.

Within permanent population the share of urban and rural residents was 64.1% and 35.9%, respectively, as of the beginning of 2025, while 47.3% of the permanent population of the Republic of Armenia comprised of male, and 52.7% - female.

As of the beginning of 2025, the average age of the population was 39.5 years, for male and female, it was 37.4 and 41.4 years, respectively.

Table 1.1 – Armenia: Permanent Population, by Age and Sex, as of 1 January 2025

(person)

| Age          | Urban population |                  |                  | Rural population |                |                  | Total population |                 |                 |
|--------------|------------------|------------------|------------------|------------------|----------------|------------------|------------------|-----------------|-----------------|
|              | Male             | Female           | Total            | Male             | Female         | Total            | Male             | Female          | Total           |
| 0-4          | 51 500           | 48 354           | 99 854           | 41 888           | 38 046         | 79 934           | 93 388           | 86 400          | 179 788         |
| 5-9          | 59 204           | 54 565           | 113 769          | 41 720           | 35 640         | 77 360           | 100 924          | 90 205          | 191 129         |
| 10-14        | 64 693           | 59 720           | 124 413          | 41 914           | 35 515         | 77 429           | 106 607          | 95 235          | 201 842         |
| 15-19        | 59 606           | 55 313           | 114 919          | 36 306           | 31 830         | 68 136           | 95 912           | 87 143          | 183 055         |
| 20-24        | 51 770           | 55 449           | 107 219          | 30 742           | 27 759         | 58 501           | 82 512           | 83 208          | 165 720         |
| 25-29        | 53 505           | 58 014           | 111 519          | 35 834           | 30 992         | 66 826           | 89 339           | 89 006          | 178 345         |
| 30-34        | 65 988           | 75 980           | 141 968          | 45 785           | 39 432         | 85 217           | 111 773          | 115 412         | 227 185         |
| 35-39        | 70 175           | 83 909           | 154 084          | 44 606           | 39 854         | 84 460           | 114 781          | 123 763         | 238 544         |
| 40-44        | 69 531           | 80 995           | 150 526          | 36 497           | 35 780         | 72 277           | 106 028          | 116 775         | 222 803         |
| 45-49        | 58 792           | 68 422           | 127 214          | 28 677           | 32 100         | 60 777           | 87 469           | 100 522         | 187 991         |
| 50-54        | 49 751           | 60 453           | 110 204          | 27 593           | 30 998         | 58 591           | 77 344           | 91 451          | 168 795         |
| 55-59        | 43 684           | 58 244           | 101 928          | 33 369           | 37 728         | 71 097           | 77 053           | 95 972          | 173 025         |
| 60-64        | 55 052           | 79 454           | 134 506          | 42 126           | 44 410         | 86 536           | 97 178           | 123 864         | 221 042         |
| 65-69        | 57 072           | 86 126           | 143 198          | 32 883           | 37 501         | 70 384           | 89 955           | 123 627         | 213 582         |
| 70-74        | 44 308           | 67 884           | 112 192          | 17 582           | 22 916         | 40 498           | 61 890           | 90 800          | 152 690         |
| 75-79        | 24 523           | 38 812           | 63 335           | 7 651            | 12 552         | 20 203           | 32 174           | 51 364          | 83 538          |
| 80-84        | 11 759           | 21 066           | 32 825           | 4 428            | 8 232          | 12 660           | 16 187           | 29 298          | 45 485          |
| 85+          | 9 055            | 18 534           | 27 589           | 4 471            | 9 633          | 14 104           | 13 526           | 28 167          | 41 693          |
| <b>Total</b> | <b>899 968</b>   | <b>1 071 294</b> | <b>1 971 262</b> | <b>554 072</b>   | <b>550 918</b> | <b>1 104 990</b> | <b>1 454 040</b> | <b>162 2212</b> | <b>3076 252</b> |

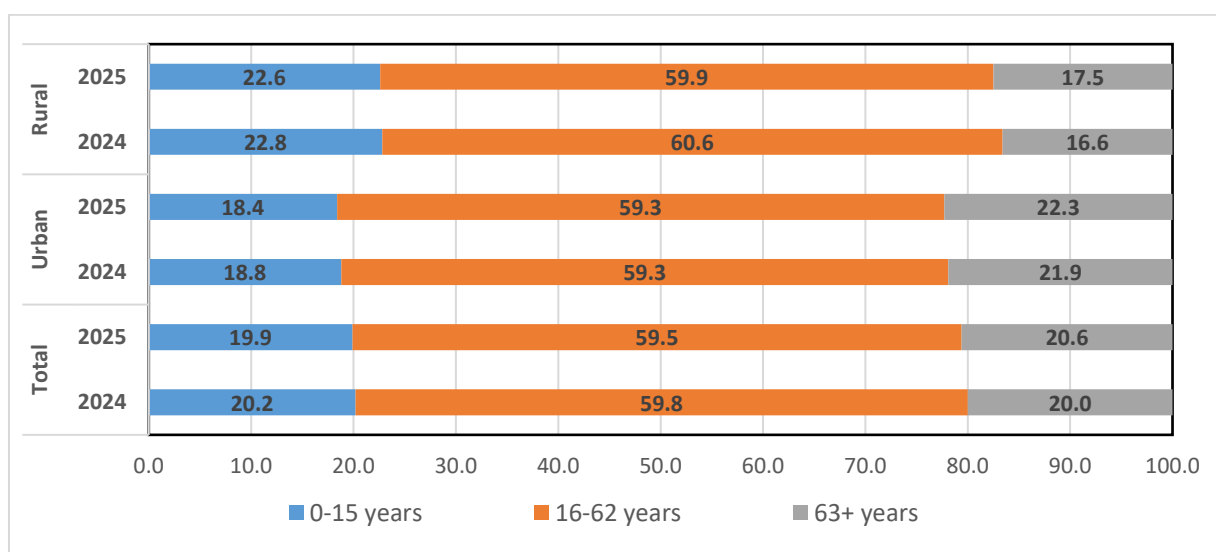
Source: Armstat

Working age population (16-62 years) constituted 59.5%, those below the working age (0-15 years) – 19.9%, and those above the working age (63 years and more) – 20.6% of the population, as of the beginning of 2025. In the RA population structure, the number of non-working age population, calculated per 1000 working age residents, constituted 681person, including 346 elderly persons at 63 and over, and 335 were children aged 0-15 years.

<sup>1</sup> According to the 2022 Census of the Republic of Armenia (October 13-22, 2022), the permanent population of Armenia was 2,932,731 people, and the current population was 2,689,438 people.

Graph 1.1 – Armenia: Age Structure of Urban and Rural Population, by Main Age Groups, 2024-2025

(As at the beginning of year, percent)



Source: Armstat

Table 1.2 – Armenia: Population Dependency Rates, 2023-2024

| Year | Dependency rate, % |              |               |
|------|--------------------|--------------|---------------|
|      | Total              | Youth (0-15) | Elderly (63+) |
| 2023 | 67.2               | 33.8         | 33.4          |
| 2024 | 68.1               | 33.5         | 34.6          |

Source: Armstat

**Total Fertility Rate** children per woman of reproductive age (15-49 years) in 2024 was 1.714 units, while the **Gross Population** Reproduction Rate<sup>2</sup> comprised 0.818 and the **Net** Reproduction Rate<sup>3</sup> - 0.786 units.

Table 1.3 – Armenia: Age specific Fertility Rates, 2024

| Years        | Average number of births, per 1.000 women of relevant age |       |       |       |       |       |       |       |
|--------------|-----------------------------------------------------------|-------|-------|-------|-------|-------|-------|-------|
|              | 15-19                                                     | 20-24 | 25-29 | 30-34 | 35-59 | 40-44 | 45-49 | 15-49 |
| 2024 - Total | 9.1                                                       | 87.2  | 112.8 | 79.9  | 42.5  | 10.2  | 1.1   | 47.7  |
| Urban        | 4.7                                                       | 56.5  | 89.8  | 70.9  | 39.2  | 9.8   | 1.2   | 38.3  |
| Rural        | 16.8                                                      | 148.4 | 155.1 | 97.3  | 49.7  | 11.1  | 0.8   | 66.4  |

Source: Armstat

The average age of woman at childbirth was 29.2 years in 2024, and that at the first childbirth was 26.2 years.

<sup>2</sup> The average number of daughters that would bear a woman in a reproductive age, provided that the fertility rates for the given year would remain unchanged.

<sup>3</sup> The average number of daughters that a woman would bear in her lifetime if she experience the currently observed age-specific fertility and mortality rates throughout her reproductive years.

In 2024, 35.6% out of the total number of live births accounted for the third and higher order of births, exceeding the previous year's figure by 1.6 percentage point.

**Natural movement of population:** In 2024, 33,593 births were recorded, and the crude birth rate was 11.1 per 1,000 population.

26.2% of registered live births in 2024 were to non-registered marriages; which were recorded pursuant to declarations made jointly by the parents, or by the declaration of mother.

In 2024, 25,435 deaths were recorded, which decreased by 1,122 or 4.6 %, compared to the previous year. The crude mortality rate in 2024 comprised 8.4 per mille. Moreover, the crude death rate among the urban population was 8.8‰ and among rural population - 7.6‰.

Table 1.4 – Armenia: Figures of Births and Deaths, 2014-2024

|      | Births |       |       | Deaths |       |       | Natural increase/decrease |       |       |
|------|--------|-------|-------|--------|-------|-------|---------------------------|-------|-------|
|      | Total  | Urban | Rural | Total  | Urban | Rural | Total                     | Urban | Rural |
| 2014 | 43.0   | 27.8  | 15.2  | 27.7   | 17.6  | 10.1  | 15.3                      | 10.2  | 5.1   |
| 2015 | 41.8   | 27.1  | 14.7  | 27.9   | 17.7  | 10.2  | 13.9                      | 9.4   | 4.5   |
| 2016 | 40.6   | 26.5  | 14.1  | 28.2   | 18.3  | 9.9   | 12.4                      | 8.2   | 4.2   |
| 2017 | 37.7   | 24.6  | 13.1  | 27.1   | 17.4  | 9.7   | 10.6                      | 7.2   | 3.4   |
| 2018 | 36.6   | 24.3  | 12.3  | 25.8   | 16.7  | 9.1   | 10.8                      | 7.6   | 3.2   |
| 2019 | 36.0   | 23.7  | 12.3  | 26.2   | 16.9  | 9.3   | 9.8                       | 6.8   | 3.0   |
| 2020 | 36.4   | 25.4  | 11.0  | 36.2   | 24.7  | 11.5  | 0.2                       | 0.7   | -0.5  |
| 2021 | 36.6   | 22.8  | 13.8  | 34.4   | 23.5  | 10.9  | 2.2                       | -0.7  | 2.9   |
| 2022 | 36.4   | 19.7  | 16.7  | 26.7   | 17.6  | 9.1   | 9.7                       | 2.1   | 7.6   |
| 2023 | 36.6   | 20.1  | 16.5  | 24.3   | 16.1  | 8.2   | 12.3                      | 4.0   | 8.3   |
| 2024 | 33.6   | 18.0  | 15.6  | 25.5   | 17.2  | 8.3   | 8.1                       | 0.8   | 7.3   |

Source: Armstat

The natural increase in the population formed by the difference between births and deaths amounted to 8.1 thousand people in 2024, compared to 12.3 thousand people in 2023. The crude rate of population natural increase in 2024 amounted 2.7 per mille (per 1,000 inhabitants), compared to 4.1 per mille recorded in the previous year.

**Main causes of mortality:** In the causal structure of mortality, cases of blood circulatory system diseases and malignant neoplasm account for about three-quarters of total deaths.

Table 1.5 – Armenia: Mortality Rates by Main Causes of Death and Sex, 2024

| Cause of death                    | Number of deaths (person) |        | Mortality rate, per 100 000 population |        |
|-----------------------------------|---------------------------|--------|----------------------------------------|--------|
|                                   | Male                      | Female | Male                                   | Female |
| <b>Total number of deaths</b>     | 13 139                    | 12 296 | 916.4                                  | 768.5  |
| <i>of which, by main causes:</i>  |                           |        |                                        |        |
| Blood circulatory system diseases | 6 646                     | 6 847  | 463.5                                  | 428.0  |
| Malignant neoplasm                | 2 858                     | 2 326  | 199.3                                  | 145.4  |
| Endocrine system diseases         | 122                       | 243    | 8.5                                    | 15.2   |

| Cause of death                                          | Number of deaths<br>(person) |        | Mortality rate, per<br>100 000 population |        |
|---------------------------------------------------------|------------------------------|--------|-------------------------------------------|--------|
|                                                         | Male                         | Female | Male                                      | Female |
| Exogenous reasons (accident, intoxication, injury etc.) | 757                          | 273    | 52.8                                      | 17.1   |
| Respiratory system diseases                             | 1 198                        | 1 165  | 83.6                                      | 72.8   |
| Digestive system diseases                               | 683                          | 639    | 47.6                                      | 39.9   |
| Urogenital system diseases                              | 109                          | 95     | 7.6                                       | 5.9    |
| Infectious and parasitic diseases                       | 134                          | 115    | 9.4                                       | 7.2    |
| Other diseases                                          | 632                          | 593    | 44.1                                      | 37.0   |

Source: Armstat

In 2024, the life expectancy at birth for men was 75.1 years, compared to 74.1 years in the previous year, and for women - 81.7, compared to 81.0 of the previous year. This indicator for urban population in 2024 was 74.7 years for men, 81.8 years for women, and 75.4 and 81.4 years for the rural population, respectively.

**Migration:** According to the results of the 2024 ILCS, 8.6% of surveyed households (h/h) had absent members who left between 2022 and 2024 and did not return. As of 2024, 29.6% of household members involved in migration processes (about 90 thousand people) were still absent from their h/h and were in another region of the Republic of Armenia, in Yerevan, in another settlement of the given region or in another country, 16.4% (about 50 thousand people) returned from their departures, and 54% (about 160 thousand people)<sup>4</sup> were those who arrived in the given settlement for the first time.

Table 1.6 – Armenia: Household members involved in migration processes in 2022-2024 according to migration directions, 2024

| Involvement                                              | Percent of total |
|----------------------------------------------------------|------------------|
| Migrated and not returned                                | 29.6             |
| Arrived at the given community for the first time        | 54.0             |
| Migrated and returned after absence of 3 and more months | 16.4             |
| <b>Total</b>                                             | <b>100.0</b>     |

Source: ILCS 2024

<sup>4</sup> Including our compatriots displaced from Karabakh.

Table 1.7 – Armenia: Household Members Involved in Migration processes in 2022-2024 according to migration directions, city Yerevan and RA marzes, 2024

%

|              | Involvement in migration processes |                        |              | Total        |
|--------------|------------------------------------|------------------------|--------------|--------------|
|              | Migrated                           | Newly Arrived Migrants | Returnees    |              |
| Yerevan      | 17.6                               | 52.5                   | 28.8         | 38.3         |
| Aragatsotn   | 4.9                                | 0.9                    | 1.6          | 2.2          |
| Ararat       | 6.4                                | 10.8                   | 6.3          | 8.8          |
| Armavir      | 9.6                                | 5.6                    | 6.7          | 7.0          |
| Gegharkunik  | 17.2                               | 2.6                    | 13.5         | 8.7          |
| Lori         | 11.0                               | 5.3                    | 7.9          | 7.5          |
| Kotayk       | 3.7                                | 14.8                   | 8.1          | 10.4         |
| Shirak       | 19.7                               | 5.0                    | 16.4         | 11.2         |
| Syunik       | 2.7                                | 0.9                    | 1.5          | 1.5          |
| Vayots Dzor  | 1.9                                | 0.4                    | 2.5          | 1.1          |
| Tavush       | 5.3                                | 1.2                    | 6.7          | 3.3          |
| <b>Total</b> | <b>100.0</b>                       | <b>100.0</b>           | <b>100.0</b> | <b>100.0</b> |

Source: ILCS 2024

Table 1.8 – Armenia. 2022-2024 distribution of h/h members involved in migration processes according to the reason for departure/return, 2024

%

| Main reason for migrating/<br>returning | Migration flows by migration directions |                        |              |              |
|-----------------------------------------|-----------------------------------------|------------------------|--------------|--------------|
|                                         | Migrated                                | Newly Arrived Migrants | Returnees    | Total        |
| 1. Need to/ search for work             | 62.0                                    | 4.6                    | 15.9         | 23.4         |
| 2. Family circumstances                 | 4.8                                     | 13.7                   | 27.9         | 13.4         |
| 3. Residence                            | 0.8                                     | 12.4                   | 4.5          | 7.7          |
| 4. Private visit to friends/ relatives  | 3.8                                     | 0.7                    | 8.6          | 2.9          |
| 5. Study/ training                      | 8.3                                     | 0.2                    | 0.5          | 2.7          |
| 6. Treatment                            | 1.4                                     | 0.1                    | 1.3          | 0.7          |
| 7. End of employment at destination     | -                                       | 1.0                    | 14.7         | 3.0          |
| 8. Military hostilities                 | -                                       | 46.1                   | 4.9          | 25.7         |
| 9. Other                                | 18.9                                    | 21.2                   | 21.7         | 20.5         |
| <b>Total</b>                            | <b>100.0</b>                            | <b>100.0</b>           | <b>100.0</b> | <b>100.0</b> |

Source: ILCS 2024

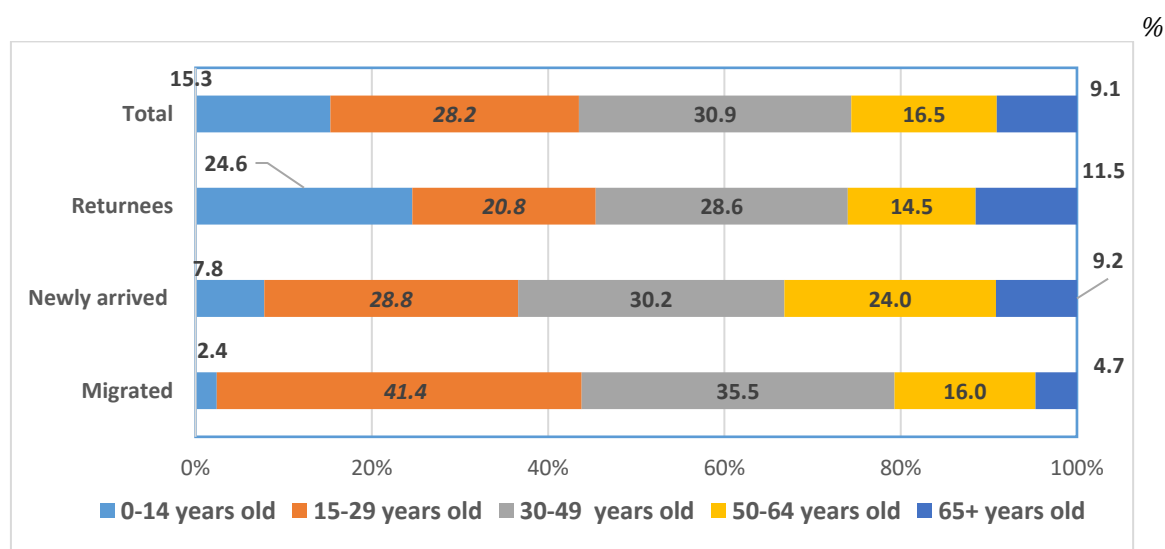
Table 1.9 - Armenia: Household Members Involved in Migration Processes in 2022-2024 by Sex, Urban/ Rural Population and Migration Directions, 2024

%

|               | Male        | Female      | Total      | Urban       | Rural       |
|---------------|-------------|-------------|------------|-------------|-------------|
| Migrated      | 84.7        | 15.3        | 100        | 44.2        | 55.8        |
| Newly arrived | 45.0        | 55.0        | 100        | 64.8        | 35.2        |
| Returnees     | 76.2        | 23.8        | 100        | 62.8        | 37.2        |
| <b>Total</b>  | <b>61.8</b> | <b>38.2</b> | <b>100</b> | <b>58.4</b> | <b>41.6</b> |

Source: ILCS 2024

**Graph 1.2 – Armenia: Age composition of household members involved within 2022-2024 within migration processes, according to migration directions**



Source: ILCS 2024

Within the specified period, the nature of the movements of 23.2% of household members involved in external and internal migratory movements, as of 2024, was internal - between city Yerevan/ marzes of the Republic of Armenia, 37.4% - with Karabakh, and 39.4% - interstate, the vast majority of which, 90.4%, were carried out with the Russian Federation (RF).

