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Armenia



Հրանտ Մաթևոսյանի
Հիմնադրամ
HRANT MATEVOSSIAN FOUNDATION

POLICY BRIEF

● for Ministry of Labor and Social Affairs 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

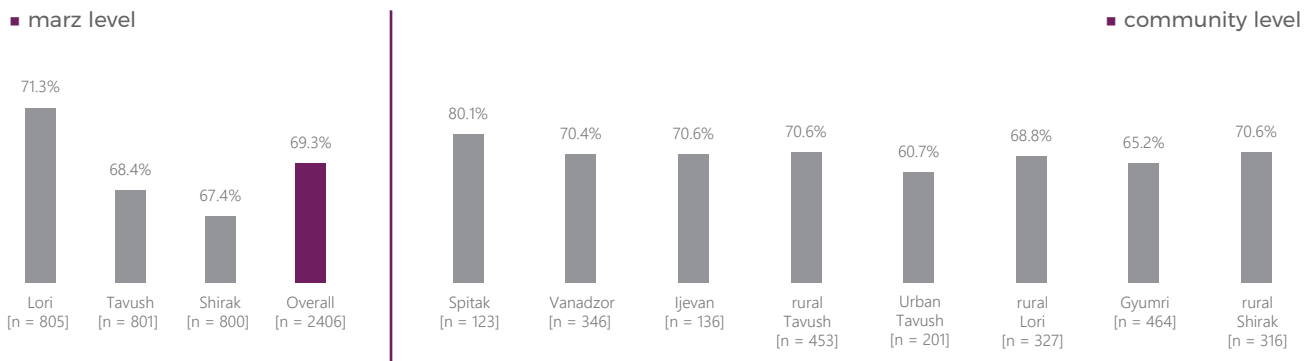
MPI Dimensions by Indicators

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

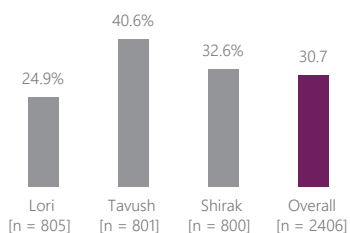
The life in dignity indicator referred to whether a household could afford to buy food or clothes. The household was considered deprived if respondents stated that there was not enough money for everyday meals or clothes. *Share of deprived households on marz and community levels is as follows:*



