



CRRC  
Armenia



# POLICY BRIEF

## ● for Ministry of Economy of the Republic of Armenia

### NATIONAL MULTIDIMENSIONAL POVERTY INDEX

National Multidimensional Poverty Index (MPI) is a country-specific poverty measure tailored to each country's unique situation, building upon the methodology of "Oxford Poverty and Human Development Initiative". This index alters the conventional approach of measuring poverty solely through monetary means. Instead, exploring poverty through 5 dimensions, including (1) basic needs, (2) housing, (3) education, (4) labor, and (5) health, allows a more comprehensive and locally context-specific understanding of poverty. This policy brief summarizes some highlights

from the descriptive analysis of indicators where deprivation level of at least 50% was observed in Lori, Shirak, and Tavush marzes. This is then followed by short- & mid-term and long-term policy recommendations.

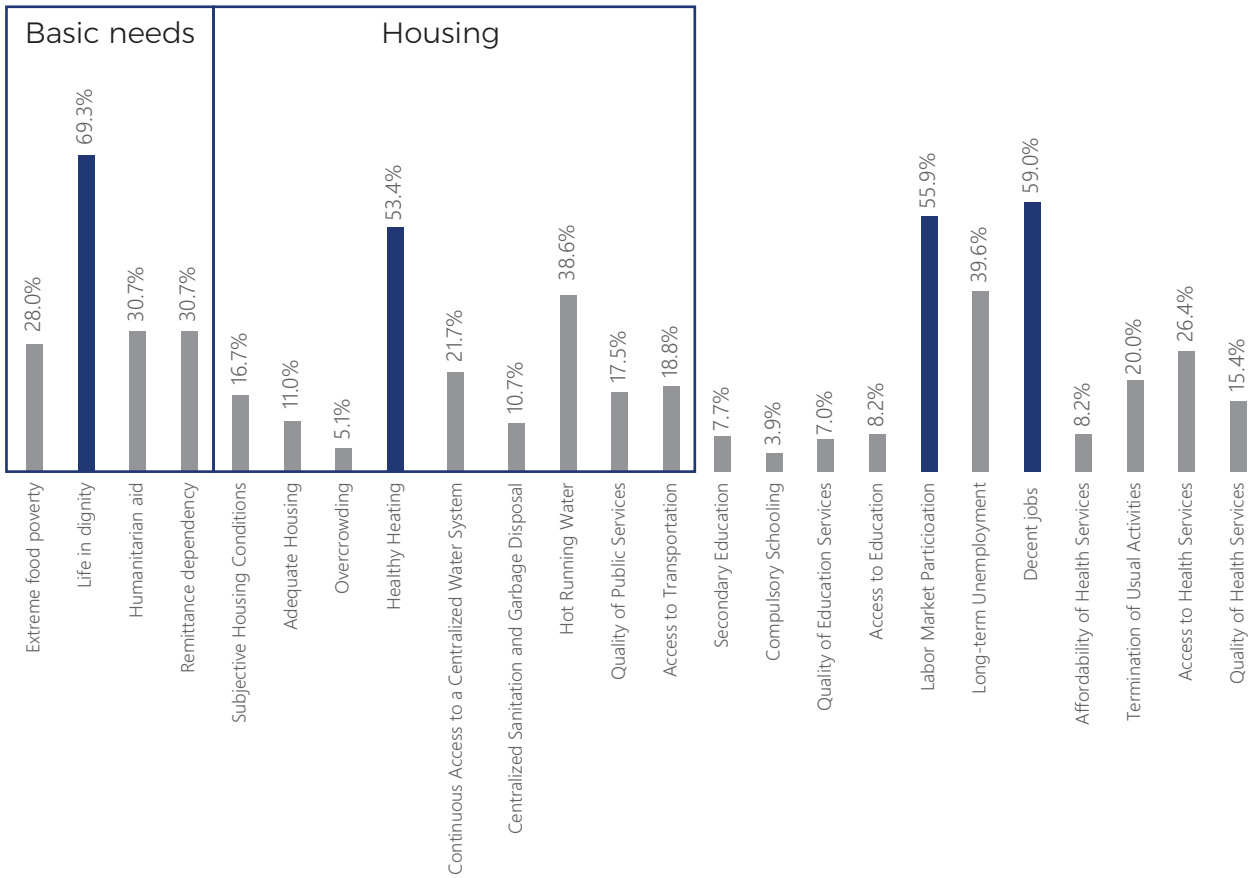
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## KEY RESEARCH INSIGHTS