**Table 1.10 – Armenia: Household Members involved in migration processes within 2022-2024 and not returned in 2024, by the duration of absence and location**

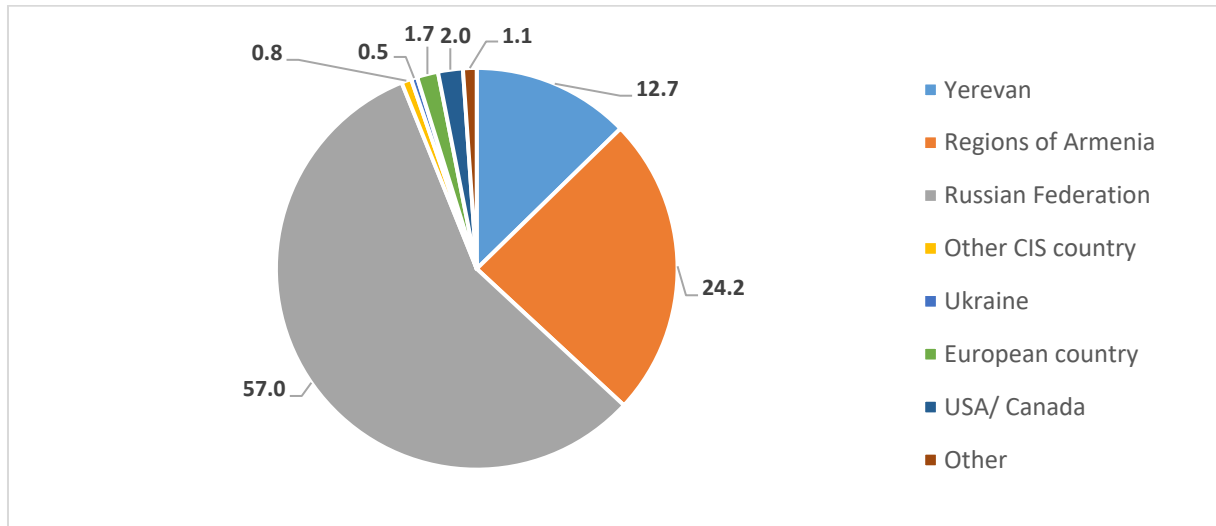
(Percent)

| Location           | Duration of absence |             |             | Total      |
|--------------------|---------------------|-------------|-------------|------------|
|                    | <3 months           | 3-12 months | >12 months  |            |
| Yerevan            | 16.7                | 78.1        | 5.2         | 100        |
| Regions in Armenia | 22.4                | 41.6        | 36.0        | 100        |
| Russian Federation | 22.0                | 62.4        | 15.6        | 100        |
| Other CIS country  | -                   | 96.1        | 3.9         | 100        |
| Ukraine            | -                   | 100.0       | -           | 100        |
| European country   | 14.9                | 59.8        | 25.3        | 100        |
| US/ Canada         | 19.7                | 9.4         | 70.9        | 100        |
| Other              | 60.4                | 39.6        | -           | 100        |
| <b>Total</b>       | <b>21.4</b>         | <b>58.5</b> | <b>20.1</b> | <b>100</b> |

Source: ILCS 2024

Among the household members migrated over the period 2022-2024 and not yet returned as of 2024, 34.8% were involved in the internal migration of the country, 57.0% to the Russian Federation, 0.5% to Ukraine, 0.8% to other CIS countries, 1.7% to European countries, 2.0% to the USA/Canada, 1.1% to other countries.

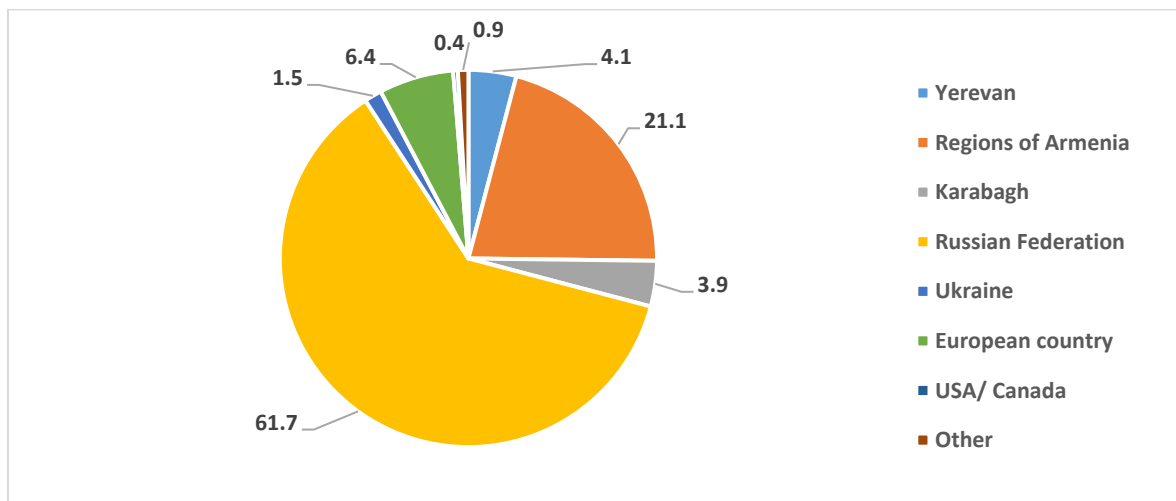
Graph 1.3 – Armenia: Household Members involved in migration processes within 2022-2024 and not returned in 2024, by the location, %



Source: ILCS 2024

Among household members, involved in migration processes within 2022-2024 and returned in 2024, 25.2% returned from intra-republican migration, 3.9% – from Karabakh, 61.7% – from the Russian Federation, 1.5% – from Ukraine, 6.4% - from European countries, 0.4% – from the USA/ Canada, and 0.9% - from other countries.

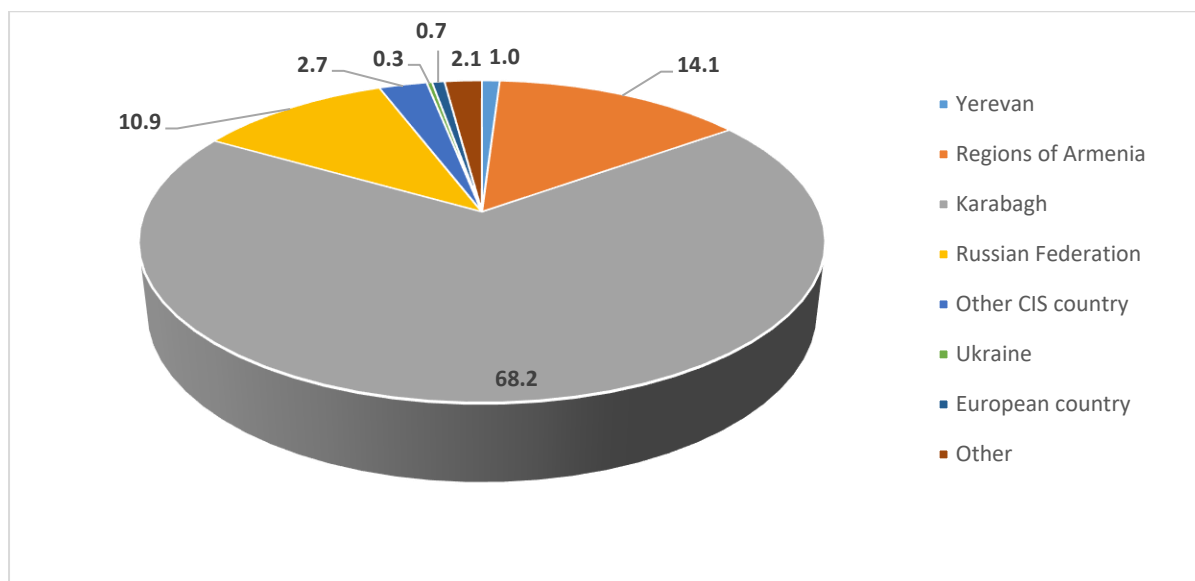
Graph1.4 –Armenia: Household Members involved in migration processes within 2022-2024 and returned in 2024, by the location, %



Source: ILCS 2024

Among migrants involved in migration processes within 2022-2024 and newly arrived in the given settlement as of 2024, 68.2% were from Karabakh, 15.1% moved within the country, that is from other settlements of Armenia and 16.7% arrived from foreign countries.

Graph 1.5 – Armenia: Distribution of household members involved in migration processes in 2022-2024 and newly arrived in a given settlement by the location of arrival, as of 2024, %



Source: ILCS 2024

During the 2022-2024 surveyed period, among household members involved in the migration movements, international migrants<sup>5</sup> accounted for 63% of household members (not returned) absent for 3 months or more (about 56,000 people), of which 58% were short-term migrants - those absent from the country for 3-12 months (excluding those leaving for recreation, visiting friends/relatives, vacation, business, or treatment), and 42% were long-term migrants - those absent for a year or more as of the reporting period. During the research period, international migrants who returned from migration made up 75% of those who returned to the given settlement (about 37,000 people), while those who arrived in the given settlement for the first time from abroad made up about 85% of the total number of new arrivals to the given settlement (about 139,000 people) <sup>6</sup>.

The results of the survey showed that the balance of international migrants in Armenia within the period 2022-2024 (the difference between returned plus newly arrived h/h migrant members and those who left the Republic of Armenia abroad and have not yet returned in 2024) amounted to about 120,000 people.

## 1.2. Household Composition

According to survey findings, in 2024 the average number of household members was 3.5 per permanent population, with 3.2 in urban communities and 4.1 in rural communities; and the corresponding indicators per present population were 3.4, 3.2, and 3.9, respectively. In 2024, the share of households with four or less members comprised 72.4% of the total number of households, (Table 1.11). At that, the share of households with one member made 17.2% in 2024 against 12.9% in 2014.

<sup>5</sup> According to the UN methodology.

<sup>6</sup> Including those arrived from Karabagh (around 110,000 person).

Table 1.11 – Armenia: Households by Composition, 2014-2024

(per permanent population)

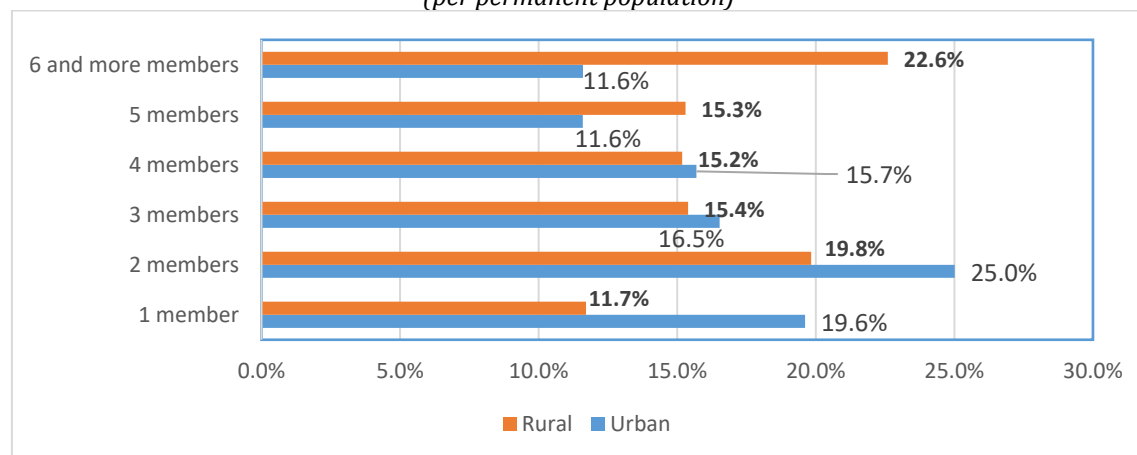
| Household composition             | Percent of total |       |       |       |       |       |       |
|-----------------------------------|------------------|-------|-------|-------|-------|-------|-------|
|                                   | 2014             | 2017  | 2018  | 2019  | 2022  | 2023  | 2024  |
| Households, by number of members: | 100.0            | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 1 member                          | 12.9             | 14.8  | 14.3  | 15.7  | 17.6  | 17.6  | 17.2  |
| 2 members                         | 17.1             | 19.1  | 19.5  | 18.9  | 22.5  | 21.2  | 23.5  |
| 3 members                         | 14.1             | 15.1  | 16.7  | 15.6  | 16.4  | 17.1  | 16.2  |
| 4 members                         | 19.8             | 18.9  | 18.9  | 18.6  | 16.1  | 17.0  | 15.5  |
| 5 members                         | 15.7             | 14.8  | 15.2  | 14.3  | 12.2  | 12.2  | 12.7  |
| 6 and more members                | 20.4             | 17.3  | 15.4  | 16.9  | 15.2  | 14.9  | 14.9  |

Source: ILCS 2014-2024

In 2024, multi-member households (with 6 or more members) predominated in rural areas, accounting for 22.6%, compared to 11.6% in urban areas, while households with four or fewer members predominated in urban areas, accounting for 76.8%, compared to 62.1% in rural areas. Moreover, in urban areas, every fifth household has one member, and every fourth has two members.

Graph 1.6 – Armenia: Urban and Rural Households by Composition, 2024

(per permanent population)



Source: ILCS 2024

In 2024, compared to the previous year, there was a certain increase in the share of households with three, five or more children under the age of 16, but the share of households with one, two and four children decreased. (Table 1.12).

Table 1.12 – Armenia: Composition of Households with Children below 16, by Number of Children, 2014-2024

(per permanent population)

(%)

| Household composition              | Percent of total |       |       |       |       |       |       |
|------------------------------------|------------------|-------|-------|-------|-------|-------|-------|
|                                    | 2014             | 2017  | 2018  | 2019  | 2022  | 2023  | 2024  |
| Households, by number of children: | 100.0            | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 1 child                            | 18.1             | 16.3  | 15.8  | 15.7  | 14.7  | 14.4  | 14.1  |
| 2 children                         | 18.5             | 17.1  | 17.8  | 16.4  | 16.2  | 16.4  | 14.1  |
| 3 children                         | 5.2              | 5.0   | 5.1   | 5.3   | 6.2   | 5.7   | 6.0   |
| 4 children                         | 0.8              | 0.8   | 0.6   | 0.8   | 0.9   | 1.4   | 0.8   |
| 5 and more children                | 0.2              | 0.2   | 0.3   | 0.3   | 0.3   | 0.1   | 0.4   |

| Household composition | Percent of total |      |      |      |      |      |      |
|-----------------------|------------------|------|------|------|------|------|------|
|                       | 2014             | 2017 | 2018 | 2019 | 2022 | 2023 | 2024 |
| No children           | 57.2             | 60.6 | 60.4 | 61.5 | 61.7 | 62.0 | 64.6 |

Source: *ILCS 2014-2024*

As in previous years, according to the results of the 2024 household survey, six out of ten households did not have children below 16. Moreover, the share of such households in urban areas was 68.2%, compared to 56.2% in rural areas.

Table 1.13 – Armenia: Urban and Rural Households with Children below 16,  
by Number of Children, 2022-2024, %

| Household composition             | Urban |       |       | Rural |       |       |
|-----------------------------------|-------|-------|-------|-------|-------|-------|
|                                   | 2022  | 2023  | 2024  | 2022  | 2023  | 2024  |
| Households, by number of children | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 1 child                           | 14.8  | 13.4  | 13.4  | 14.1  | 15.6  | 15.6  |
| 2 children                        | 14.4  | 14.6  | 12.7  | 17.6  | 18.1  | 17.2  |
| 3 children                        | 4.1   | 3.7   | 4.7   | 8.4   | 7.6   | 9.2   |
| 4 children                        | 0.7   | 0.7   | 0.7   | 1.0   | 1.9   | 1.1   |
| 5 and more children               | 0.2   | 0.1   | 0.3   | 0.6   | 0.4   | 0.7   |
| No children                       | 65.8  | 67.5  | 68.2  | 58.3  | 56.4  | 56.2  |

Source: *ILCS 2022-2024*

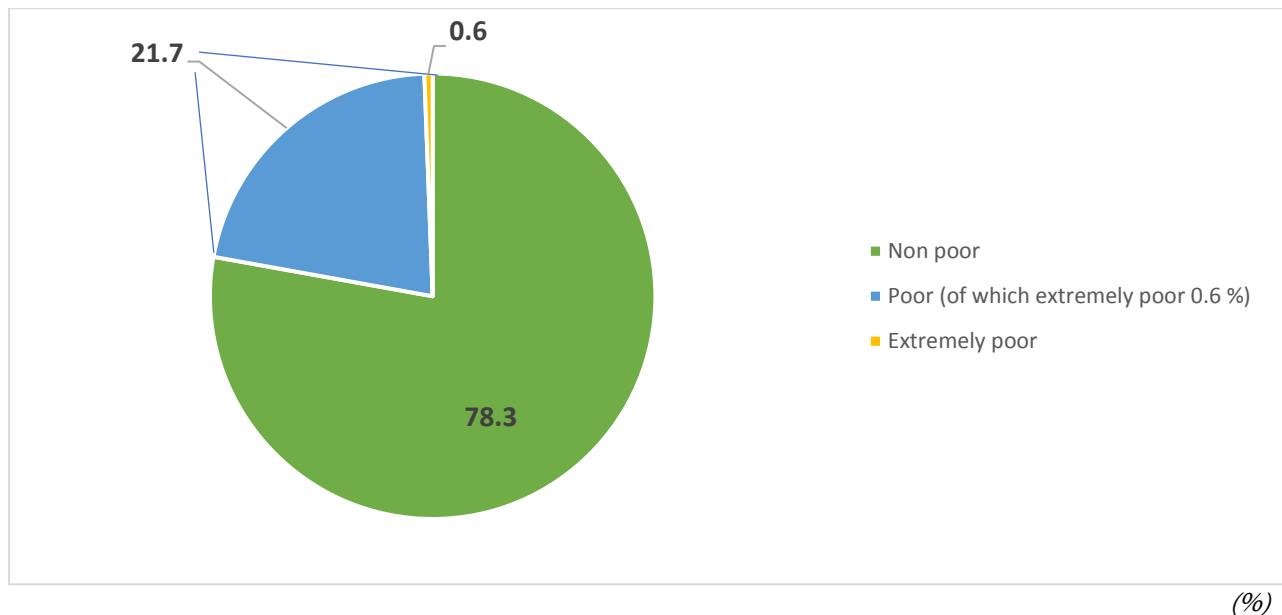
In 2024, the number of registered marriages was 15,324 and the number of registered divorces was 4,689; with the crude marriage and crude divorce rates amounting to, respectively, 5.1‰ and 1.6‰ per 1.000 population.

## Chapter 2: Poverty Profile in Armenia in 2024

### 2.1. Introduction

Poverty rate calculated with respect to the average poverty line in 2024\* was 21.7%, including extreme poverty rate 0.6%.

**Diagram 2.1 – Armenia: Poverty Rate in Armenia in 2024**



**Source:** *ILCS 2024*

*\* To ensure the updating of the data, the sampling weights of the 2024 survey were adjusted (calibrated) based on the current population register derived from the 2022 Census of the Republic of Armenia. Consequently, the poverty indicators presented for 2024 are not comparable with the corresponding indicators for the preceding years - 2022 and 2023. According to the position of the World Bank's Poverty and Equity Global Practice team for the Europe and Central Asia region, revisions to the 2022 and 2023 poverty indicators to make them comparable with the 2024 indicators are unlikely, as noted in the commentary presented on page 4 of the preface to this publication. Therefore, the 2022 and 2023 poverty indicators will not be revised.*

#### 2.1.1. Main Concepts

A key indicator used to estimate the welfare and living standards of the population in a country is poverty rate. Poverty is manifested in different ways and touches upon various aspects of life: consumption, food safety, health, education, rights, including the right to vote, security, life and work of dignity.

Similar to previous reports, population welfare dynamics are described both in terms of material and non-material poverty.

Indicators of non-material poverty are poor health, low level of education or illiteracy, social disregard or banishment, vulnerability, inability to exercise rights and freedoms, i.e. practical impossibility to signal about one's problems. The main way to overcome non-material poverty is to upgrade access to educational, health care and social services through better targeting of free assistance and higher ability to benefit from paid services.

The main approach to poverty measurement in Armenia is the **absolute** poverty by consumption based on the Central Bank (CB) of ILCS 2019 methodology. In that context, according to the World Bank definition, “*absolute poverty is the inability to ensure an acceptable minimum of certain living conditions.*” The chapter also reflects on relative poverty, international poverty rate in the countries of the region, multi-dimensional poverty, social exclusions, poverty in rural communities, and child poverty.

**Consumption aggregate** is used as a welfare measure for assessing poverty in Armenia. International practice shows that consumption – in comparison with income – provides more accurate information and is less sensitive to short-term fluctuations, particularly in low and middle income economies. Income is less reliable, since interviewees often tend to hide or underreport income, and it is characterized by significant seasonality implications.

