After a sharp increase in poverty in 2008 and 2009 following the global financial crisis, poverty in Armenia has dropped continuously since 2010, reaching the pre-crisis levels. Poverty at US$3.2 (2011 PPP) a day fell to 12.3 percent in 2017 from the peak of 20.5 percent in 2010. The reduction of poverty was due to the growth of the manufacturing and service sector in urban areas and modest growth in agricultural output in rural areas. Social expenditure, mainly contributory old-age pensions and the family benefit program, have supported the elderly and helped poor and vulnerable households increase their incomes. In contrast, the decline of remittances from Russia contributed to a small bump in the poverty series in 2015. Pockets of poverty remain, and further poverty reduction and improvements of living conditions among those at the bottom should consider three critical factors. First, regional disparities persist, with higher poverty rates in secondary cities and rural areas than in Yerevan. Second, vulnerability to poverty persists, and many households that escaped poverty are still at risk of falling behind if shocks such as unemployment, natural hazards, or severe illness hit. And third, by the standards of Armenia's official multidimensional poverty measure, many Armenians are poor in non-monetary dimensions, experiencing multiple and overlapping deprivations related to deficits in human capital, inadequate housing conditions, and access to public services.

The period between 2012 and 2017 showed slower consumption growth among the bottom 40 percent of the distribution compared to the total population (1.8 percent versus 3.2 percent), which has led to an increase of inequality in the country. Households in the bottom of the distribution are more likely to report skill deficits, and if they manage to escape unemployment, they work in lower productivity jobs.

### Poverty

<table>
<thead>
<tr>
<th>Poverty Line</th>
<th>Number of Poor (thousand)</th>
<th>Rate (%)</th>
<th>Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Poverty Line</td>
<td>753.1</td>
<td>25.7</td>
<td>2017</td>
</tr>
<tr>
<td>International Poverty Line</td>
<td>39.8</td>
<td>14</td>
<td>2017</td>
</tr>
<tr>
<td>Lower Middle Income Class Poverty Line</td>
<td>363.0</td>
<td>12.3</td>
<td>2017</td>
</tr>
<tr>
<td>Upper Middle Income Class Poverty Line</td>
<td>1,472.7</td>
<td>50.0</td>
<td>2017</td>
</tr>
<tr>
<td>Multidimensional Poverty Measure</td>
<td>1.4</td>
<td>2017</td>
<td></td>
</tr>
</tbody>
</table>

### Shared Prosperity

- Annualized Consumption Growth per capita of the bottom 40 percent: 1.76 (2012-2017)

### Inequality

- Gini Index: 33.6 (2017)
- Shared Prosperity Premium = Growth of the bottom 40% - Average Growth: -1.46 (2012-2017)

### Growth


### Median Income

- Growth of the annual median income: 1.77 (2012-2017)

Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of September 2019, and Global Monitoring Database for the rest.
POVERTY HEADCOUNT RATE, 2001-2017

INEquality TRENDS, 2001-2017

Gini Index

Source: World Bank using ILCS/ECAPOV/GMD

POVERTY DATA AND METHODOLOGY


HARMONIZATION

THE NUMBERS PRESENTED IN THIS BRIEF ARE BASED ON THE ECAPOV DATABASE. THE ECAPOV MICRO DATABASE WAS ESTABLISHED IN 1998 TO SUPPORT A REGIONAL POVERTY REPORT. THE DATABASE IS MANAGED AND HARMONIZED BY THE EUROPE AND CENTRAL ASIA TEAM FOR STATISTICAL DEVELOPMENT (ECATS&D). ECAPOV INCLUDES 29 COUNTRIES, WITH AN AVERAGE OF 8 SURVEYS PER COUNTRY. RECENTLY, EU-SILC DATA FOR EU COUNTRIES, RECEIVED FROM EUROSTAT, HAVE BEEN ADDED TO THE COLLECTION. EACH SURVEY IN ECAPOV IS ORGANIZED INTO 6 MODULES FOLLOWING THE GLOBAL MONITORING DATABASE (GMD) HARMONIZATION GUIDELINES, INCLUDING THE CONSTRUCTION OF THE WELFARE AGGREGATE WHICH IS USED FOR GLOBAL POVERTY MONITORING. TERMS OF USE OF THE DATA ADHERE TO AGREEMENTS WITH THE ORIGINAL DATA PRODUCERS.