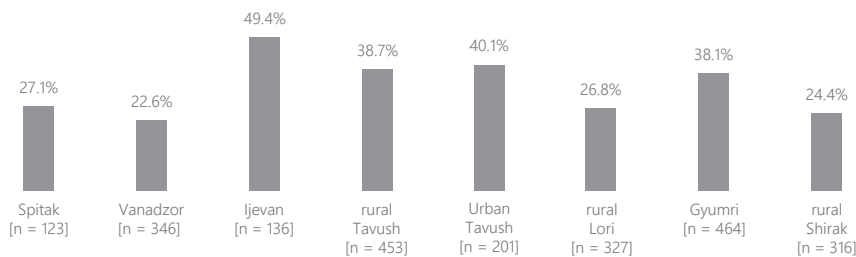
Remittance Dependency

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



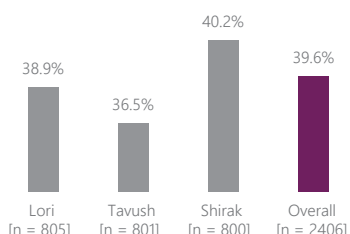
■ community level



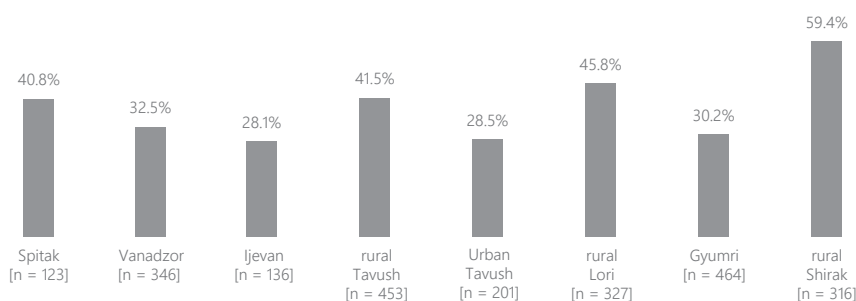
Long-term Unemployment

Under the long-term unemployment indicator, a household was considered deprived if any working-age member had been unemployed for one year or more and was actively looking for a job. Households that had no members of working age were not considered deprived. *Share of deprived households on marz and community levels is as follows:*

■ marz level



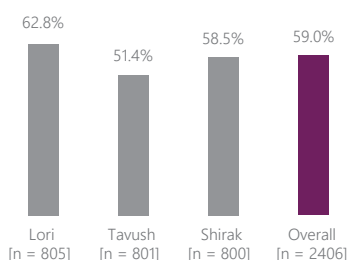
■ community level



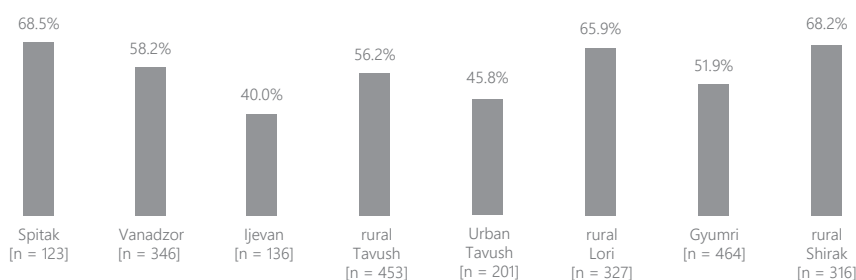
Decent jobs

The decent jobs indicator, the household was considered deprived if all employed members were either self-employed or contributed to a family business. Households that were deprived in the previous two labor indicators were also automatically considered deprived under this indicator. Households with no members of working age were not considered deprived. *Share of deprived households on marz and community levels is as follows:*

■ marz level



■ community level



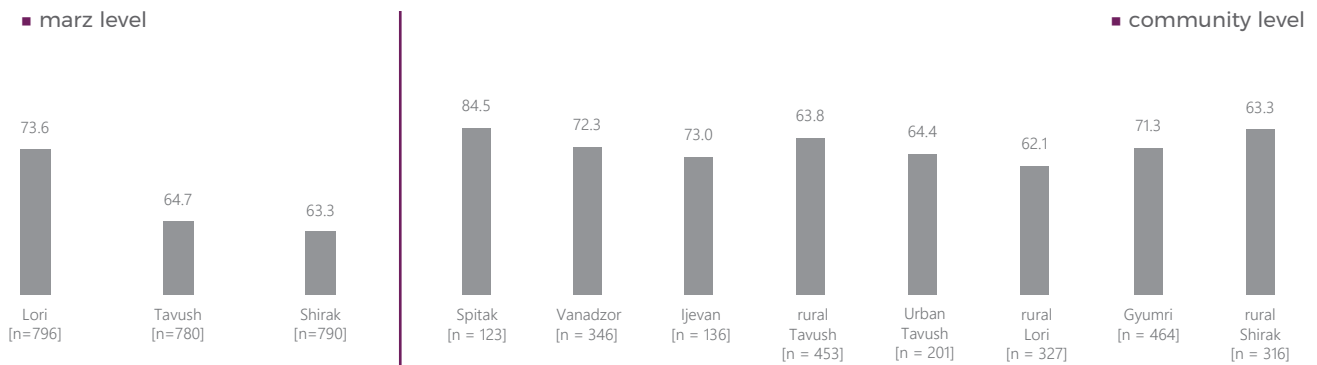
RECOMMENDATIONS

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. Significantly less people went without eating for a whole day due to lack of money or other resources compared to that they could afford having meal with meat or vegetarian equivalent (83.7% HHs in Spitak, 74.3% HHs in Ijevan could not afford this). Labor market participation is another highly important deprivation indicator for the three marzes. More than half of working age (15-75) individuals were not in the labor force (55.9%) and 39.6% were long-term unemployed. More own-account workers

on farms were from rural Lori (51.2%), Spitak (30.8%), and rural Shirak (26.2%). Hence, these are the two 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. Affordability of Food