**Consumption aggregate** includes the following components: (a) cost of consumed food and non-food goods, including own production, aid from charitable organizations and other sources, and (b) estimated cost of durable goods.

The concept of **absolute poverty** is used for assessing monetary poverty in Armenia. The population is classified into the poor and the non-poor, based on their poverty status. The poor, in turn, comprise the **moderate poor**<sup>1</sup> and, among them, the **extremely poor**.

**Poverty in Armenia has been assessed since 1996. Starting from 2019, the country uses a fourth revised methodology developed with the assistance of the World Bank.**

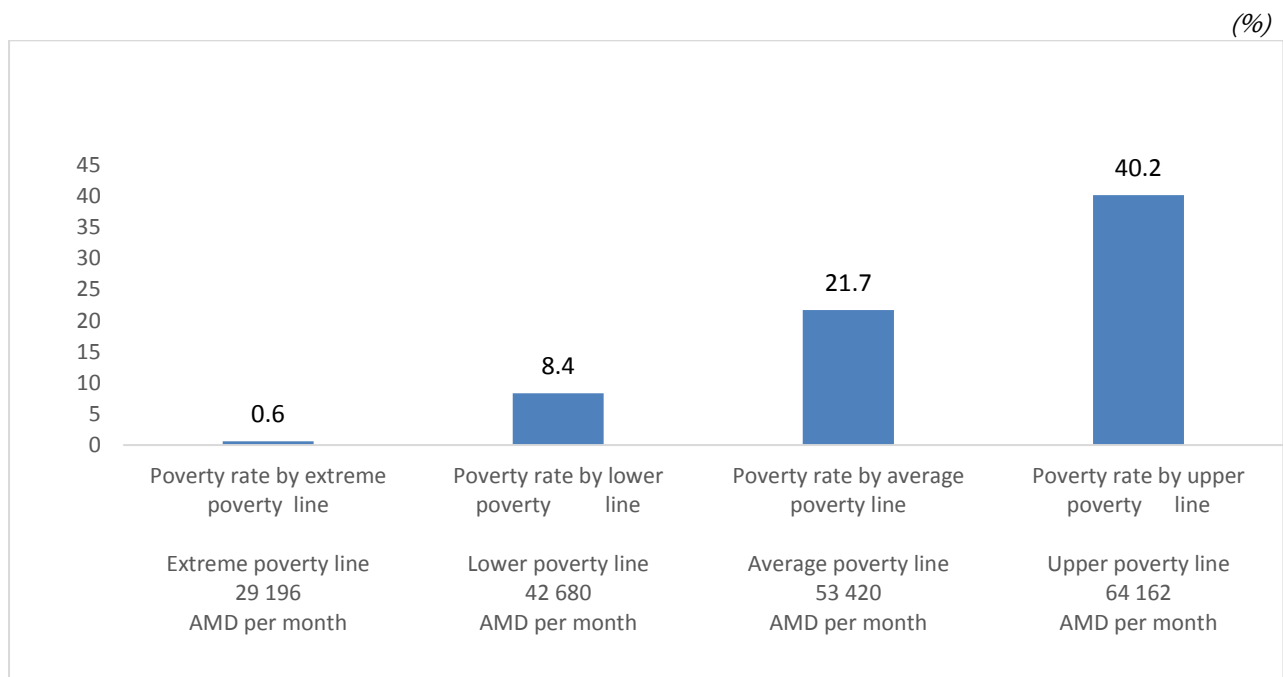
The **poor** with respect to the upper poverty line are defined as those with consumption per adult equivalent below the upper poverty line; the **moderate poor** are defined as those with consumption per adult equivalent below the lower poverty line, the **extremely poor** or the undernourished are defined as those with consumption per adult equivalent below the food poverty line, whereas the **poor** are identified as those with consumption per adult equivalent below the average poverty line, which is the average of the lower and upper poverty lines.

The diagram below depicts the four poverty lines using the 2019 methodology in 2023 prices.

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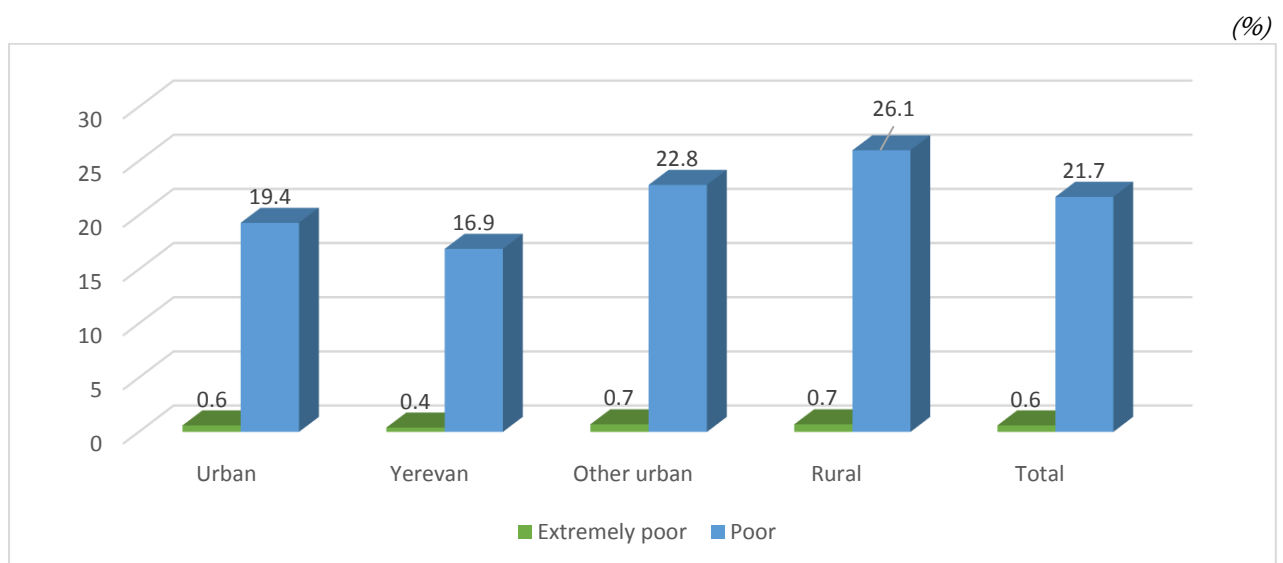
<sup>1</sup> The term “very poor” has been substituted with the term “moderate poor”.

**Diagram 2.2 – Armenia: Poverty Rate and Poverty Lines, 2024**



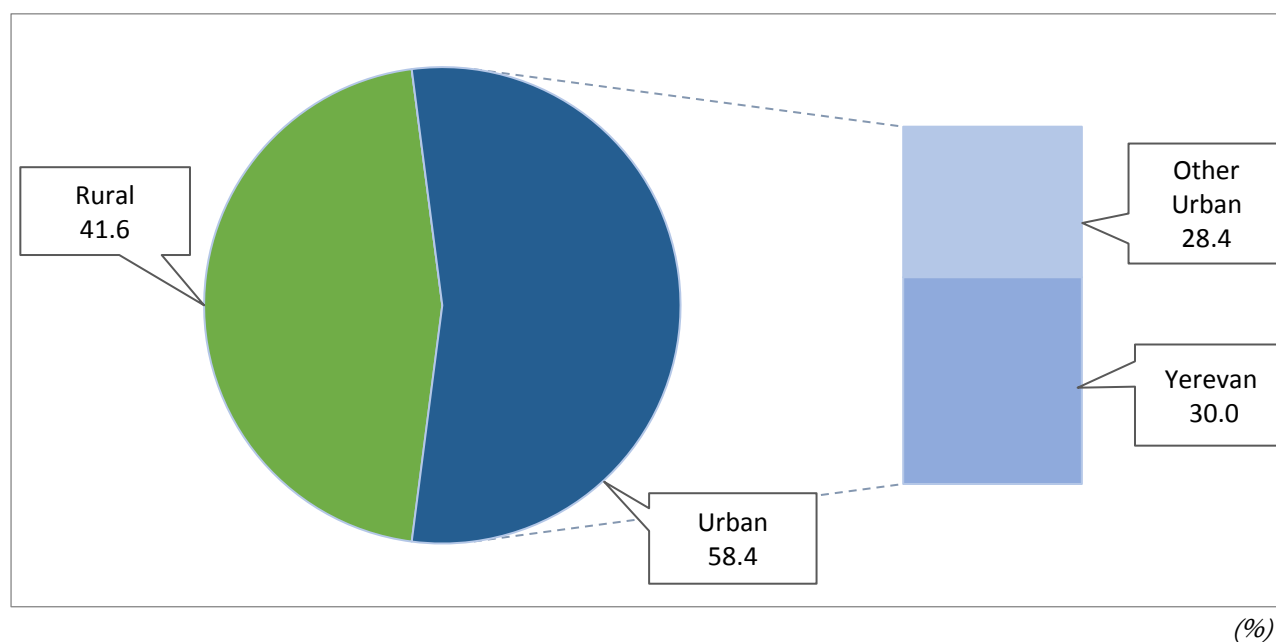
Source: *ILCS 2024*

**Diagram 2.3 Armenia: Basic Poverty Indicators, by urban and rural areas, 2024**



Source: *ILCS 2024*

Diagram 2.4 Distribution of the Poor Population by Urban and Rural Areas, 2024



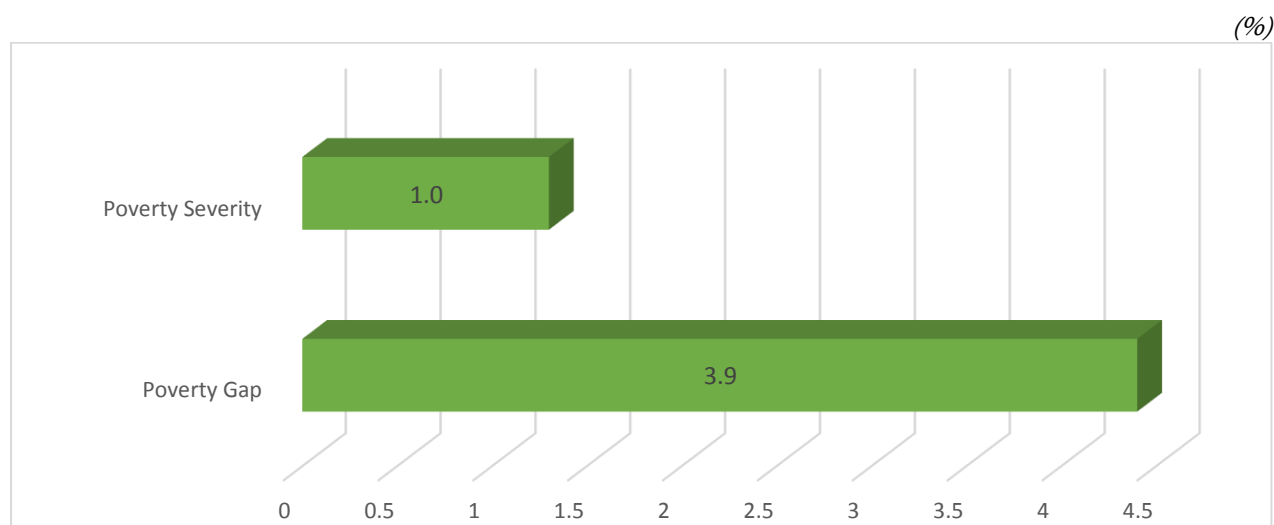
Source: ILCS 2024

## 2.2. Poverty Gap and Poverty severity, 2024

The **poverty gap** is counted with regard to the poor population and indicates the **poverty shortfall**, i.e. it shows the extent to which the average income<sup>2</sup> (or consumption) of the poor falls below the poverty line.

The **severity of poverty** is used to measure the inequality of consumption among the poor. It reflects the fact that in terms of consumption some poor people are further away from the poverty line, while some others are much closer to it.

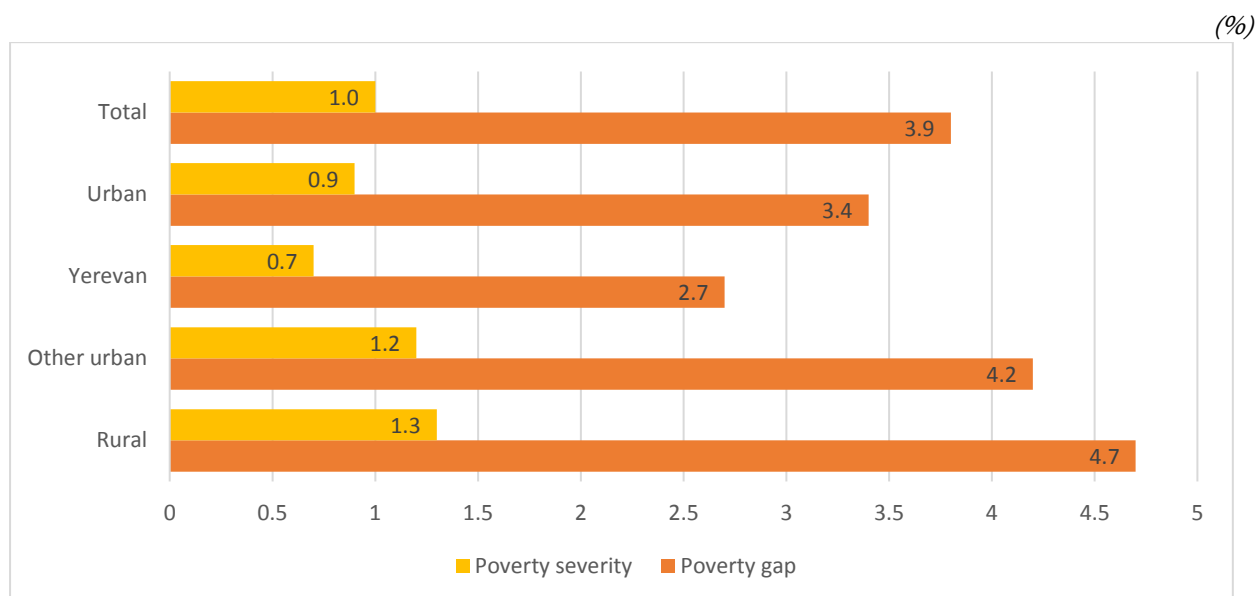
Diagram 2.5 Poverty Gap and Poverty severity, in 2024



Source: ILCS 2024

<sup>2</sup> In case of Armenia, consumption.

**Diagram 2.6 Poverty Gap and Severity in Urban and Rural Areas, in 2024**

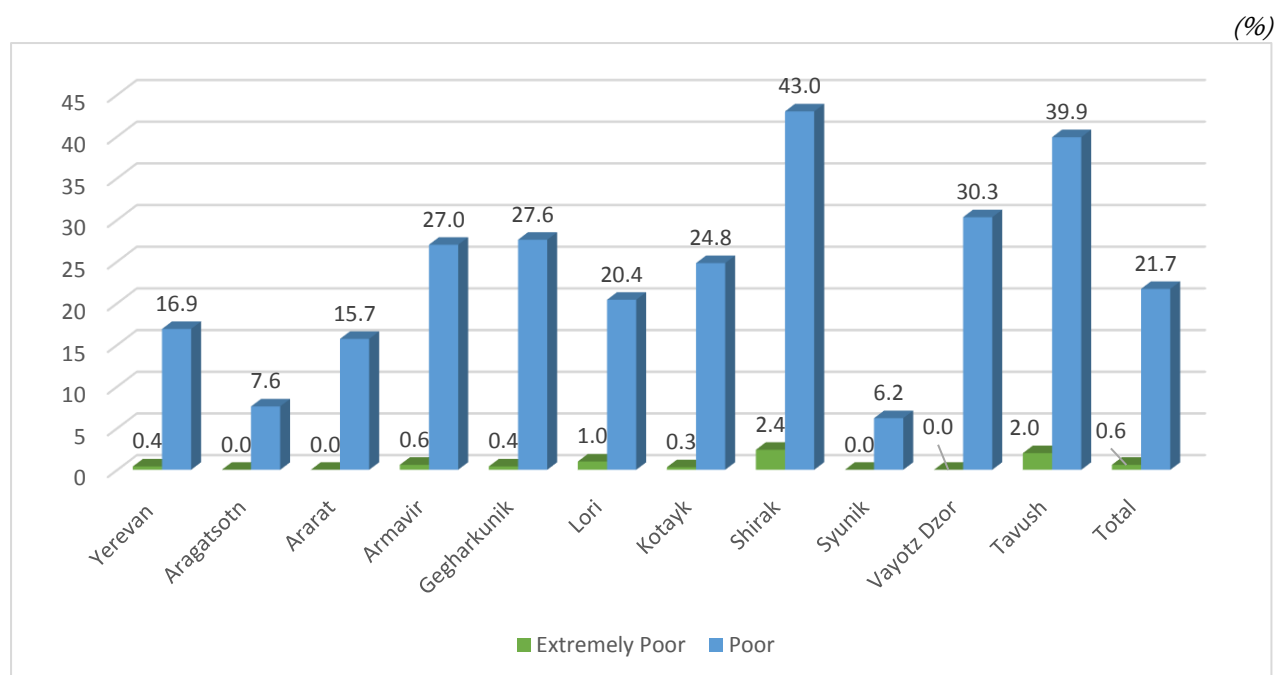


Source: *ILCS 2024*

### **2.3. Poverty by regions and in Yerevan:**

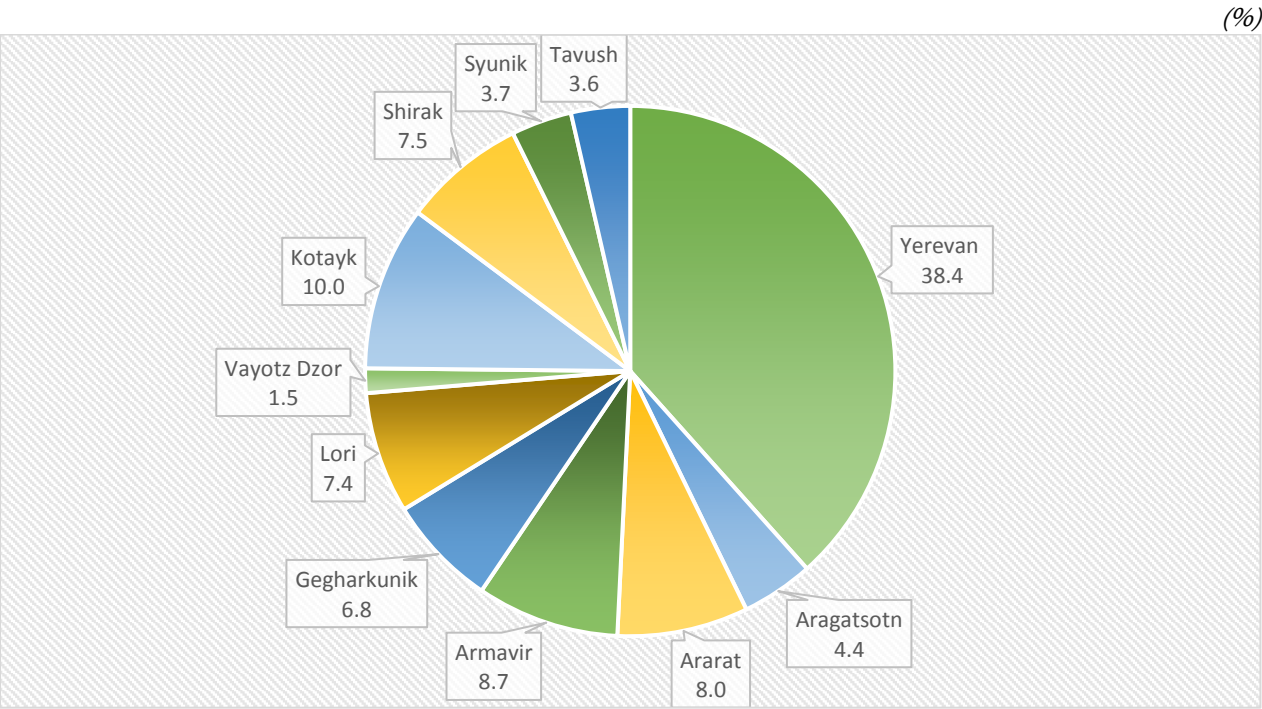
The results of the Integrated Living Condition Survey conducted by the Armstat in 2009-2024 provide for minimum representativeness by regions and in Yerevan distribution. Detailed information on the above is presented in Table 2.1

**Diagram 2.7 – Armenia: Share of population living under the national poverty line, by RA Regions and in Yerevan, 2024**