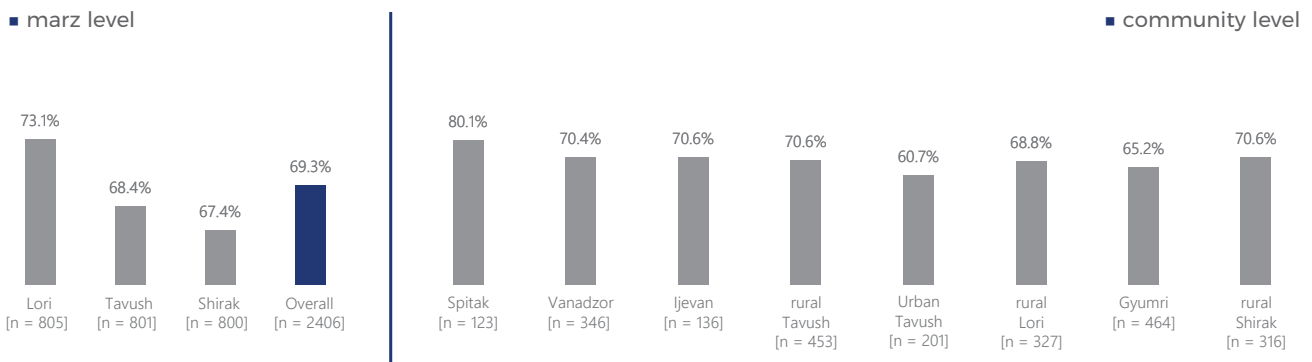
### MPI Dimensions by Indicators

Among the 24 indicators, deprivation is highest in life in dignity, healthy heating, labor market participation and decent jobs. *Share of deprived households on marz level is as follows:*



### Life in Dignity

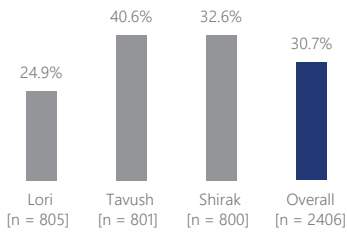
The life in dignity indicator referred to whether a household could afford to buy food or clothes. The household was considered deprived if respondents stated that there was not enough money for everyday meals or clothes. *Share of deprived households on marz and community levels is as follows:*



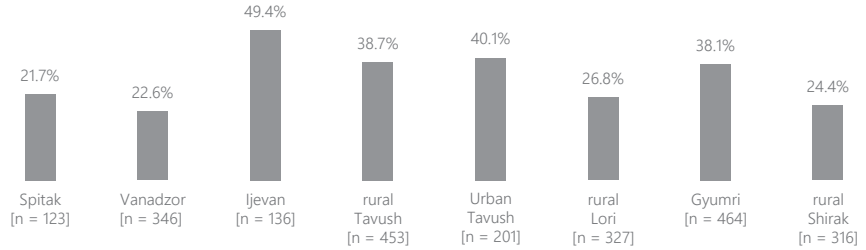
### Remittance Dependency

The remittance dependency indicator referred to households that had consumption levels lower than the food poverty line after discounting for any remittances received; such households were considered deprived. Households that did not receive remittances but consumed less than the food poverty line were also considered deprived. *Share of deprived households on marz and community levels is as follows:*

■ marz level



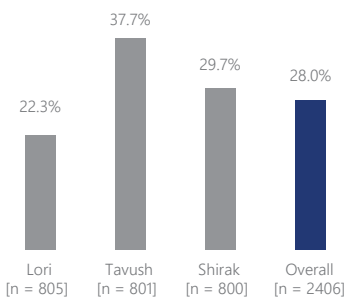
■ community level



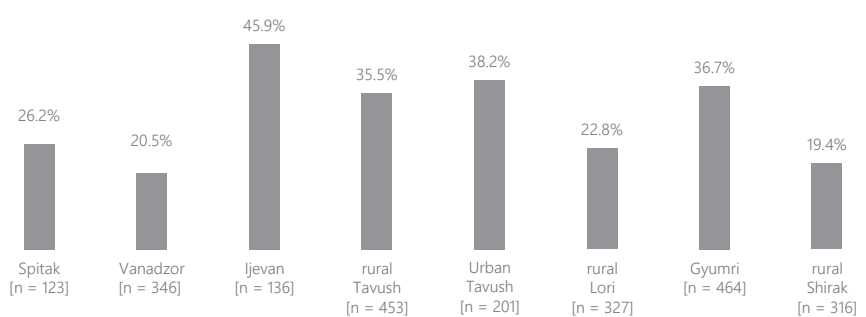
### Extreme Food Poverty

The extreme (food) poverty indicator referred to whether adult equivalent consumption was above or below the national food poverty line. A household was considered deprived if the adult equivalent consumption was below the food poverty line (in drams). *Share of deprived households on marz and community levels is as follows:*