A specific issue is the affordability of food. More than 50% of respondents could not afford having a meal with meat, chicken, fish (or vegetarian equivalent) every second day in all communities surveyed. The highest percentage of such people is observed in Lori. The community with the highest level of deprived people in this regard is Spitak. *Share of deprived households on marz and community levels is as follows:*



Recommended actions towards addressing the problem of affordability of food

Where:

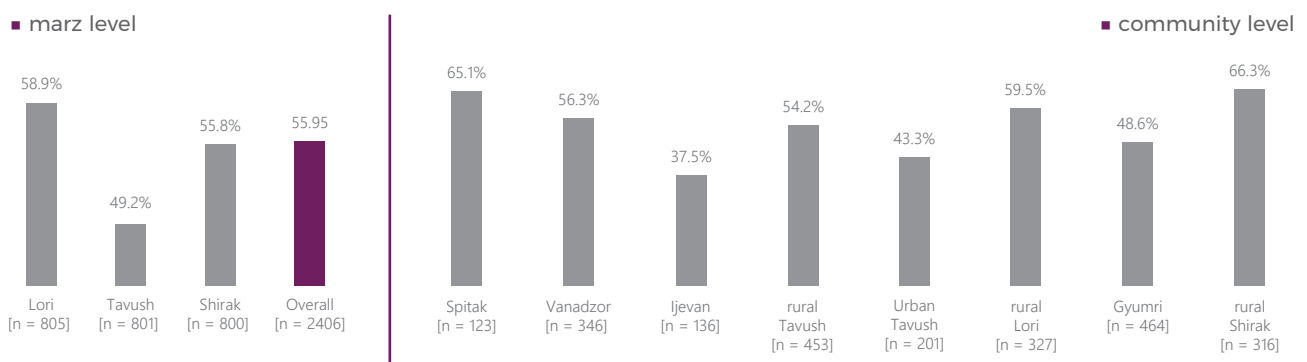
Rural Shirak, Rural Lori, Urban Tavush, Rural Tavush, Gyumri, Vanadzor, Spitak, Ijevan

What (long-term):

1. Promote food bank initiatives to make food available for deprived people.
2. Create a food voucher system to make food affordable for deprived people.

2. Labor market participation

The survey also identified an issue with labor market participation. This indicator identifies households in which more than half of working age individuals (15-75) are not in the labor force. Households that do not have any person of working age are considered not deprived. More than 50% of households are deprived in this indicator in Lori and Shirak. At community level, there is a more than 50% deprivation in Spitak (highest level among all), Vanadzor and rural areas of all three marzes. *Share of deprived households on marz and community levels is as follows:*



Recommended actions towards addressing the problem of labor market participation

Where:

Rural Shirak, Rural Lori, Rural Tavush, Vanadzor, Spitak

What (short- & mid-term):

1. Conduct needs assessment for each community to enter the labor market. Provide training for people accordingly, based on needs assessment.

2. Provide childcare support to families with young children in a way that promotes gender equality in terms of household responsibilities (e.g. provide substantial paternity leave) to increase female participation in the labor market.

What (long-term):

1. Set coordinated and targeted financial aid to the villages of Tavush, Shirak, and Lori to facilitate regional development.
2. Raise awareness of the importance of community strategic plans to increase usage by LSG's.
3. Develop educational frameworks for technologies and skills for the communities (e.g. IT, remote work).