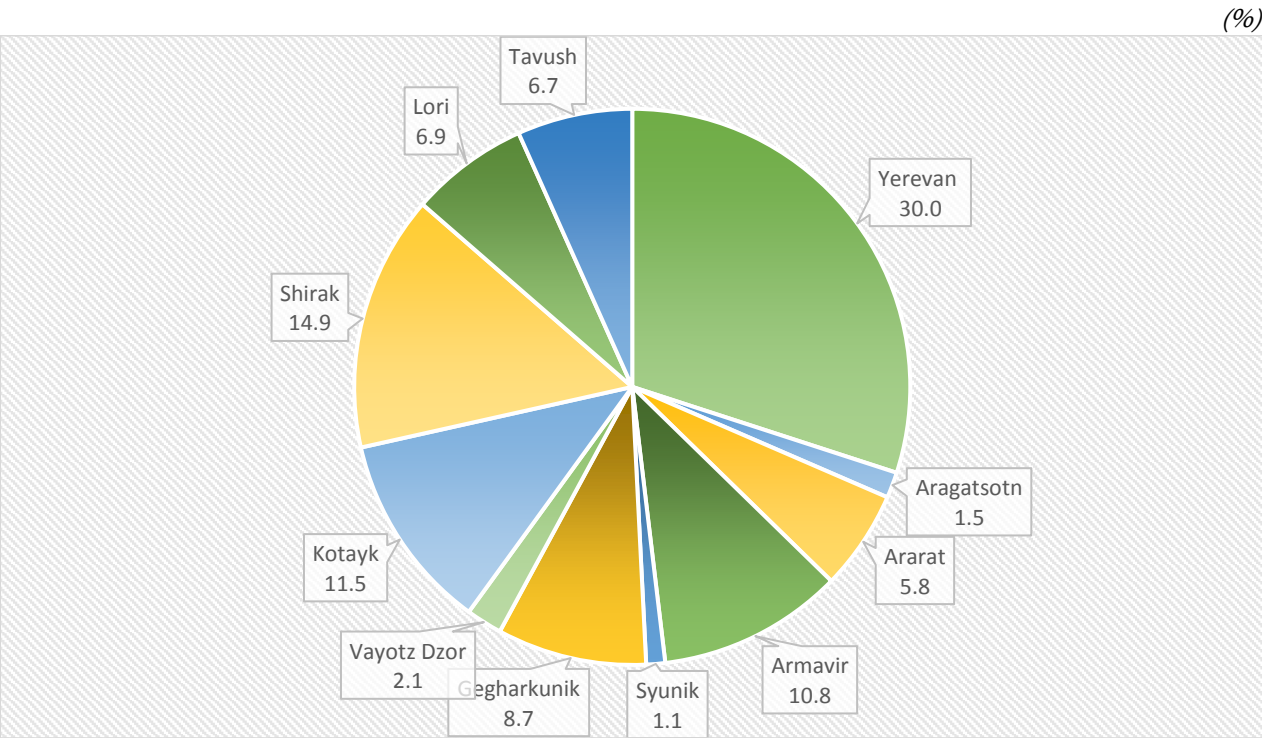
Source: *ILCS 2024*

Diagram 2.8 The Distribution of HH Members by RA Regions and in Yerevan, 2024



Source: ILCS 2024

Diagram 2.9 The Distribution of the Poor HH members by RA Regions and in Yerevan, 2024



Source: ILCS 2024

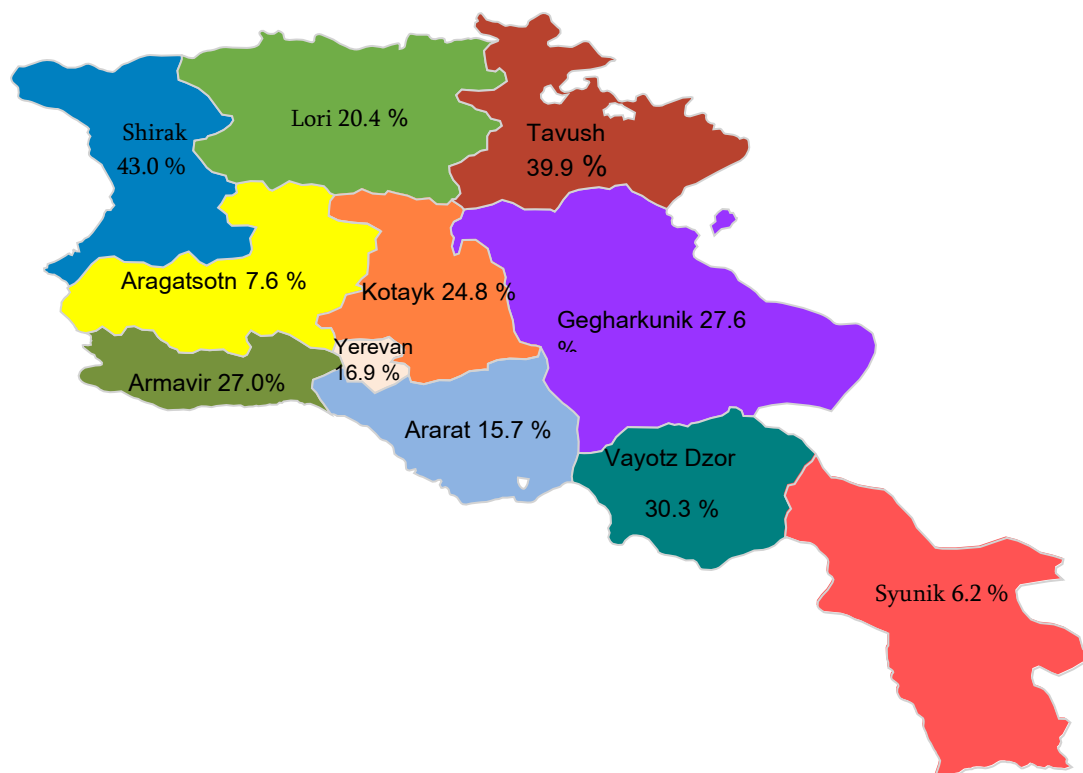
**Table 2.1.Armenia. Key Poverty Indicators, by RA Regions and in Yerevan, 2024 {95% confidence interval enclosed in curly braces}**

(%)

| Region      | Poor | 95% confidence interval |
|-------------|------|-------------------------|
| Yerevan     | 16.9 | {13.2 ; 20.7}           |
| Aragatsotn  | 7.6  | {4.0 ; 11.3}            |
| Ararat      | 15.7 | {10.7 ; 20.8}           |
| Armavir     | 27.0 | {20.0 ; 34.1}           |
| Gegharkunik | 27.6 | { 20.3 ; 35.0}          |
| Lori        | 20.4 | {14.0 ; 26.7}           |
| Kotayk      | 24.8 | {13.9 ; 35.8}           |
| Shirak      | 43.0 | {34.6 ; 51.5}           |
| Syunik      | 6.2  | {3.4 ; 9.0}             |
| Vayots Dzor | 30.3 | {21.1 ; 39.5}           |
| Tavush      | 39.9 | {29.8 ; 50.1}           |
| Total       | 21.7 | {19.5 ; 23.9}           |

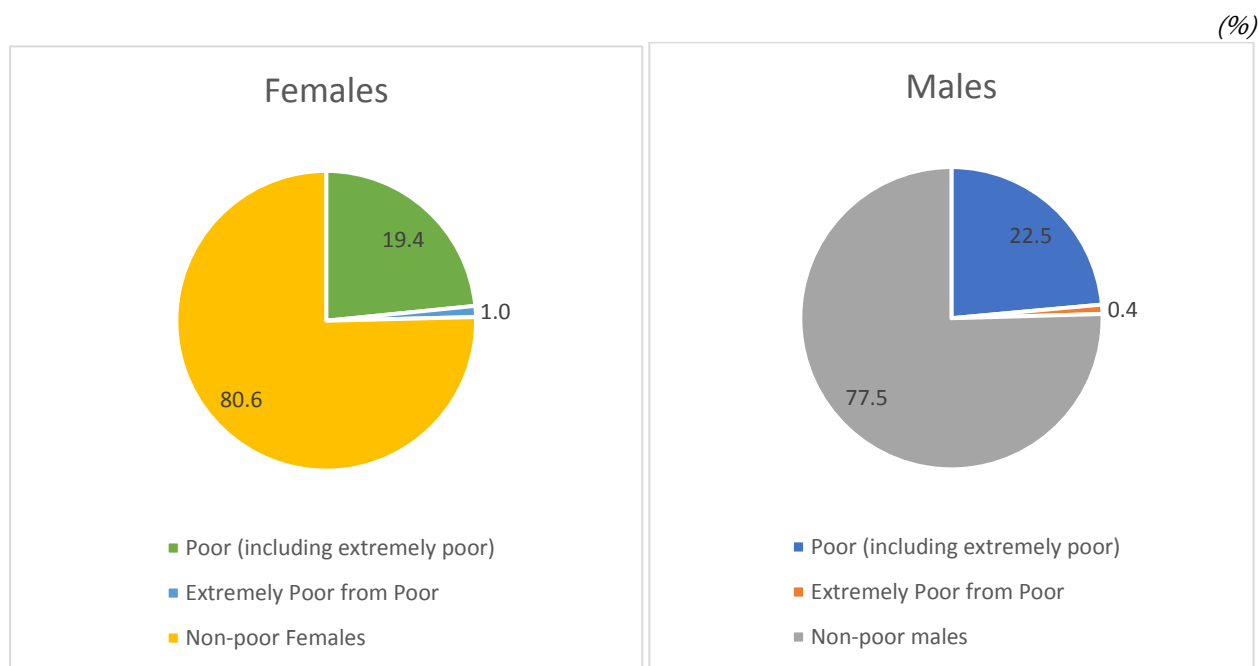
Source: *ILCS 2024*

MAP: Share of population living under the national poverty line, by RA Regions  
and in Yerevan, 2024



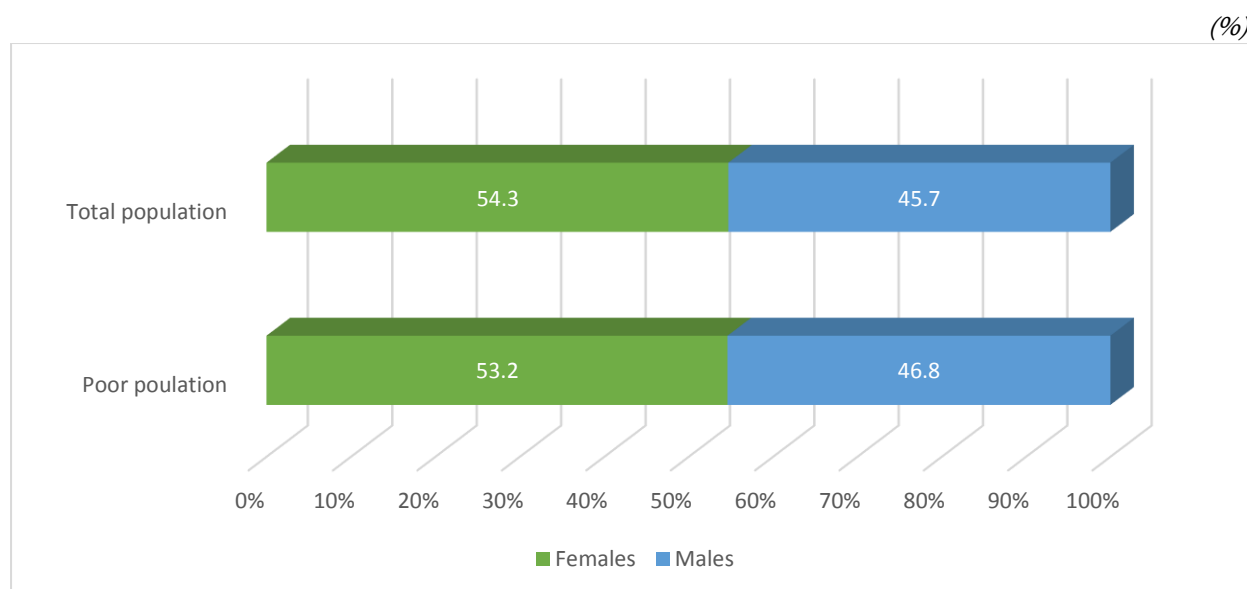
Source: *ILCS 2024*

**Diagram 2.10 – Armenia: Poverty Rate (including extremely poverty rate), by Gender in population, 2024**



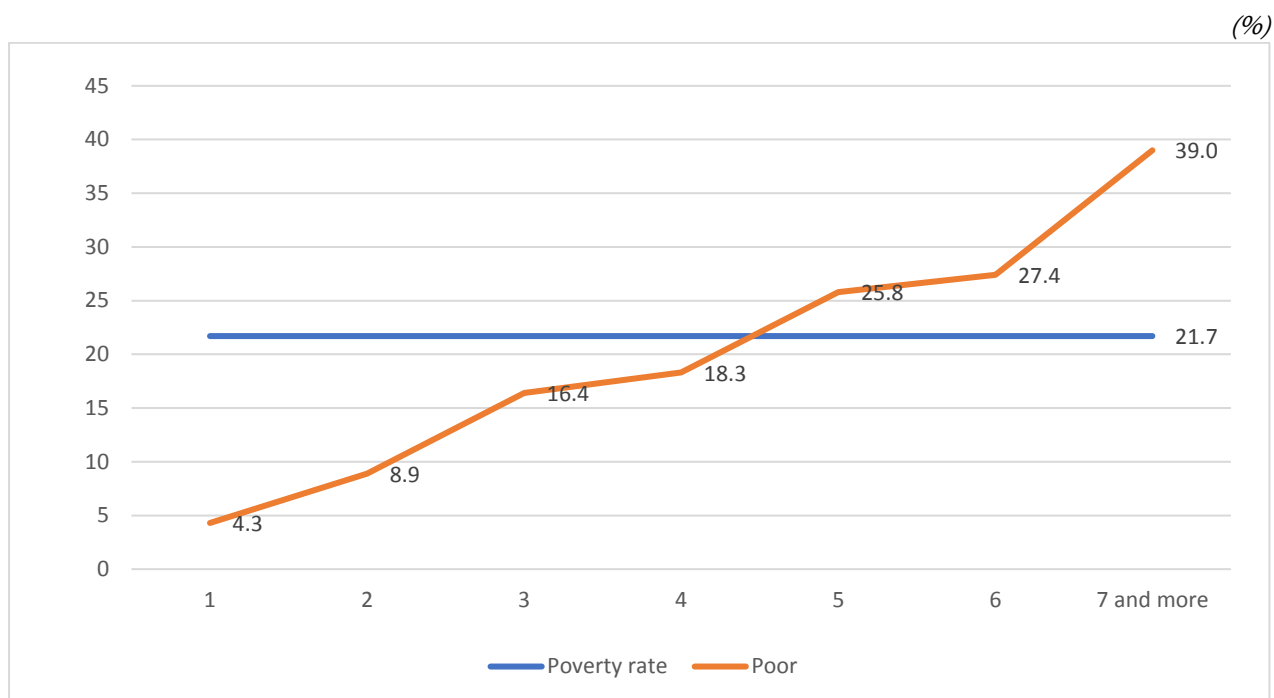
Source: *ILCS 2024*

**Diagram 2.11 The Ratio of Males and Females in the Structure of Poor and Total Population, 2024**



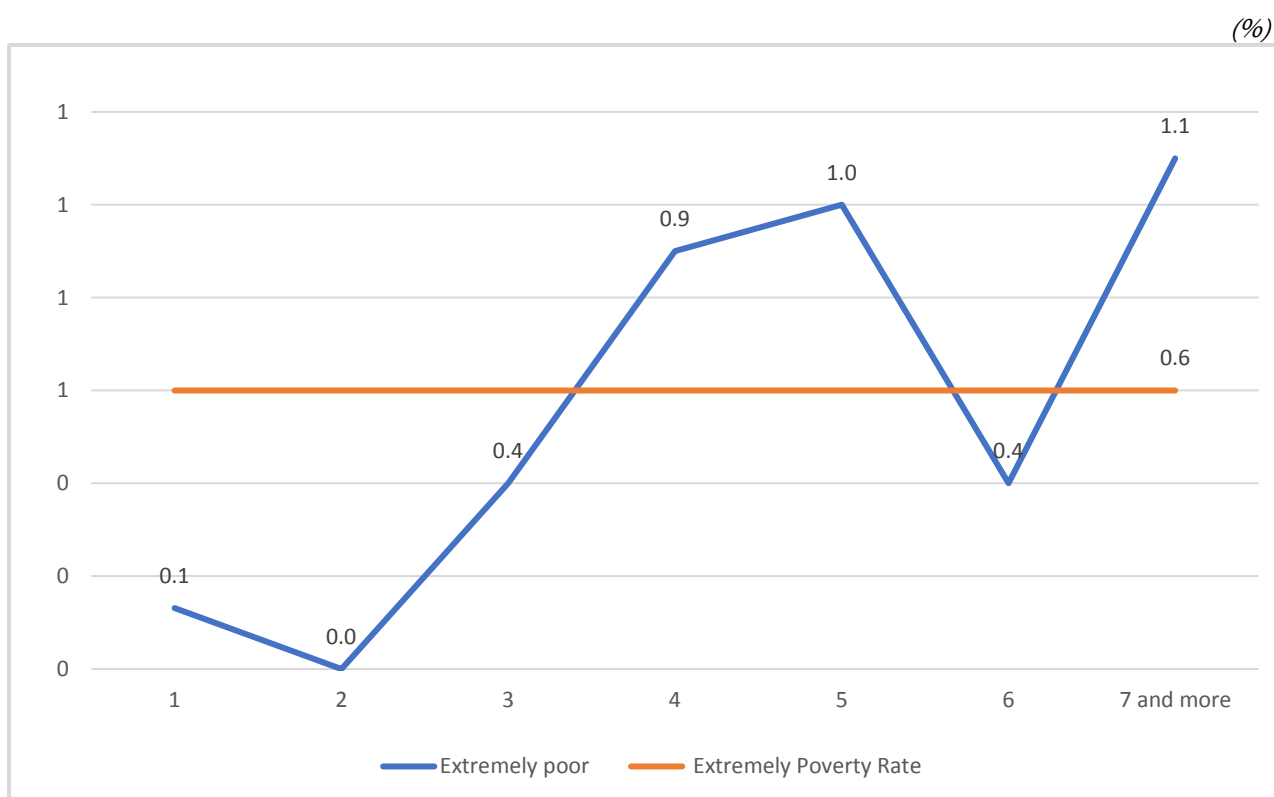
Source: *ILCS 2024*

Diagram 2.12 – Armenia: Poverty Rate by Household Members, 2024



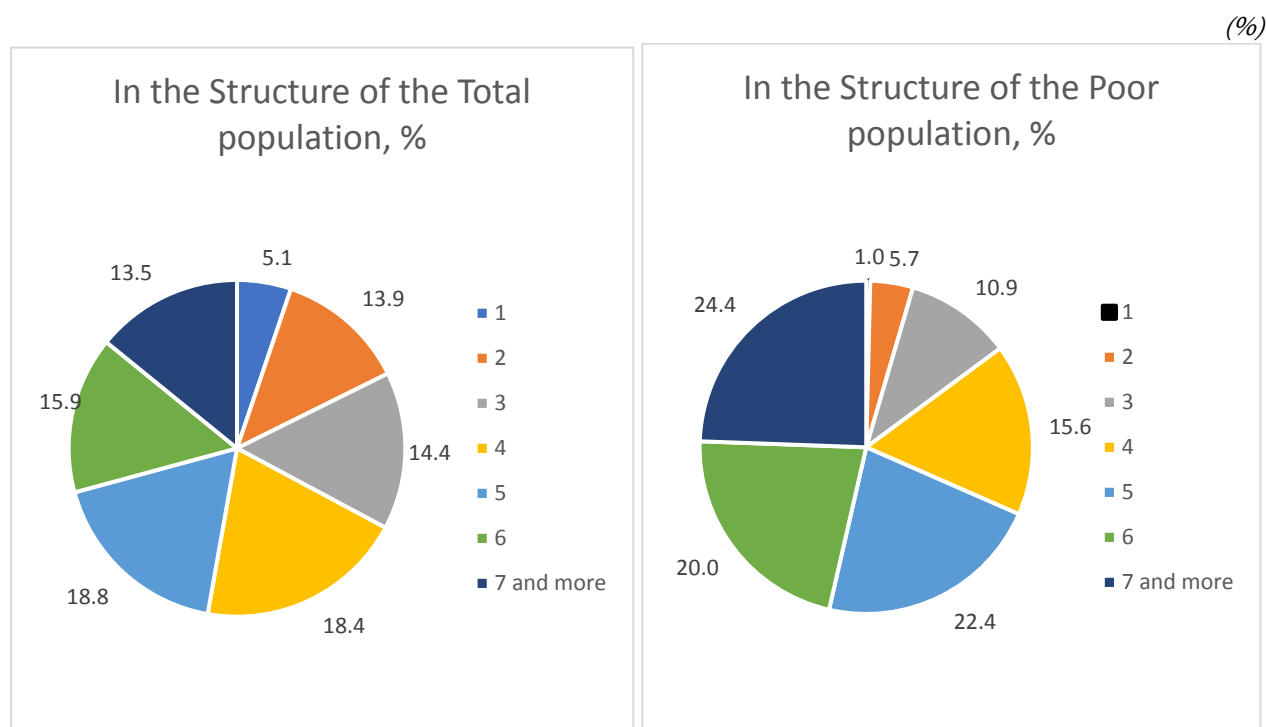
Source: *ILCS 2024*

Diagram 2.13 – Armenia: Extremely Poverty Rate by Household Members, 2024



Source: *ILCS 2024*

**Diagram 2.14 The Structure of the Total and the Poor Population by Number of HH Members, 2024**



Source: ILCS 2024

**Table 2.2 – Armenia: Poverty Indicators by Age Groups of HH members, 2024**

(%)