■ marz level



■ community level



## RECOMMENDATIONS

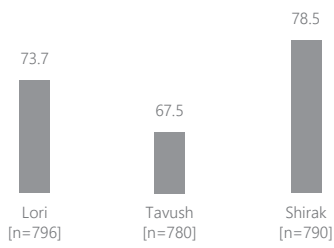
Lori region was the most deprived (71.3%) in respect to not having enough money for everyday meals and clothes. Spitak (80.1%) was the most deprived in respect to this indicator. Remittance dependency was higher in ljevan, Tavush (both urban and rural) and Gyumri. Issues with Housing prevail as main problems in the HHs across the marzes. Continuous access to centralized water system was revealed to be more problematic for Lori (28.6%, with 30.6% for rural Lori) and Tavush (27.7%, with 40.9% for rural Tavush) than for Shirak (10%). For urban areas, Spitak (29.1%) and Vanadzor (26.8%) HHs reported issues with continuous access to centralized water systems. For Shirak, garbage removal was reported as an important issue (35.5% deprivation for rural Shirak). Rural Shirak HHs reported most deprivation (37.6%) with quality of public services (water supply, sanitation, garbage removal, electricity supply etc.). There are three main directions the Ministry should direct its resources and programming towards. These directions are presented in short below followed by recommended actions towards addressing those.

### 1. Healthy Food Consumption

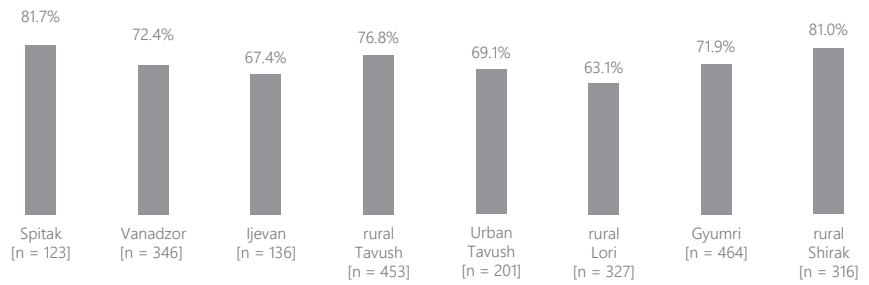
Following our analysis of poverty in Lori, Shirak, and Tavush marzes, we noted a deprivation in terms of healthy food consumption exceeding 50%. Surveyed respondents were asked *"In the past 12 months, was there a time when you or others in your household experienced any of the following due to lack of money or other resources?"*. If a person answered **YES** to at least one of the items (*"worried about not having enough food to eat", "were unable to eat healthy and nutritious food", "ate only a few kinds of foods", "had to skip a meal", "ate less than you wanted", "ran out of food", "were hungry but did not eat", "went without eating for a whole day"*), then the household was considered deprived.

The highest level of deprivation in terms of healthy eating is observed in Shirak at marz level, as well as Spitak and rural Shirak at community level.

■ marz level



■ community level



## Recommended actions towards addressing the problem of healthy food consumption

### Where:

Rural Shirak, Rural Lori, Urban Tavush, Rural Tavush, Gyumri, Vanadzor, Spitak, ljevan

### What (short- & mid-term):

Initiate community gardening in schools/kindergartens coupled with awareness campaigns on the importance of gardening in the community. This can be a good way to diversify community-based projects (through e.g., public-private partnerships).

### What (long-term):

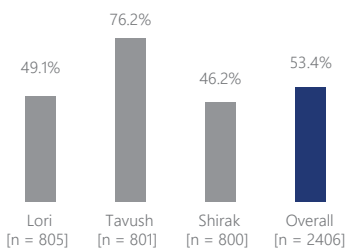
Implement targeted measures to make healthy lifestyle affordable for those in need.

Point 1 should be integrated as a long-term goal when developing and implementing agricultural and food policies.