| Age group                | Extremely poor | Poor        | Share of the poor in the total number of poor population | Share of group in the total household members |
|--------------------------|----------------|-------------|----------------------------------------------------------|-----------------------------------------------|
| <b>Age groups (year)</b> |                |             |                                                          |                                               |
| 0-5 (children)           | 0.8            | 30.2        | 9.9                                                      | 7.2                                           |
| 6-9                      | 1.5            | 28.0        | 6.9                                                      | 5.4                                           |
| 10-14                    | 0.4            | 25.1        | 7.9                                                      | 6.8                                           |
| 15-17                    | 1.2            | 29.1        | 5.1                                                      | 3.8                                           |
| 18-19                    | 0.7            | 22.6        | 1.9                                                      | 1.8                                           |
| 20-24                    | 0.3            | 18.9        | 4.1                                                      | 4.7                                           |
| 25-29                    | 1.1            | 19.5        | 4.9                                                      | 5.4                                           |
| 30-34                    | 0.2            | 23.9        | 7.5                                                      | 6.8                                           |
| 35-39                    | 0.5            | 24.9        | 8.2                                                      | 7.1                                           |
| 40-44                    | 0.9            | 24.5        | 7.4                                                      | 6.6                                           |
| 45-49                    | 0.4            | 16.7        | 4.3                                                      | 5.6                                           |
| 50-54                    | 0.3            | 18.8        | 4.8                                                      | 5.5                                           |
| 55-59                    | 0.8            | 18.5        | 4.9                                                      | 5.8                                           |
| 60-64                    | 0.4            | 16.6        | 6.1                                                      | 7.8                                           |
| 65+                      | 0.5            | 17.7        | 16.1                                                     | 19.7                                          |
| <b>Total</b>             | <b>0.6</b>     | <b>21.7</b> | <b>100.0</b>                                             | <b>100.0</b>                                  |

Source: ILCS 2024

**Table 2.3 – Armenia: Poverty Rate, by Number of Children (under 6 Years of Age) and of Elderly (over 60 Years of Age), 2024**

(%)

| Number of children and elderly | Extremely poor | Poor        | Share of the poor in the total number of poor population | Share of group in the total household members |
|--------------------------------|----------------|-------------|----------------------------------------------------------|-----------------------------------------------|
| <b>Number of children</b>      |                |             |                                                          |                                               |
| No child                       | 0.5            | 18.3        | 59.6                                                     | 70.6                                          |
| 1 child                        | 0.7            | 25.7        | 23.0                                                     | 19.4                                          |
| 2 children                     | 0.8            | 33.8        | 12.8                                                     | 8.2                                           |
| 3 and more children            | 2.1            | 54.8        | 4.6                                                      | 1.8                                           |
| <b>Total</b>                   | <b>0.6</b>     | <b>21.7</b> | <b>100.0</b>                                             | <b>100.0</b>                                  |
| <b>Number of elderly</b>       |                |             |                                                          |                                               |
| No elderly                     | 0.5            | 19.9        | 35.4                                                     | 38.5                                          |
| 1 elderly                      | 0.8            | 21.0        | 33.9                                                     | 35.0                                          |
| 2 and more elderlies           | 0.5            | 25.1        | 30.7                                                     | 26.5                                          |
| <b>Total</b>                   | <b>0.6</b>     | <b>21.7</b> | <b>100.0</b>                                             | <b>100.0</b>                                  |

Source: *ILCS 2024*

**Table 2.4 – Armenia: Poverty Rate by HH Members, 2024**

(%)

| Household composition*                 | Extremely poor | Poor        | Share of the poor in the total number of poor population | Share of group in the total household members |
|----------------------------------------|----------------|-------------|----------------------------------------------------------|-----------------------------------------------|
| 1 adult, no children                   | 1.4            | 7.1         | 0.6                                                      | 1.9                                           |
| 1 adult, children                      | 0.0            | 29.3        | 0.6                                                      | 0.4                                           |
| 2 adults, no children                  | 0.0            | 13.8        | 6.2                                                      | 9.7                                           |
| 2 adults, 1 children                   | 1.8            | 25.4        | 5.3                                                      | 4.6                                           |
| 2 adults, 2 children                   | 0.0            | 26.3        | 2.3                                                      | 1.9                                           |
| 2 adults, 2 children and one old       | 1.0            | 27.4        | 2.7                                                      | 2.1                                           |
| Elderly people, no children, no adults | 0.4            | 7.5         | 3.8                                                      | 10.9                                          |
| 3 and more children                    | 0.0            | 46.9        | 2.3                                                      | 1.1                                           |
| 3 adults                               | 0.6            | 24.3        | 23.4                                                     | 20.8                                          |
| 4 adults                               | 1.2            | 25.5        | 15.1                                                     | 12.8                                          |
| Other                                  | 0.5            | 24.2        | 37.7                                                     | 33.8                                          |
| <b>Total</b>                           | <b>0.6</b>     | <b>21.7</b> | <b>100.0</b>                                             | <b>100.0</b>                                  |

Source: *ILCS 2024*

\* Adults are persons having reached the age of 18 and above, children are those below 6 years of age, and elderly are those above 60 years of age.

Table 2.5 – Armenia: Poverty Rate, by Gender of Household Head, 2024

(%)

| Gender of household head                          | Extremely poor | Poor        | Share of the poor in the total number of poor population | Share of group in the total household members |
|---------------------------------------------------|----------------|-------------|----------------------------------------------------------|-----------------------------------------------|
| Male-headed                                       | 0.4            | 22.5        | 74.4                                                     | 71.4                                          |
| Female-headed, <i>including</i>                   | 1.0            | 19.4        | 25.6                                                     | 28.6                                          |
| Female-headed, no children under 6 years of age   | 1.1            | 16.7        | 64.7                                                     | 75.1                                          |
| Female-headed, with children under 6 years of age | 0.8            | 27.5        | 35.3                                                     | 24.9                                          |
| <b>Total</b>                                      | <b>0.6</b>     | <b>21.7</b> | <b>100</b>                                               | <b>100</b>                                    |

Source: ILCS 2024

\* Adults are persons having reached the age of 18 and above, children are those below 6 years of age, and elderly are those above 60 years of age.

## 2.4. Poverty in Rural Communities

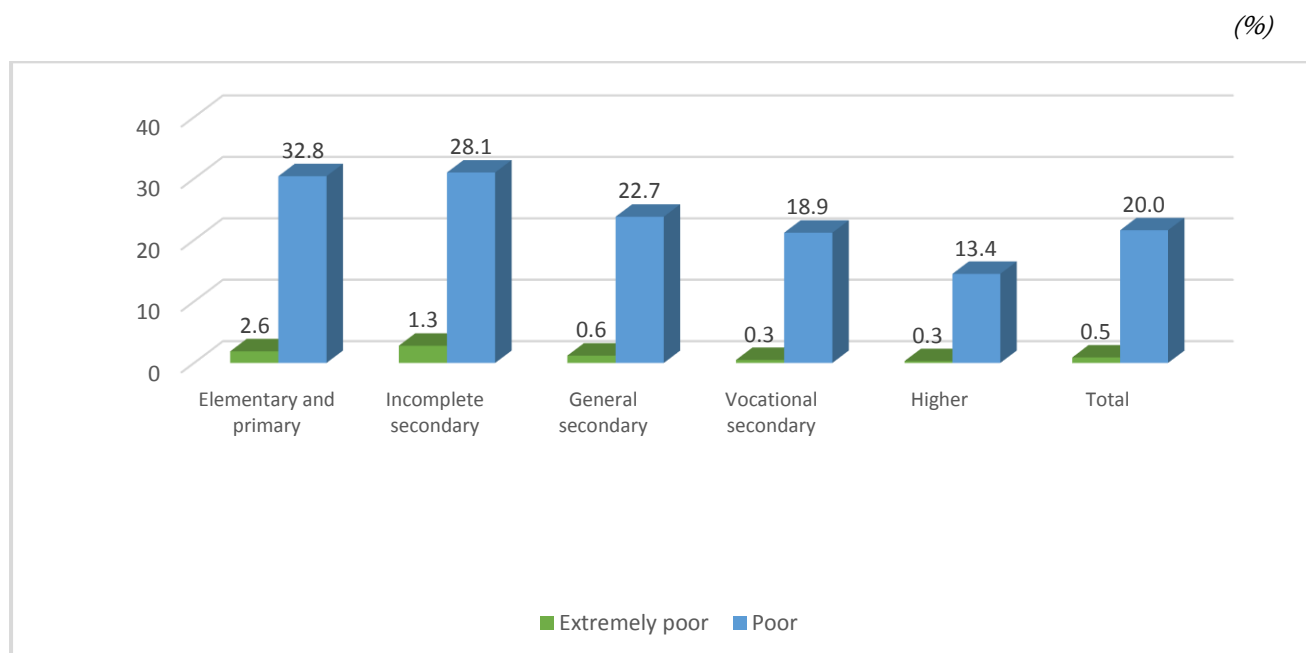
Table 2.6– Armenia: Poverty Rate in Rural Communities, by Availability and Size of Land,

(%)

| Size of land<br>(hectare)       | 2024           |                             |                                                          |                                                     |
|---------------------------------|----------------|-----------------------------|----------------------------------------------------------|-----------------------------------------------------|
|                                 | Extremely poor | Poor (excl. extremely poor) | Share of the poor in the total number of poor population | Share of group in the total rural household members |
| 0                               | 0.5            | 19.0                        | 10.5                                                     | 8.5                                                 |
| Up to 0.2                       | 0.6            | 20.0                        | 42.1                                                     | 41.2                                                |
| 0.2 – 0.5                       | 0.0            | 18.4                        | 11.0                                                     | 11.5                                                |
| 0.5 – 1                         | 1.0            | 23.5                        | 10.8                                                     | 11.1                                                |
| More than 1                     | 0.3            | 22.1                        | 25.6                                                     | 27.7                                                |
| <b>Total, rural communities</b> | <b>0.5</b>     | <b>20.7</b>                 | <b>100</b>                                               | <b>100</b>                                          |

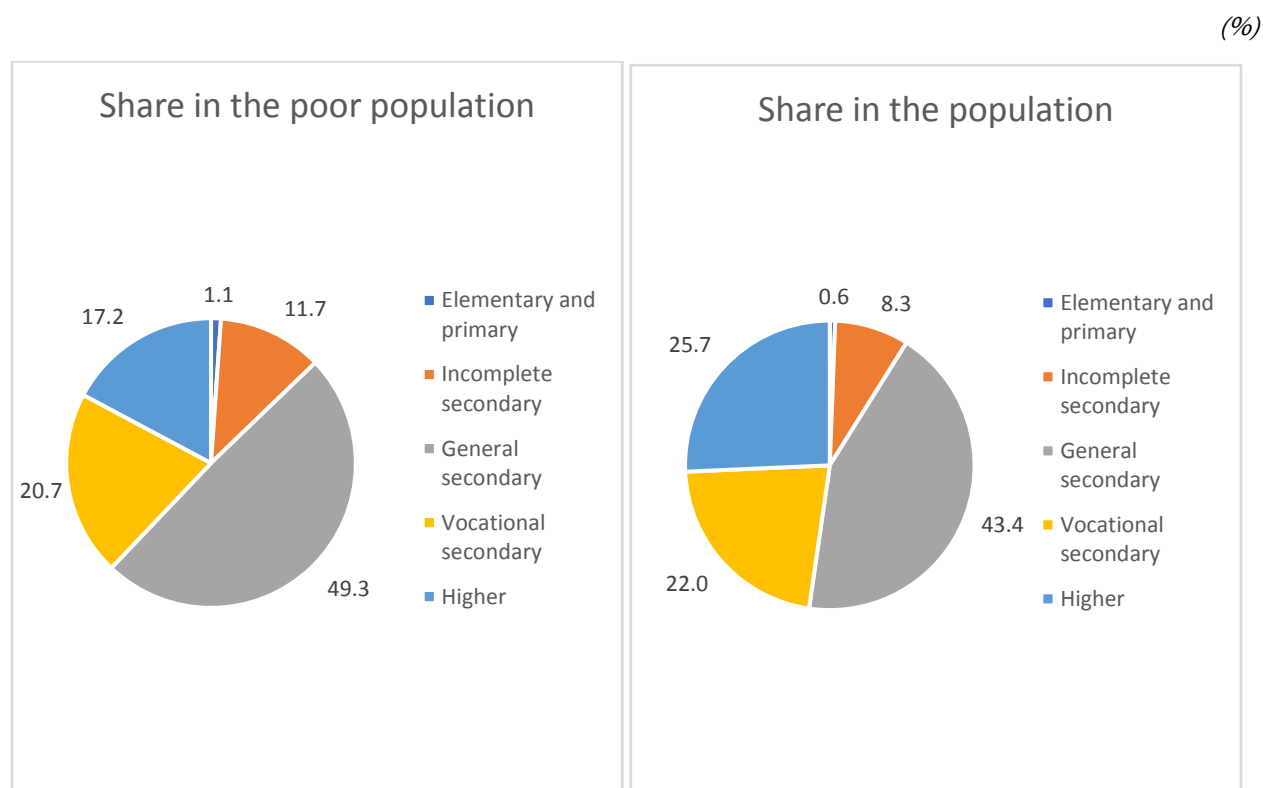
Source: ILCS 2024

**Diagram 2.15 – Armenia: Poverty of the Total HH Members Aged 16 and over by Educational Level, 2024**



Source: *ILCS 2024*

**Diagram 2.16 Poverty of the Poor and Total HH Members Aged 16 and over by Educational Level, 2024**



Source: *ILCS 2024*

**Table 2.7– Armenia: Poverty by Labor Market Participation, by Urban and Rural Areas of the Republic of Armenia, 2024**  
(for Population of 15-75 Years of Age)

(%)

| Labor market participation          | Extremely poor | Poor        | Distribution in the share of poor population aged 15-75 years | Group's Distribution in the share of total HH members aged 15-75 years |
|-------------------------------------|----------------|-------------|---------------------------------------------------------------|------------------------------------------------------------------------|
| <b>Total population</b>             |                |             |                                                               |                                                                        |
| Labour force                        | 0.5            | 19.7        | 64.4                                                          | 65.9                                                                   |
| Employed                            | 0.4            | 19.0        | 56.5                                                          | 59.9                                                                   |
| Wage employed                       | 0.4            | 17.6        | 34.8                                                          | 40.0                                                                   |
| Self-employed                       | 0.4            | 20.9        | 17.5                                                          | 16.9                                                                   |
| Other employed                      | 0.0            | 27.5        | 4.2                                                           | 3.0                                                                    |
| Unemployed                          | 1.5            | 26.4        | 7.9                                                           | 6.0                                                                    |
| Population outside the labour force | 0.7            | 21.1        | 35.6                                                          | 34.1                                                                   |
| Pensioners                          | 0.3            | 15.9        | 8.5                                                           | 10.8                                                                   |
| Students                            | 0.8            | 24.3        | 8.8                                                           | 7.3                                                                    |
| Other economically inactive         | 0.9            | 23.1        | 18.3                                                          | 16.0                                                                   |
| <b>Yerevan</b>                      |                |             |                                                               |                                                                        |
| Labour force                        | 0.5            | 14.9        | 58.8                                                          | 61.6                                                                   |
| Employed                            | 0.3            | 13.8        | 48.1                                                          | 54.3                                                                   |
| Wage employed                       | 0.3            | 14.7        | 44.6                                                          | 47.4                                                                   |
| Self-employed                       | 0.0            | 7.9         | 3.5                                                           | 6.9                                                                    |
| Other employed                      | 0.0            | 0.0         | 0.0                                                           | 0.0                                                                    |
| Unemployed                          | 2.2            | 23.1        | 10.7                                                          | 7.3                                                                    |
| Population outside the labour force | 0.3            | 16.8        | 41.2                                                          | 38.4                                                                   |
| Pensioners                          | 0.0            | 13.8        | 11.5                                                          | 13.1                                                                   |
| Students                            | 0.0            | 15.8        | 7.2                                                           | 7.2                                                                    |
| Other economically inactive         | 0.5            | 19.4        | 22.5                                                          | 18.1                                                                   |
| <b>RA other urban</b>               |                |             |                                                               |                                                                        |
| Labour force                        | 0.4            | 20.7        | 56.9                                                          | 58.8                                                                   |
| Employed                            | 0.4            | 19.5        | 46.4                                                          | 50.8                                                                   |
| Wage employed                       | 0.3            | 18.4        | 35.2                                                          | 40.9                                                                   |
| Self-employed                       | 0.6            | 24.5        | 11.0                                                          | 9.6                                                                    |
| Other employed                      | 0.0            | 13.4        | 0.2                                                           | 0.3                                                                    |
| Unemployed                          | 0.9            | 28.1        | 10.5                                                          | 8.0                                                                    |
| Population outside the labour force | 1.2            | 22.3        | 43.1                                                          | 41.2                                                                   |
| Pensioners                          | 0.8            | 16.7        | 12.4                                                          | 15.9                                                                   |
| Students                            | 2.4            | 23.8        | 8.5                                                           | 7.6                                                                    |
| Other economically inactive         | 1.0            | 26.8        | 22.2                                                          | 17.7                                                                   |
| <b>Rural</b>                        |                |             |                                                               |                                                                        |
| Labour force                        | 0.5            | 23.5        | 73.6                                                          | 76.5                                                                   |
| Employed                            | 0.5            | 23.2        | 69.7                                                          | 73.5                                                                   |
| Wage employed                       | 0.8            | 21.9        | 27.4                                                          | 30.6                                                                   |
| Self-employed                       | 0.4            | 23.1        | 32.4                                                          | 34.2                                                                   |
| Other employed                      | 0.0            | 28.1        | 9.9                                                           | 8.7                                                                    |
| Unemployed                          | 0.9            | 31.9        | 3.9                                                           | 3.0                                                                    |
| Population outside the labour force | 0.9            | 27.4        | 26.4                                                          | 23.5                                                                   |
| Pensioners                          | 0.0            | 21.3        | 3.6                                                           | 4.1                                                                    |
| Students                            | 0.4            | 34.2        | 10.2                                                          | 7.3                                                                    |
| Other economically inactive         | 1.6            | 25.4        | 12.6                                                          | 12.1                                                                   |
| <b>Total</b>                        | <b>0.6</b>     | <b>20.3</b> | <b>100.0</b>                                                  | <b>100.0</b>                                                           |

Source: *ILCS 2024*

## 2.5. HH Consumption, Income, and Inequality in Their Distribution

Inequality indicators measured by the Gini coefficient indicate that polarization of the population in Armenia is deeper in terms of income distribution than that in terms of consumption distribution.

**Table 2.8 – Armenia: Consumption and Income Inequality, 2024**

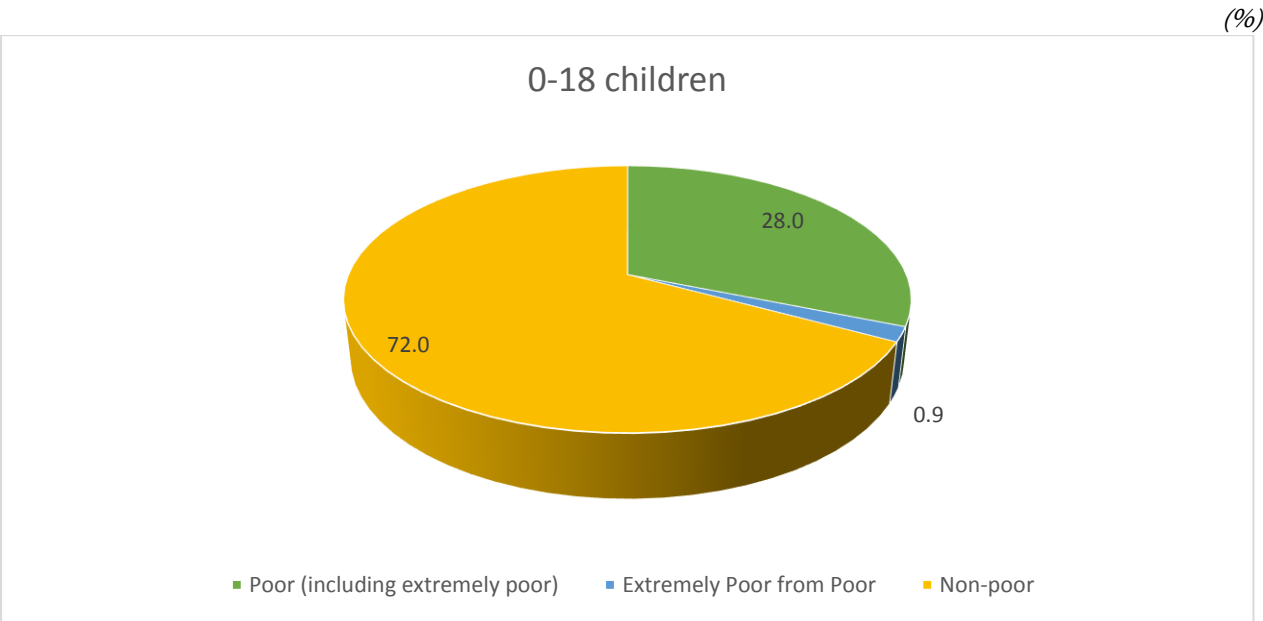
| Gini<br>coefficient | Consumption | Income |
|---------------------|-------------|--------|
|                     | 0.232       | 0.339  |

Source: *ILCS 2024*

2.6. Child Poverty Rates, 2024

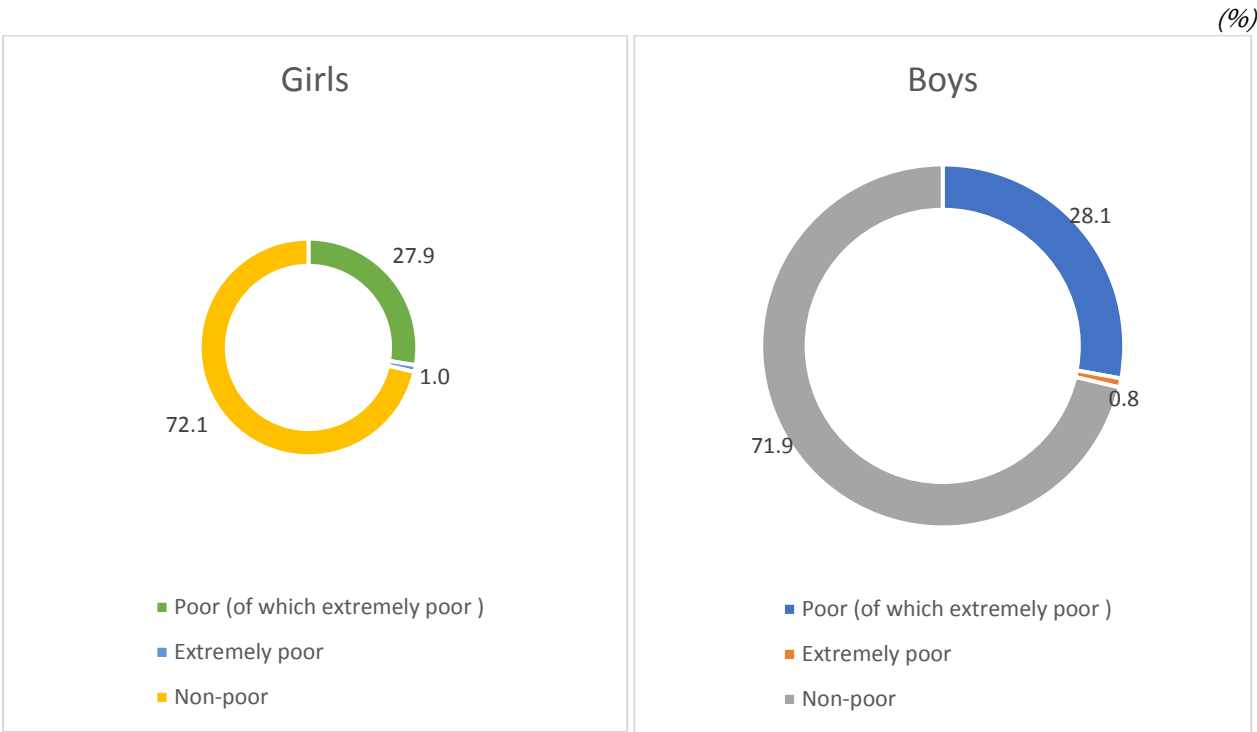
According to the data for 2024 27.9% of girls and 28.1% of boys are poor. In particular, extreme poverty rates are 1.0% for girls and 0.8 for boys.

Diagram 2.17 Armenia: Child Poverty Rates (0-18 children), 2024



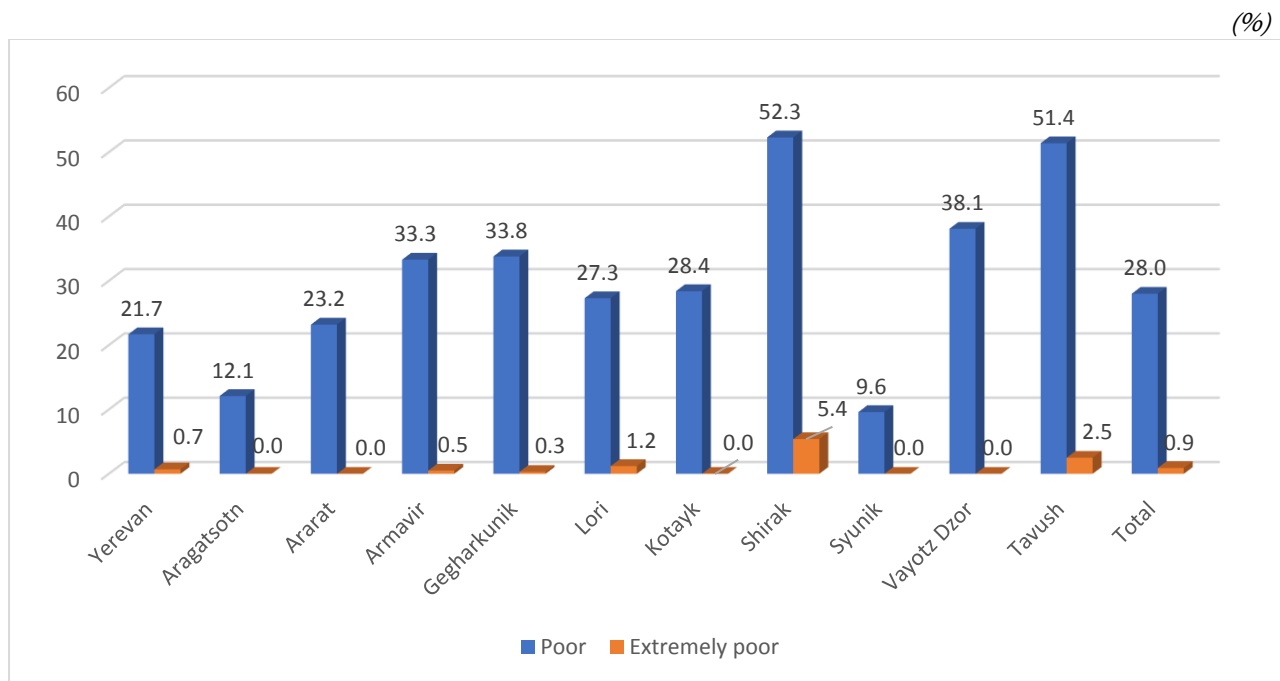
Source: ILCS 2024

Diagram 2.18. Armenia: Poverty Rates of Girls and Boys Aged 0-18, 2024



Source: ILCS 2024

**Diagram 2.19 Armenia: Child Poverty Rates in Yerevan and RA Regions (Aged 0-18), 2024**



*Source: ILCS 2024*

## 2.7. Relative Poverty

Poverty in Armenia is estimated by comparing the consumption aggregate with the average poverty line. This methodology uses the cost of basic consumption needs to calculate the poverty line and considers households below a certain absolute threshold to be poor.

In contrast, the concept of relative poverty uses the notion of social exclusion and considers households living on less than 60 percent of median income as poor. This methodology is widely used in the European Union countries and builds around the idea that poverty is no longer described as the inability to afford basic things in life but rather as the possibility for some groups to fall below the general living standards of the population. The relative poverty line is calculated as a percentage fraction of household median income for each year. Countries in the European Union typically use 60 percent of median income as the relative poverty line and refer to it as the “at-risk-of-poverty threshold”.

The relative poverty rate captures inequalities in the society with a focus on the poor and the vulnerable. Generally speaking, an increase in the relative poverty normally describes a situation where income growth rate for the households at the bottom of the welfare distribution is slower than that for the households in the middle of the distribution. The concept of relative poverty is often heavily criticized because relative poverty rates also decrease when all households become poorer in absolute terms, and the income of the middle groups falls faster than that of the bottom groups (something that happened in many countries of the European Union due to the global economic crisis).

**Table 2.9.– Armenia: Relative Poverty Measured at 60 Percent of Median Monthly Nominal Income and Equalized Median Income**

|                         |          |
|-------------------------|----------|
| Relative poverty rate % | 19.8     |
| Median income AMD       | 95929.09 |

Source: 2024

## 2.8. International Poverty Rate in Armenia and Comparator Countries

### Global update of the international poverty line

**Under its mandate to calculate key indicators of poverty and shared prosperity, the WB produces international poverty estimates comparable across countries and years.** The guiding principle of international poverty estimates is to count the number of poor people in the world in terms of some absolute standard to measure progress on global goals set by the WB, the United Nations, and other development partners. While at the national-level poverty estimations that consider local patterns of consumption are more appropriate for country-specific analysis, underpinning policy dialogue or targeting programs to reach the poorest, the international poverty estimates allow for comparisons across countries with very different national poverty measurement methodologies.

**International poverty estimates are based on the international poverty lines and are useful for international comparisons and cross-country benchmarking.** Differences in purchasing power across countries, as well as in terms of the methodological approaches used to calculate national poverty lines and welfare aggregate make the use of national poverty rates for international comparisons difficult, thus providing a rationale for an international poverty line. This line complements national poverty lines and can help benchmark the situation in a particular country or its relative performance when it comes to poverty reduction efforts. However, national poverty lines should still be the preferred tool for in-country dialogues as they best capture each country's context.

**The WB monitors poverty under alternative thresholds expressed by the international poverty lines (IPLs).** The IPLs reflect the median national poverty line of countries in their respective income groups (lower, lower-middle, and upper-middle income countries). Moreover, the Purchasing Power Parities (PPPs) are used to convert the value of the IPLs to local currencies, hence, affecting the calculation of comparable poverty rates across countries. In other words, PPPs are used in the measurement of global poverty to convert household income or consumption into a common currency while accounting for price differences across countries. As differences in price levels across the world evolve, the IPLs are updated periodically to reflect these changes. Recently, the International Comparison Program (ICP) published PPPs for the 2021 reference year. For Armenia, the factor decreased from 167.31 (2017 PPP) to 164.23 (2021 PPP).

**The WB adopted new international poverty thresholds in June 2025, following the release and analysis of the 2021 PPPs.** With the new PPPs, the international poverty line—used to measure extreme poverty—changed from \$2.15 (2017 PPP) to \$3.0 (2021 PPP). This means that all individuals living on less than \$3.0 a day are considered as living in extreme poverty. The higher poverty lines typically used to measure poverty in lower-middle- and upper-middle-income countries (including Armenia) were updated to \$4.2

and \$8.3 (2021 PPP), respectively. Table 2.10 summarizes the changes in the IPLs and Appendix 1 presents a more detailed methodological explanation of these changes.<sup>3</sup>

**Table 2.10. Updated International Poverty Lines**

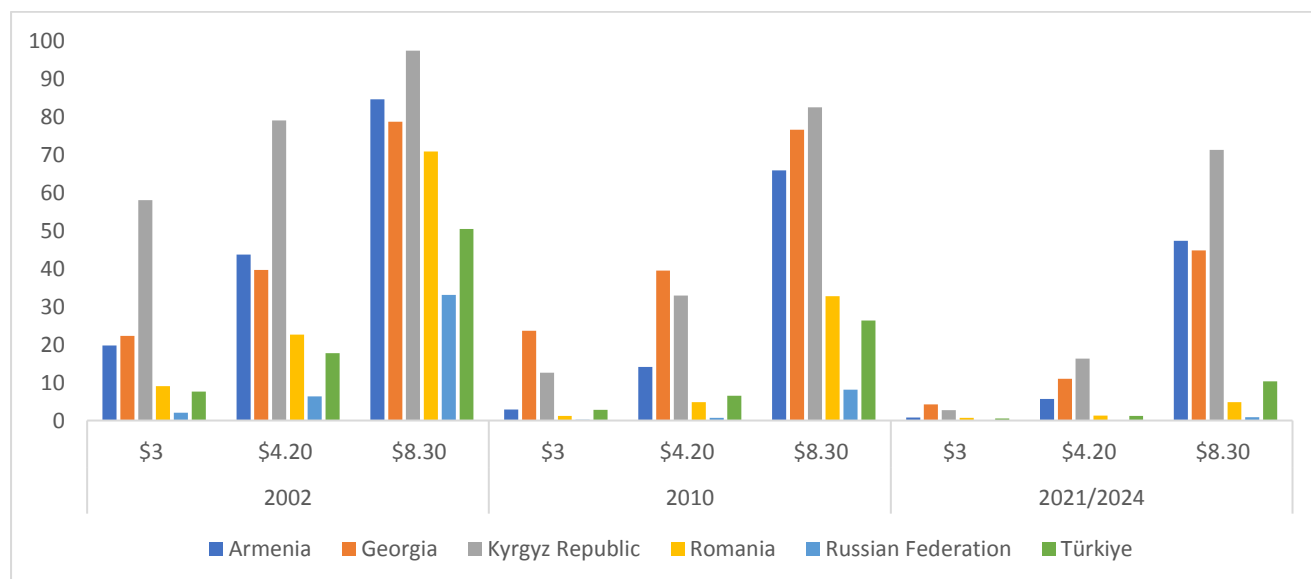
| International Poverty Lines for:     | A                               | B                          |
|--------------------------------------|---------------------------------|----------------------------|
|                                      | Previous IPLs based on 2017 PPP | New IPLs based on 2021 PPP |
| Low-Income Countries (LIC)           | 2.15                            | 3.0                        |
| Lower-Middle Income Countries (LMIC) | 3.65                            | 4.2                        |
| Upper-Middle Income Countries (UMIC) | 6.85                            | 8.3                        |

Source: WB.

**Second, for constructing internationally comparable welfare aggregates, the WB harmonizes information collected in local household surveys, maximizing comparability across countries for constructing a common welfare aggregate.** Welfare aggregates are adjusted by applying the new 2021 PPP factor obtained for each country so that they all are expressed in terms of the same purchasing power. Based on those welfare aggregates, the WB produces internationally comparable poverty rates for countries by applying the IPLs. It is worth noting that the changes to PPPs and the international poverty thresholds do not affect the national consumption aggregate or national poverty calculations.

**The poverty trends for Armenia and other countries were recalculated, retroactively, after the adoption of the new international poverty thresholds expressed in 2021 PPPs.** Results for Armenia and other countries of the region are presented in Figure 2.20.

**Figure 2.20: Internationally comparable poverty rates, selected years 2002-2024**



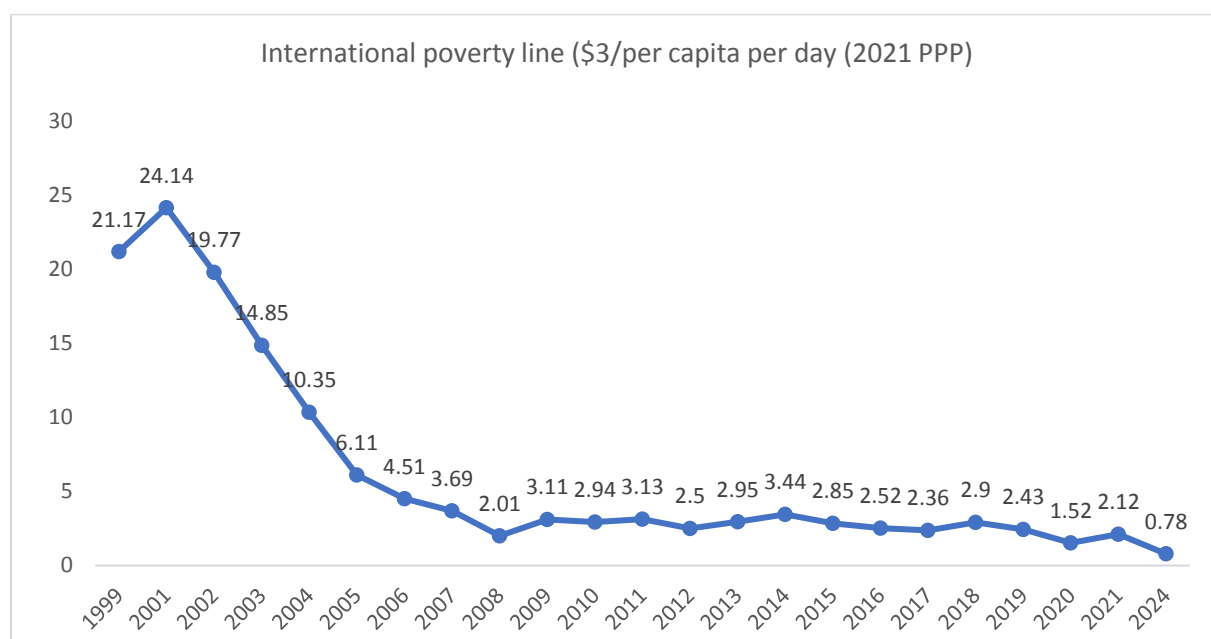
Source: PovcalNet and ECAPOV calculations. Notes: Latest available years of data: Armenia (2024), Georgia (2024), Kyrgyz Republic (2023), Romania (2023), Russian Federation (2023), Türkiye (2022).

<sup>3</sup> Details are available in Elizabeth Mary Foster;Dean Mitchell Jolliffe;Christoph Lakner;Gabriel Lara Ibarra;Samuel Kofi Tetteh Baah.2025. Global Poverty Revisited Using 2021 PPPs and New Data on Consumption. Washington, D.C. : World Bank Group. <https://documentsinternal.worldbank.org/search/40019299> .

**Figures 2.21. and 2.22. show the poverty trends at the international poverty line, lower middle-income class, and upper middle-income class poverty lines applying the IPLs expressed in the 2021 PPP.** Poverty at the international poverty line (\$3.0, 2021 PPP) has fallen drastically since 2001 and remains very low with rates below 3.0% since 2015, reaching 0.8 in 2024. The incidence of poverty measured under the lower middle-income class poverty line (\$4.2, 2021 PPP) was 5.7 percent in 2024, a decrease of 1.3 percentage points from 8.8 percent in 2021. The poverty rate at the upper middle-income class poverty line (\$8.3, 2021 PPP) showed a significant change in 2024. The poverty rate in 2024 stood at 47.4 percent, compared to 57.0 percent in 2021.

**The observed decline in poverty between 2021 and 2024 reflects a period of strong and broad-based improvements in household welfare.** Real GDP per capita rose markedly, from about 2.36<sup>4</sup> million to 3.36 million LCU, an nominal increase of roughly 42 percent, while private consumption expanded by 2.1<sup>5</sup> percent in 2021 and 7.1 percent in 2024. Over the same period, unemployment fell from 15.5 to 13.4<sup>6</sup> percent, and inflation declined to 0.3 percent in 2024 down from 7.2 percent in 2021<sup>7</sup>, helping preserve real purchasing power for low-income households. Taken together, these macroeconomic dynamics supported sustained consumption growth and enabled many households to move above international poverty thresholds.