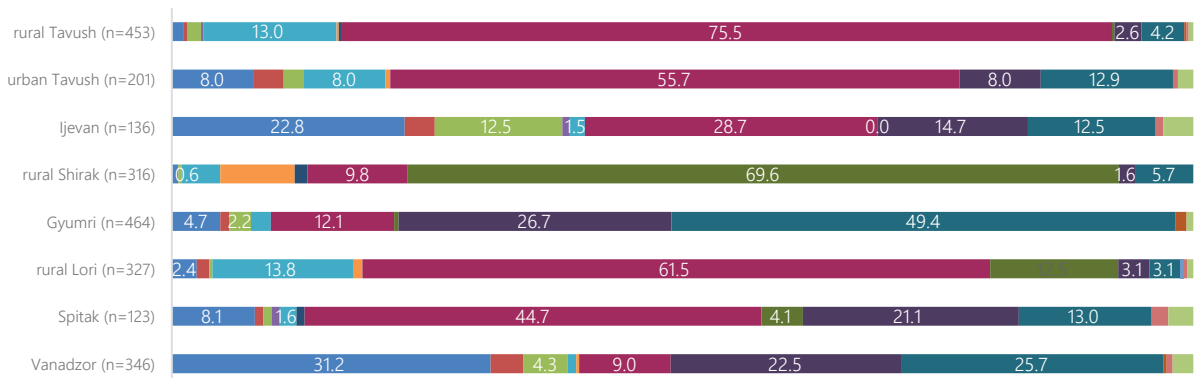
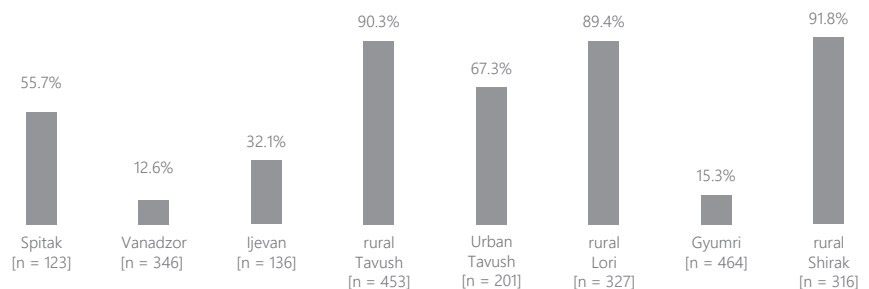
## 2. Healthy Heating

This indicator identifies households whose main source of heating is considered to be detrimental to health. Households heating with any source other than central heating, electricity, natural gas, or liquefied gas were considered deprived. Those who did not heat their household were also considered deprived in that indicator. *Share of deprived households on marz and community levels is as follows:*

■ marz level



■ community level



- Electric stove
- Gas stove (kitchen)
- Self-made heater running on wood(central heating system)
- Self-made heater running on coal
- Self-made heater running on cow dung
- Local-individual boiler (BAXI, etc.)
- Solar accumulator
- Didn't heat the dwelling
- Electric heater (oil battery)
- Self-made heater running on coal( central heating)
- Self-made heater running on wood
- manufactured heater (Iranian, European, etc.)
- Local-collective boiler for the block
- Other

## Recommended actions towards addressing the problem of healthy heating

### Where:

Rural Shirak, Rural Lori, Urban Tavush, Rural Tavush, Spitak

### What (short- & mid-term):

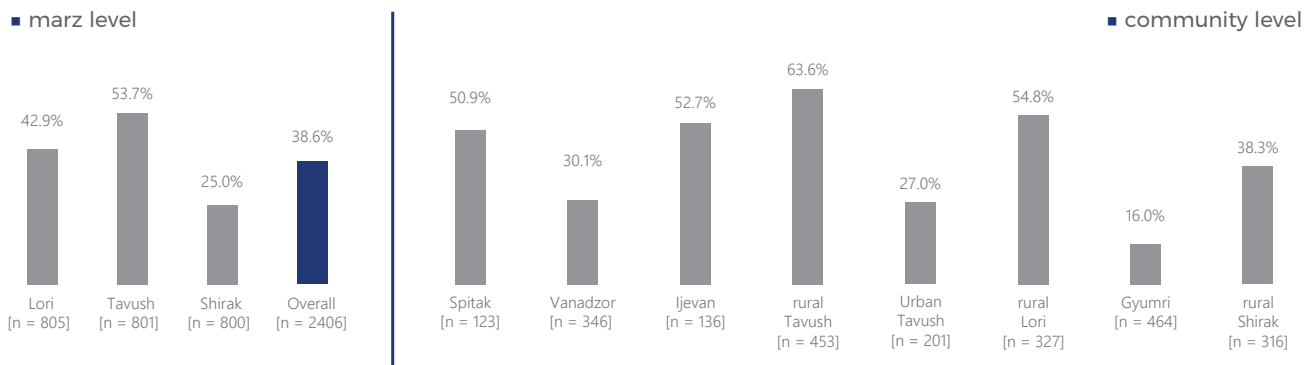
Consider subsidizing businesses creating biomass pellets.

### What (long-term):

Diversify financing methods for healthy eating by boosting green finance, increasing support for using clean methods to heat enterprises and projects. This should be done in parallel with forecasting of possible risks, promoting the funding of participatory solutions of clean heating through enterprise bonds, low interest loans and through Public-Private Partnership (PPP).

## 3. Hot Running Water

This indicator identifies households that do not have access to functional hot running water. Tavush marz has a deprivation rate exceeding 50%. At community level, the worst situation is observed in rural Tavush where the deprivation rate reaches 63.6%. *Share of deprived households on marz and community levels is as follows:*



## Recommended action towards addressing the problem of hot running water

### Where:

Rural Lori, Rural Tavush, ljevan, Spitak

### What (long-term):

Set up grant and/or loans programs for households to buy clean and renewable systems for electricity and water heating (boilers, solar panels etc.). Those systems and financing opportunities can either be available for households, group purchase, communities, or at inter-community level.