**Figure 2.21: Armenia poverty trend using the international poverty line**



Source: ILCS 2002-2024. Estimates from WB Poverty and Inequality Platform (November 2025) and ECAPOV. Notes: Poverty calculations applying the 2021 PPP factor.

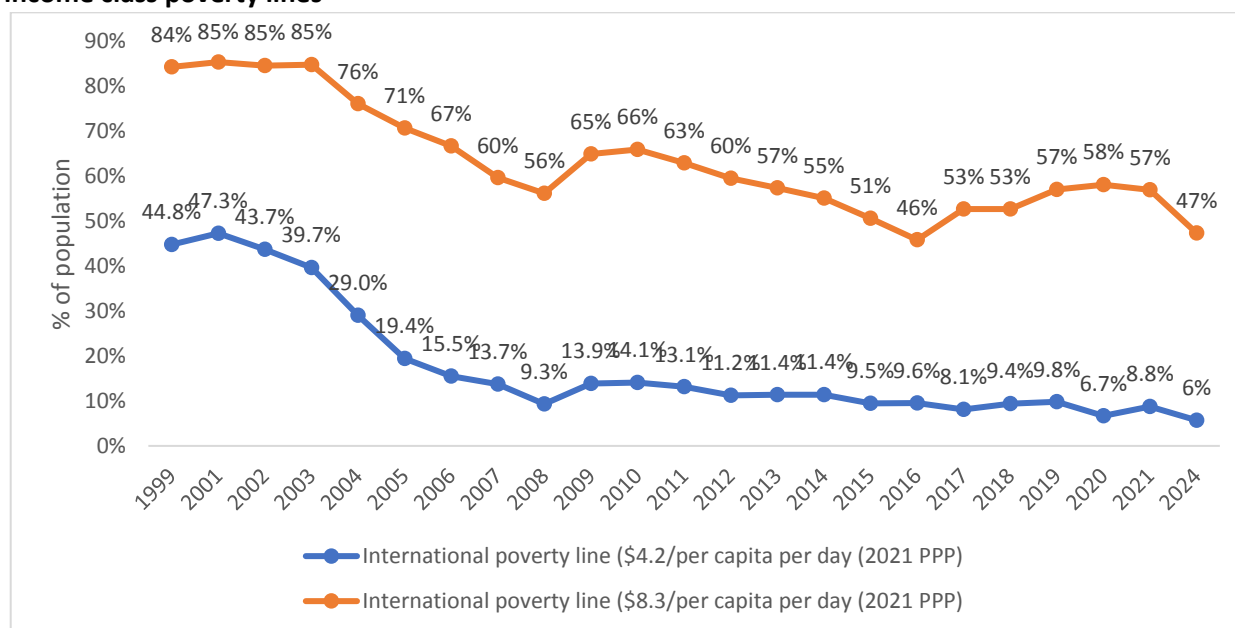
<sup>4</sup> Indicator is calculated based on average annual number of de jure population of RA.

<sup>5</sup> <https://www.armstat.am/en/?nid=202>

<sup>6</sup> <https://www.armstat.am/en/?nid=202>

<sup>7</sup> <https://statbank.armstat.am/pxweb/en/ArmStatBank/?rxid=9ba7b0d1-2ff8-40fa-a309-fae01ea885bb>

**Figure 2.22: Armenia Poverty trend using the international lower middle-income and upper middle-income class poverty lines**



**Source:** ILCS 2002-2024 and WB Poverty and Inequality Platform (retrieved November 2025). **Notes:** Poverty calculations applying the 2021 PPP factor.

## 2.9. Multi-dimensional Poverty in Armenia<sup>8</sup>

**Poverty has been described as a deprivation in wellbeing, a lack of key capabilities, and a type of "economic scarcity" of basic needs.** A measure of multi-dimensional poverty captures the complexity, depth and persistence of poverty and offers important information to complement the analysis of monetary (consumption) poverty. The Armenian national measure for multi-dimensional poverty was launched in 2016 by the National Statistical Service of the Republic of Armenia and accompanied by a working paper and online interactive dashboard in 2017 (Martirosova et al. 2017).<sup>9</sup>

**Monetary poverty in itself is multi-dimensional but does not describe all the aspects of wellbeing.** By construction, good health and adequate education are dimensions not necessarily fully captured by monetary poverty. These two dimensions can be partly accounted for in household expenses but pricing the value of public services is challenging. In addition, both health and education have additional values that might not be reflected by the cost of the goods consumed. In the same way, having a job has an intrinsic significance beyond the salary earned; it gives a sense of accomplishment and of belonging to the community and society. Having adequate and affordable housing and heating is essential for the standard of living today, as well as the possibility of accumulating and maintaining human capital for the future. From a policy perspective, deprivations are areas of human development where gaps in endowments are often persistent over time; hence, deprivations can negatively influence the future capacity of a household to escape poverty and vulnerability. Deprivations selected for examining multi-dimensional poverty are thus meant to complement the analysis on monetary poverty with information that has a non-pecuniary value.

<sup>8</sup> This sub-section was developed jointly by the Statistical Committee of the Republic of Armenia and the World Bank.

<sup>9</sup> Martirosova, Diana; Inan, Osman Kaan; Meyer, Moritz; Sinha, Nistha. 2017. The many faces of deprivation: a multidimensional approach to poverty in Armenia. Poverty and Equity Global Practice Working Paper Series; no. 117. Washington, D.C.: World Bank Group.

**The national measure of multi-dimensional poverty is tailored towards the country context and reflects a series of consultations with stakeholders on how to describe the experience of poverty in the country.** While this approach limits international comparability, the value-added of the national measure comes from the close alignment with deprivations as identified by Armenians themselves. For instance, increases in prices for gas and electricity may require many households to allocate larger amounts to finance higher cost for heating; at the same time, the share of households that uses wood or coal to heat their homes may also increase. In an environment where these circumstances shape the experience of poverty, the measure of multi-dimensional poverty includes deprivation of "healthy heating". This deprivation not only emphasizes the importance of decent housing conditions, but it also accounts for the negative implications of the abovementioned mitigation strategies with regards to health and the environment.

**The selection of deprivations reflects the experience of poverty in Armenia and facilitates a discussion on policies for improving well-being.** The five dimensions in the measure are *basic needs, housing, education, labor and health*. The measure builds on data from the ILCS, allowing for nationally representative temporal analysis that can be linked to monetary poverty. Table 2.10. summarizes the dimensions and indicators which allow for a subjective evaluation of deprivations.

**Table 2.11.: Selected dimensions and indicators for a measure of multi-dimensional poverty<sup>10</sup>**

| <b>Deprivation</b>                          | <b>A household is deprived, if ...</b>                                                                                                                                                                  |
|---------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Dimension: Basic needs</b>               |                                                                                                                                                                                                         |
| Extreme poverty                             | Not having access to minimum requirement of food (according to national poverty measurement methodology and FAO recommendations)                                                                        |
| Life in dignity                             | Not having funds to buy, when necessary, food and/or cloths                                                                                                                                             |
| Humanitarian aid                            | Being dependent on humanitarian assistance to ensure basic functioning of living                                                                                                                        |
| Remittance dependent                        | Being dependent on remittances to ensure basic functioning of living or being in extreme (food) poverty                                                                                                 |
| <b>Dimension: Housing</b>                   |                                                                                                                                                                                                         |
| Satisfaction of housing conditions          | Not having access to adequate housing: housing conditions are evaluated as bad or very bad                                                                                                              |
| Adequate housing                            | Not having access to adequate housing: available housing requires major repairs, is dump, slum, or old; adequate flooring and adequate walls                                                            |
| Overcrowding                                | Available housing floor space does not exceed 20 sq. meters per person adult equivalent                                                                                                                 |
| Healthy heating                             | Household uses wood, carbon or other heating means as primary source for heating                                                                                                                        |
| Centralized water system                    | No access (use) to centralized water system                                                                                                                                                             |
| Centralized sanitation and garbage disposal | No access (use) to centralized sanitation or garbage disposal system                                                                                                                                    |
| Hot running water                           | No access (use) of hot running water                                                                                                                                                                    |
| Quality of paid public services             | Not satisfied in one third or more paid services (relative to all answered): water supply, sanitation, garbage collection, telephone, electric supply, post, banking, irrigation, public transportation |
| Access to transportation                    | Not having access to opportunities: no or poor transportation and road networks (all-year road)                                                                                                         |
| <b>Dimension: Education</b>                 |                                                                                                                                                                                                         |
| No secondary education                      | Present: all household member between the age of 15 years and 75 years have less than secondary education (vocational or professional)                                                                  |
| Schooling enrollment rate                   | Future: at least one child of compulsory schooling age between 6 and 17 years is not attending school                                                                                                   |
| Access to education services                | Not having access to kindergarten, complete secondary school, primary (general) school in the neighborhood                                                                                              |
| Quality of education services               | Not satisfied with education services                                                                                                                                                                   |

<sup>10</sup> Given the changes introduced in the CB ILCS questionnaire in 2019, not all indicators above could be constructed in 2019. Therefore, the following indicators are not available for 2023: Access to transportation, Quality of education services, Termination of usual activity, and Access to health facilities. In absence of these indicators, the construction and the comparability of the multidimensional poverty index become difficult.

| <b>Dimension: Labor</b>                     |                                                                                                                                                                                                                    |
|---------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Labor market participation                  | More than half of household members in the working age population do not participate in the labor market                                                                                                           |
| Long term unemployment                      | At least one household member is not working due to long term unemployment (structural)                                                                                                                            |
| Decent jobs                                 | Not having access to decent jobs - employment status is own account worker                                                                                                                                         |
| Underemployment                             | Not having access to a full position in the labor market (underemployment, and seasonal/occasional employment for all members)                                                                                     |
| <b>Dimension: Health</b>                    |                                                                                                                                                                                                                    |
| Termination of usual activity <sup>11</sup> | At least one household member did terminate usual activities because of illness, injury, or bad health.                                                                                                            |
| Affordability of health services            | Not having funds to pay for required health services (excluding dentist) in a health care facility (in case of no or difficult access to free services), tests, examinations and procedures prescribed by a doctor |
| Access to health facilities                 | Not having access to health care facility, emergency ambulance services, pharmacies in the neighborhood                                                                                                            |
| Quality of health services                  | Not satisfied with health services                                                                                                                                                                                 |

Source: Martirosova et al. 2017.

**The measure of multi-dimensional poverty summarizes information on multiple deprivations and describes the complexity, depth, and persistence of poverty.** It captures the share of individuals living in households that experience a specific deprivation, but it also looks into the count and overlap of deprivations that are experienced simultaneously by the same individual. By definition, all household members are deprived in a particular dimension (whether it be basic needs, housing, education, labor or health) if they report deprivations in more than one-quarter of all weighted indicators within that dimension. For instance, all household members are deprived in terms of basic needs if the household "does not have sufficient funds to buy, when necessary, food and/or cloth" and if the household simultaneously "is dependent on humanitarian assistance to ensure the basic functioning of living" (see Table 2.10.). Finally, all household members are multidimensionally poor if the household is deprived in more than one-quarter of all weighted indicators.

**Table 2.12: Share of individuals living in households which are considered multidimensionally poor, by location**

| National level | Yerevan | RA other urban areas | Rural areas |
|----------------|---------|----------------------|-------------|
| 13.2           | 11.6    | 13.9                 | 14.6        |

Source: ILCS 2024

**Table 2.13: Share of the population deprived by indicators in 2024**

| Deprivation                        | 2024 |
|------------------------------------|------|
| <b>Dimension: Basic needs</b>      |      |
| Extreme poverty                    | 0.6% |
| Life in dignity                    | 5.3% |
| Humanitarian aid                   | 4.6% |
| Remittance dependent               | 2.7% |
| <b>Dimension: Housing</b>          |      |
| Satisfaction of housing conditions | 8.4% |
| Adequate housing                   | 4.9% |

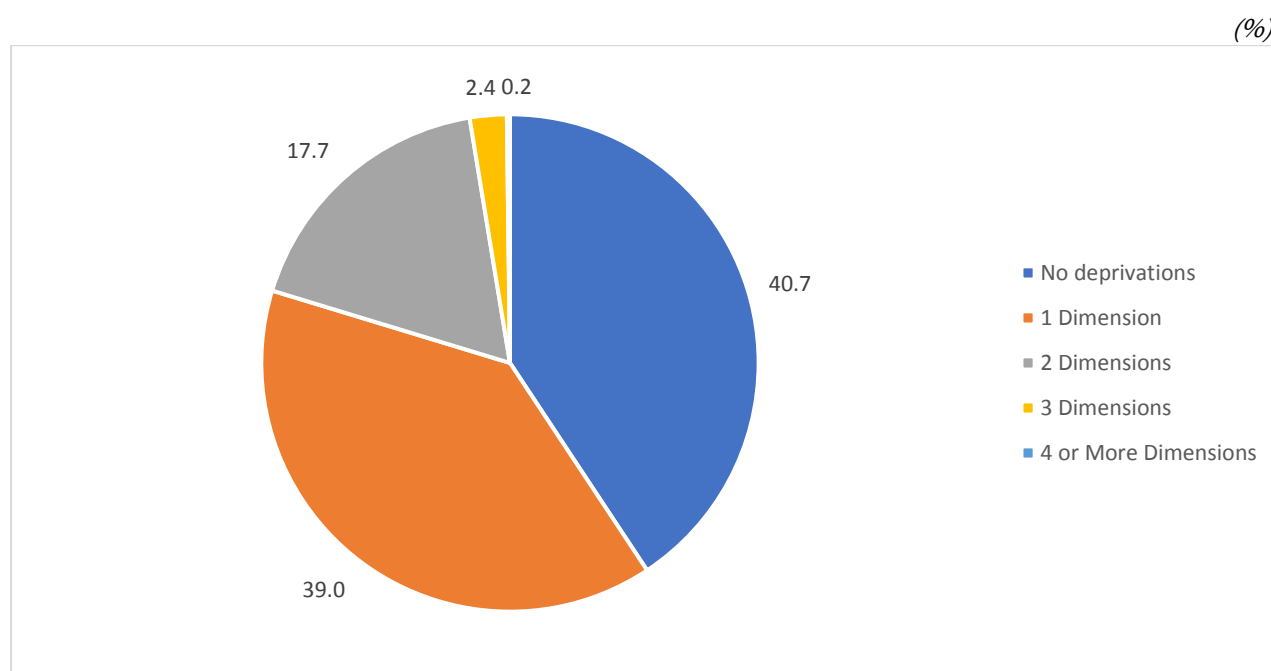
<sup>11</sup> The 2020 version of the MPI included self-reported termination of usual activities among people who did not report illness over the past 30 days, as well as those people reporting illness over the past 30 days. This modification was implemented to attempt the best possible comparability, due to changes in the ILCS questionnaire by CB after 2019.

| <b>Deprivation</b>                          | <b>2024</b> |
|---------------------------------------------|-------------|
| Overcrowding                                | 32.4%       |
| Healthy heating                             | 22.4%       |
| Centralized water system                    | 23.4%       |
| Centralized sanitation and garbage disposal | 16.4%       |
| Hot running water                           | 4.0%        |
| Quality of paid public services             | 0.0%        |
| Access to transportation                    | 9.6%        |
| <b>Dimension: Education</b>                 |             |
| No secondary education                      | 3.9%        |
| Schooling enrollment rate                   | 2.3%        |
| Access to education services                | 0.0%        |
| Quality of education services               | 1.4%        |
| <b>Dimension: Labor</b>                     |             |
| Labor market participation                  | 24.3%       |
| Long term unemployment                      | 3.4%        |
| Decent jobs                                 | 39.6%       |
| Underemployment                             | 35.0%       |
| <b>Dimension: Health</b>                    |             |
| Termination of usual activity               | 4.9%        |
| Affordability of health services            | 38.0%       |
| Access to health services                   | 7.9%        |
| Quality of health services                  | 0.0%        |

Source: ILCS 2024

**Diagram 2.23 breaks down the entire population of Armenia into groups that experience deprivation across the five dimensions included in the MPI.** These statistics focus on the intensity or depth of poverty. Between 2010 and 2018 the share of the population living in households which were not deprived in any of the five dimensions increased from 20.0 percent to 35.3 percent. In 2020, calculations based on the updated ILCS questionnaire indicated that nearly 58 percent of the population experienced deprivation in at least one dimension. This figure has been rising over the years, reaching 60 percent in 2021 and 65 percent in 2022, which is concerning. However, in 2024, the proportion of the population deprived in at least one dimension decreased slightly to 59.3 percent, marking the first instance of a halt in the upward trend.

**Diagram 2.23: Share of individuals living in households experiencing deprivations**



Source: ILCS 2024

**The incidence of multi-dimensional poverty is similar among children and adults.**

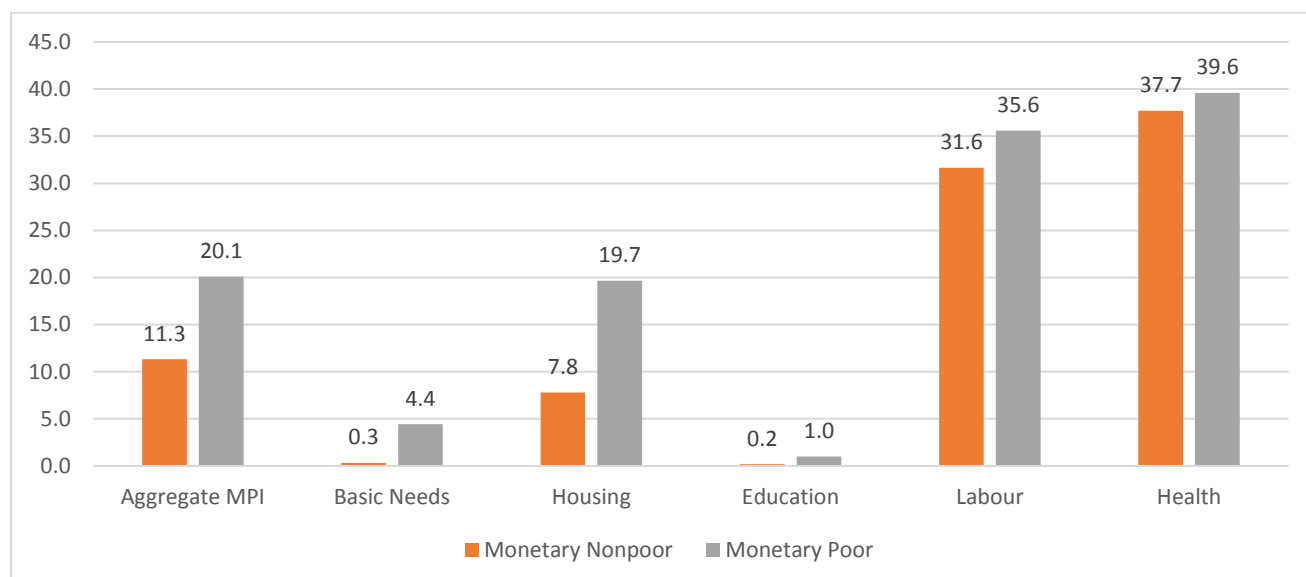
**Table 2.14: Disaggregation of multi-dimensional poverty, across gender and age group 2024**

|                           | Multidimensional poverty rate | Share in national population | Share of multidimensional poor population | Share of poor in national population |
|---------------------------|-------------------------------|------------------------------|-------------------------------------------|--------------------------------------|
| Males                     | 12.2%                         | 48.2%                        | 43.0%                                     | 5.7%                                 |
| Females                   | 14.2%                         | 51.8%                        | 57.0%                                     | 7.5%                                 |
| Children (0-17 years old) | 13.3%                         | 28.1%                        | 22.8%                                     | 3.0%                                 |
| Adults (18+ years old)    | 13.2%                         | 71.9%                        | 77.2%                                     | 10.2%                                |

Source: ILCS 2024

**Strong linkages between monetary and multi-dimensional poverty suggest that the different dimensions and drivers of poverty reinforce each other and perpetuate inequalities of opportunity.** Diagram 2.24 shows that for all dimensions, the share of households being deprived—either in basic needs, housing, education, labor or health—is consistently higher among monetary poor households than monetary nonpoor households. However, findings also highlight that even among households that are not monetary poor (above the national average poverty line), there is a large share of households reporting deprivations.

**Diagram 2.24: Share of individuals living in deprived households, by monetary poverty status, 2024**



Source: ILCS 2024

Note: Monetary poverty defined with respect to the national average poverty line.

## 2.10. Human Opportunity Index for Armenia

**Economic inequality has received renewed attention in recent years due to the increasing share of income going to the top earners.** The debate usually frames rising inequality to be unequivocally undesirable. A recent strand of research, however, differentiates between "good" and "bad" types of inequality. Inequality in outcomes is considered "good" if it arises out of differences in effort, choice, or talents. Differences due to predetermined circumstances such as gender, ethnicity, and race are considered "bad" (Barros et al. 2009; Ferreira and Gignoux 2011; World Bank 2005). Inequality of opportunity denotes the extent to which inequality in outcomes can be attributed to circumstances over which individuals have no control.

**A focus on inequality of opportunities over inequality of outcomes is appealing for several reasons.** The debate on the inequality of outcomes is fraught with ideological, moral, and philosophical overtones which makes it hard to reach a consensus. Inequality of opportunity holds universal appeal as most people agree that everyone should have equal access to opportunities and that the accident of birth should not dictate one's life outcomes. Beyond the fairness argument, equalizing opportunities is just as important for economic growth. Empirical studies show that societies with unequal access to opportunities have lower per capita income (Dabalén, et al., 2015; Grimm, 2011; Molina, Narayan, and Saavedra-Chanduví, 2013).

### Measuring Inequality of Opportunity

**There are two main approaches to the study of inequality of opportunity.** The first is the inequality of economic opportunity (IEO) method that extracts from an outcome variable (e.g., income or expenditure) the part of inequality that is due to circumstances outside the control of an individual. The method starts by defining a set of external circumstances. The population is divided into several "types" such that every one of the same "types" shares the same set of circumstances. Inequality between types is considered unfair because it is attributable to circumstances alone.

**The second method for analyzing inequality—Human Opportunity Index (HOI)—combines both the average level of coverage and inequality in access to basic goods and services that is agreed to be critical inputs to an individual's income-generating capacity.** Differential access to the services as a function of

external circumstances leads individuals on divergent paths without any fault of their own. If in a society, access to adequate nutrition, quality education, and clean drinking water and sanitation differ based on one's gender, place of birth, ethnicity, race, or parent's socioeconomic status, then opportunity is said to be distributed unequally in the society.

**The HOI is a product of two inputs: the coverage rate (C) and the dissimilarity index (D).** The HOI is computed by "penalizing" the coverage rate with the difference in coverage rate across population types. Intuitively, the greater the dissimilarity index D, the more unequal the distribution of opportunities, and the lower the HOI.

**HOI has been used primarily to measure the distribution of opportunities for children because circumstances are 'truly' beyond their control, whereas identification of circumstances for adults might be confounded with personal efforts.** The methodology has nevertheless been adapted for access to good jobs, which depends on factors within one's locus of control like education, experience, and skills, as well as on factors outside one's control like gender, parent's socioeconomic status, race, and ethnicity. HOI for good jobs would therefore partition total inequality into "good" inequality which is traced back to differences in human capital and effort, and "bad" inequality with its roots in disadvantage and discrimination.

### **The Human Opportunity Index (HOI) Methodology**

**The HOI of a given opportunity provides a scalar measure of the level of coverage in society and how equitable the coverage is among groups with different circumstances.** It is an inequality-sensitive coverage rate, where the index decreases or is "penalized" based on the extent to which groups in the population with different circumstances have different coverage rates. That is,

$$\text{HOI} = \text{Coverage} - \text{Penalty}$$

**In countries where all circumstance groups have the same coverage, the penalty is zero.** The HOI of a society may increase through three channels: change in the underlying external circumstances (composition effect), change in the overall coverage rate (scale effect), and change in the distribution of opportunities across circumstance groups (equalization effect). The maximum value the HOI can take is the average coverage rate for that service, and the HOI can be 1 only when access is universal.

The HOI can also be expressed as the coverage rate multiplied by a factor of equality as follows:

$$H = \bar{p} * (1 - D)$$

Where  $\bar{p}$  is the average coverage of an opportunity and D is the dissimilarity index (D-index) calculated as follows:

$$D = \frac{1}{2\bar{p}} \sum_{k=1}^m \alpha_k |p_k - \bar{p}|$$

where  $p_k$  is the coverage rate for group  $k$  (where each group is defined by a set of circumstances unique to that group),  $m$  is the number of mutually exclusive groups, and  $\alpha_k$  is the share of the total population in group  $k$ . The D-index is a measure of the weighted average of the distance between group access and average access. D equals to 0 when coverage is the same across all circumstance groups. The D-index can be interpreted as the fraction of all opportunities that must be reallocated from groups with coverage rates higher than  $\bar{p}$  to groups with coverage rates lower than  $\bar{p}$  to achieve full equality of opportunity across all groups.

### *Defining the set of opportunities*

**It is widely agreed that early-life access to basic goods and services in education, health, and basic infrastructure services is necessary for an individual to realize her full potential.** Unequal access to such services due to circumstances beyond one's control is considered unfair. There is also a large body of empirical research to show that investments in early-life opportunities yield some of the highest economic returns, which makes the case for focusing on such inequality more compelling.

**A comprehensive list of opportunities that should be available to a child to achieve her full potential would be exceedingly long, and the data requirements to support the analysis would be prohibitive.** It is nevertheless possible to analyze inequality of opportunity for key indicators, and a process to select the indicators was recently completed in Armenia with the articulation of the national multi-dimensional poverty index. Twenty-three deprivations across five dimensions—basic needs, housing, education, labor market, and housing—were identified to supplement the consumption poverty indicator. The selection of indicators followed a broad and inclusive consultation process with many stakeholders in the country. Thus, the indicator for multi-dimensional deprivation provides a natural starting point for the measurement of inequality of opportunity. Specifically, inequality of opportunity arises when children lack access to opportunity in human capital inputs along the following dimensions:<sup>12</sup>

- **Adequate housing:** Complaint about housing and environmental conditions.
- **Healthy heating:** Not heating with central heating, electricity, natural gas, or liquefied gas.
- **Centralized water system:** No access to centralized water for every day of the month and every hour of the day.
- **Centralized garbage and sanitation:** No centralized sanitation compound, or disposal of household garbage using either rubbish evacuation system or dust-cart collection.
- **Quality of paid public services:** Not satisfied with public services.
- **Access to transportation:** Access to roads with poor quality.
- **School enrollment:** At least one child of compulsory school age (6–17 years) not attending school.
- **Access to school:** No easy access to kindergarten, primary, or secondary schools.
- **Educational quality:** Not satisfied with education services.
- **Access to health facilities:** No easy access to health care facilities, emergency ambulance services, or pharmacies.
- **Quality of health services:** Not satisfied with health services.

**Access to opportunity is defined in opposition to deprivation, i.e., a household has access to an opportunity if it is not deprived in an indicator.** The relevant population group for access to basic opportunities is children under the age of 15, with two exceptions. School enrollment and educational quality are defined for children of compulsory school age (6–17 years). As discussed earlier, circumstances are factors external to one's control, and for a society to have no inequality of opportunities, they should have no bearing on outcomes. However, empirical studies from Africa, Latin America, and the South Caucasus region have shown that exogenous factors explain access to opportunities (Barros et al., 2009, Dabalen et al., 2015, Fuchs et al., 2018).<sup>13</sup>

**Measuring inequality of opportunity in the labor market raises additional methodological issues.** Since individuals have different levels of human capital acquired through education and experience, not all

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<sup>12</sup> The source questions in the ILCS for each indicator is provided in the Annex.

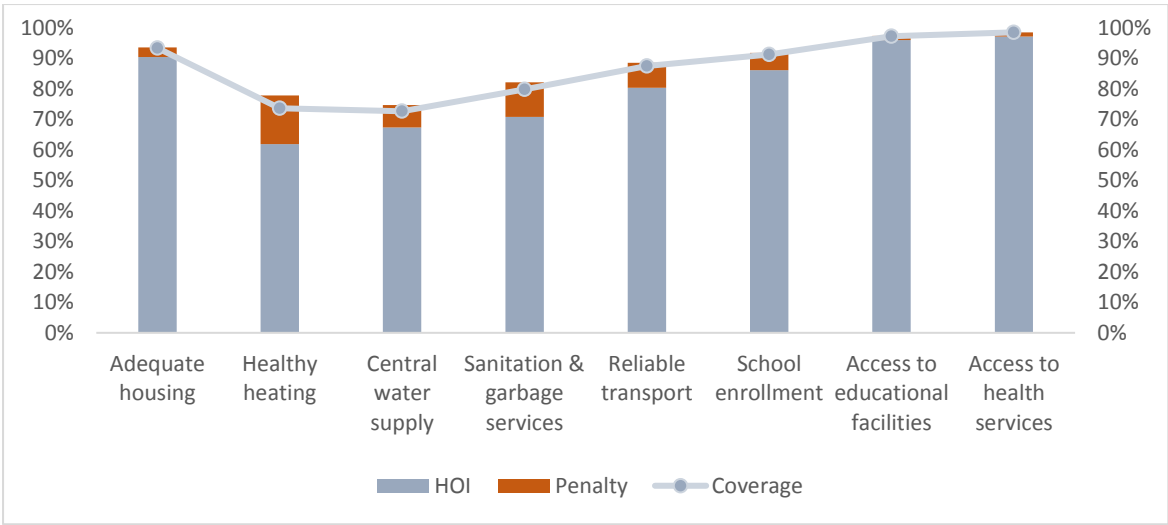
<sup>13</sup> The proposed set of circumstance for children are gender, age, location, sociodemographic characteristics of the household head (gender, age, level of educational attainment, and marital status), household demographics (household size, share of young children, children, and elderly among household members), consumption group (quintile), and other household socioeconomic characteristics (receiving family benefits or pensions, and having a household member employed in the public sector).

inequality in access to good jobs is undesirable. Inequality due to differences in education experience is considered fair, while that due to circumstances is considered unfair. Therefore, in addition to circumstances, inequality of opportunity to access decent jobs also considers age and education, and the role of circumstances is interpreted *net of skills and experience*.<sup>14</sup> Consistent with the multi-dimensional poverty framework, a worker is said not to have access to a decent job if she is an own-account worker.

**Inequality of Opportunity in Armenia**

**Armenia performs strongly on children’s basic opportunities.** Coverage for most housing-, health-, and education-related indicators is high, typically above 90 percent, reflecting broad access to essential services such as adequate housing, reliable transport, and health care. Inequality of opportunity among children is also relatively low for these high-coverage indicators, with D-indices under 6 percent in most cases. As a result, HOI values for core social services range from 80 to 97 percent, indicating that where Armenia achieves high coverage, it also distributes access relatively equitably across children from different backgrounds. Education opportunities for children aged 6–17 remain among the most inclusive. School enrollment (96%) and access to educational facilities (97.2%) register the highest HOI values across all domains, supported by very high coverage and exceptionally low inequality of opportunity (D-index or penalty around 1.4 percent). These results reinforce evidence that Armenia maintains a strong equalizing effect in early education.

**Diagram 2.25. HOI, Coverage, and Inequality of Opportunity Among Children’s Basic Services, 2024**



Source: ILCS 2024. Note: Housing and Health opportunities are calculated for children 0-14 years old. Education opportunities consider children between 6 and 17 years old.

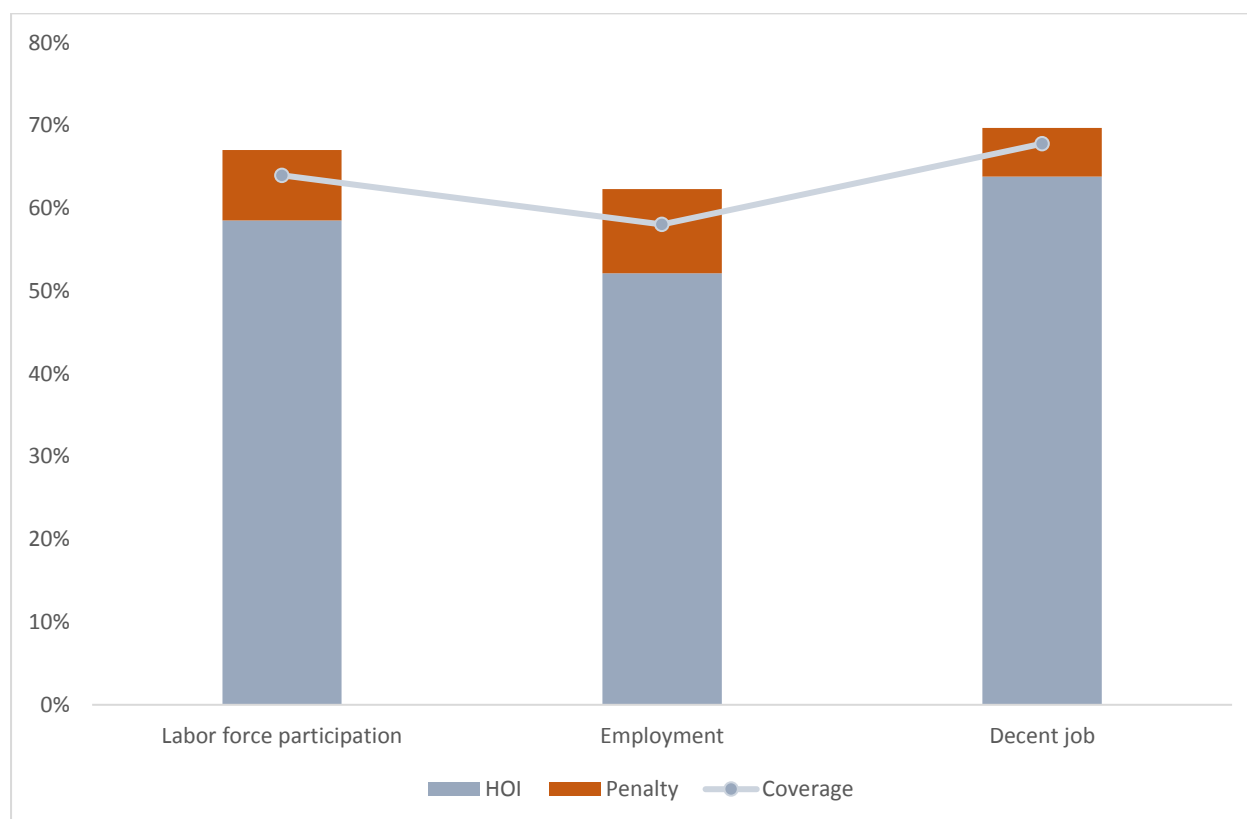
**Despite strong performance in social sectors, several basic housing conditions exhibit substantial inequality of opportunity, limiting children’s effective access.** Healthy heating, sanitation and garbage services, central water supply, and transport connectivity register the highest inequality penalties. Coverage levels for these services range from 72 to 88 percent, but D-indices between 7 and 16 percent reduce the HOI to 62–80 percent. The greatest constraint is healthy heating, where a D-index of 16 percent implies that one-sixth of potential opportunity is lost due to unequal distribution. As a result, HOI falls to just 61.9

<sup>14</sup> The circumstances considered for access to decent jobs are gender, age, location, educational attainment, marital status, household demographics (household size, whether the household members include young children, children, or elderly), consumption group (quintile), and other household socioeconomic characteristics (receiving family benefits or pensions and having a household member employed in the public sector).

percent, despite coverage of 73.7 percent. These findings indicate that structural disparities, linked to location, socioeconomic status, and household characteristics, continue to shape access to basic housing infrastructure, making these indicators persistent sources of inequality of opportunity.

**Labor market indicators show the lowest coverage and highest inequality of opportunity among all domains.** Labor force participation (58.5–64 percent coverage), employment (58 percent), and access to a decent job (67.8 percent) all exhibit modest coverage coupled with meaningful inequality (D-indices between 5.9 and 10.2 percent). Consequently, HOI levels range from 52 to 64 percent, the lowest across the entire HOI framework. Employment carries the largest inequality penalty in the labor domain (10.2 percent), indicating that access to jobs is distributed unevenly across population groups, likely disadvantaging rural households, individuals with lower education, and poorer families. Inequality of opportunity thus compounds broader labor market weaknesses.

Diagram 2.26. Coverage, and Inequality of Opportunity in Labor Market Opportunities (Ages 15–75), 2024



Source: ILCS 2024. Note: Opportunities in labor consider only the working age population (15-75 years old).

**A cross-indicator comparison shows that the most binding constraints in Armenia's opportunity structure are those where both coverage and inequality of opportunity remain high.** The largest challenge is access to healthy heating, with a 16 percent inequality penalty. Other housing-related services also stand out: sanitation and garbage services (11 percent), central water supply (7.4 percent), and reliable transport (8.1 percent). Labor market indicators further underscore structural gaps, as employment and labor force participation register some of the highest inequality levels, 10.2 percent and 8.5 percent, on top of already low coverage. These areas require a dual policy focus: expanding overall access while reducing inequality across socioeconomic groups and regions. By contrast, school enrollment and access to educational facilities, which enjoy high coverage and minimal inequality, do not constitute binding constraints.

## 2.11. Social Exclusions in Armenia

According to the EU approach, material exclusion is the indicator, which reflects inability of the majority of people to obtain some desirable or even necessary goods to live an acceptable level of life. This indicator distinguishes between the people who cannot afford certain goods or services, and those who do not have such goods or services due to other reasons, for instance because they do not want or do not need them.

Within the scope of the twinning project “Strengthening of Armenia National Statistical System – II Phase”, since 2016 all households included in the ILCS fill in the social exclusions module questionnaire in order to develop statistics on social exclusions, and starting from 2018 all questions of that module are included in the ILCS questionnaire. In general, the study of social exclusions supplements the analysis of both monetary and multi-dimensional poverty, as well as demonstrates the explicit connections between these three different concepts.

Starting from 2019, a new set of 13 indicators is used. The deprivation prevalence (consisting of 13 indicators) is counted as follows: the **threshold of material deprivation is the presence of at least 5 out of 13 items**, and the **threshold of severe deprivation is the presence of at least 7 out of 13 items**.

Since 2019 the EU collects data on the revised indicators of deprivation, and the Armstat will update its approaches according to the Eurostat methodology in order to maintain comparability.

Accordingly, the Armstat has computed the rate of material deprivation using different thresholds, which are used for international comparisons of severe material deprivation.

### Revised deprivation indicators

The table below illustrates deprivation indicators revised by the EU, which are used for data collection since 2019.

**Table 2.15 – Armenia: 13 New Indicators of Social Exclusions, 2024**

| Indicators                                                                                                               | Percent of deprived population, by indicator (%) |
|--------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|
| <u><i>Cannot afford</i></u>                                                                                              |                                                  |
| To have at least a one-week annual vacation away from home (the whole household)                                         | 78.7                                             |
| To replace worn-out furniture, including individual furniture items                                                      | 70.2                                             |
| To face unexpected expenses of AMD 45.000 paid from own resources (without borrowing or asking for financial assistance) | 64.6                                             |
| To have an evening out for leisure (sports, cinema, concert etc.) on regular basis (several times a year)                | 76.8                                             |
| To have a meal with meat, chicken, fish (or vegetarian equivalent) every second day                                      | 46.7                                             |

|                                                                                          |      |
|------------------------------------------------------------------------------------------|------|
| A car                                                                                    | 58.2 |
| To spend a small amount of money each week on oneself (without having to consult anyone) | 29.2 |
| To get together with friends/ family/relatives for a dinner/ party at least once a month | 49.4 |
| To have adequate heating at home                                                         | 34.0 |
| To timely repay rent or mortgage fees for dwelling                                       | 4.5  |
| To replace worn-out (including old fashioned) clothes by some new, not second-hand ones  | 26.1 |
| To own a mobile phone                                                                    | 1.7  |
| To have Internet connection                                                              | 6.5  |

**Source:** *ILCS 2024*

The data presented in the table below reflect the deprivation rate of the population by the specified number of indicators.

**Table 2.16 – Armenia: Share of Households Deprived by at Least the Specified  
Number of Indicators, 2024**

(%)

|                                         | <b>Percent in the population</b> |
|-----------------------------------------|----------------------------------|
| Deprived by 1 or more indicators        | 95.4                             |
| Deprived by 2 or more indicators        | 88.1                             |
| Deprived by 3 or more indicators        | 79.8                             |
| Deprived by 4 or more indicators        | 70.5                             |
| <b>Deprived by 5 or more indicators</b> | 60.4                             |
| Deprived by 6 or more indicators        | 50.1                             |
| <b>Deprived by 7 or more indicators</b> | 40.0                             |
| Deprived by 8 or more indicators        | 29.2                             |
| Deprived by 9 or more indicators        | 18.9                             |
| Deprived by 10 or more indicators       | 10.6                             |
| Deprived by 11 or more indicators       | 3.0                              |
| Deprived by 12 or more indicators       | 0.5                              |
| Deprived by 13 indicators               | 0.0                              |

**Source:** *ILCS 2024*