Voices of the Poor
FOREWORD

The urgency accorded by the Government of Armenia to poverty reduction in the country and the importance of the eight Millennium Development Goals recognized by the world leaders, thinkers and development practitioners globally served as the basis for the Government of the Republic of Armenia (RA) to adopt a poverty reduction strategic programme (PRSP) in 2003 in order to tackle poverty on a priority basis. The PRSP revision process started in 2006.

The preparation of the PRSP in 2003 was made as participatory as possible. The concept of "participation" was, however, relatively new in Armenia. Participation of groups of stakeholders was ensured in the form of public discussions with the participation of representatives of civil society, deputies of the national assembly, local and regional governments, the mass media and the private sector. Various forms and methods for dissemination of information on PRSP preparation were used, including publication and dissemination of analytical material for the public through the internet, TV and radio programs, articles in provincial and national press, and public awareness campaigns in communities, covering various groups of the population, educational institutions, etc. Nevertheless, in the processes of direct consultation with the key stakeholders, the poor themselves, did not take part on a significant scale. Experts currently involved in the PRSP revision process thought that direct consultations with ordinary people would serve as important input to the revised PRSP. The RA Government fully supported this approach.

Thus, two tracks of the PRSP revision process started. One, based on the monitoring of the PRSP implementation in the country and the public and expert discussions that provided inputs into the review, such as in 2003. Two, a participatory track in which opinions and views of the people, especially the poor people themselves, on issues critically relevant to revising the PRSP were elicited through participatory methods, and the outcome of the process (called for brevity, "Voices of the Poor") was taken into account in revising the PRSP. The second track laid the ground for this publication - Voices of the Poor.

The second participatory track for the revision of the PRSP was carried out under the auspices of the PRSP Secretariat and supported by the UNDP in Armenia. A special group of animators was recruited under the auspices of the PRSP Secretariat, who were trained in the use of participatory methods. Instruments were devised to elicit and capture the views and opinions of the people. These animators carried out sessions, using participatory methods, on critical issues relevant to the revision of PRSP in 68 villages and communities in all the regions of the country, chosen randomly to be illustrative of the realities of the country. The groups of people in each community who participated in the participatory sessions involved marginalized and excluded people of the community. Where necessary, separate participatory sessions were conducted with the marginalized groups. The Reports on the outcomes of the participatory sessions in the villages and towns were prepared and shared at the community level. The Report on the outcomes of the participatory sessions in the villages and towns
was then consolidated in Yerevan with technical support from the UN System (UNESCAP and UNDP). The Report, in a condensed form, is presented here as "The Voices of the Poor," representing the micro-level perspective on poverty, hunger, education, health, agriculture, and social welfare in Armenia.

We are sure the "The Voices of the Poor" will be heard not only by the experts who revise the PRSP to make it more relevant to the people who matter most. It is our fervent hope that the Government of Armenia, civil society and donor community will also take into serious account the "The Voices of the Poor" in developing their national priorities and main policies.

"The Voices of the Poor" was a unique exercise in Armenia where views, analyses and opinions of the poor people were articulated through a genuinely participatory process using tools from a repertoire of Participatory Learning and Action. It was also unique because the many dimensions of poverty and related issues brought out by the "Voices of the Poor" were not, what Robert Chambers calls "abstractions, or to varying degrees reductions based on our analytical views". "The Voices of the Poor" remind us not to "overlook and ignore the analysis and views of the poor," the people who are in bad condition variously described as poor, marginalized, vulnerable, excluded or deprived1, or lose touch with reality.

On behalf of UNDP we wish to first deeply thank the hundreds of women, men and children in the villages and towns all over Armenia who gave so generously their time and thoughts to make this exercise possible. The Report benefited greatly from intellectual advise and guidelines provided by the Regional Advisor on Poverty Reduction, United Nations Economic and Social Commission for Asia and the Pacific, Bangkok Dr. Amitava Mukherjee. The animators also deserve our best thanks for their dedication and hard work. We also wish to place on record our appreciation for the PRSP Secretariat for their commitment and support.

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TABLE OF CONTENTS

1. INTRODUCTION AND CONTEXT ...............................................................6
  1.1. Some Problems with Participation in the Preparation of the PRSP ....6
  1.2. Revision of PRSP ...............................................................................7
  1.3. The Framework ...................................................................................7
2. METHODOLOGY AND METHODS ...........................................................8
3. THE PROCESS FOLLOWED .....................................................................8
  3.1. The Process as a Whole .................................................................8
  3.2. A Sample of Process Followed in One Community ......................10
4. SELECTION OF THE COMMUNITIES .....................................................10
  5. THE MANY FACES OF POVERTY .........................................................11
    5.1. How People Define Poverty? .....................................................11
    5.2. The State of Poverty ....................................................................11
    5.3. Criteria for Definition of Poverty ..............................................11
    5.4. Poverty Regional Dimensions ..................................................14
    5.5. Interim Policy Implications ........................................................15
6. EDUCATION SECTOR IN ARMENIA .....................................................17
    6.1. The Issues in the Education Sector .............................................17
    6.2. People’s Solutions .......................................................................22
7. HEALTH ISSUES FROM THE VOICES OF THE POOR .......................28
    7.1. Key Health Problems .................................................................29
    7.2. People’s Suggestions and Recommendations ..........................34
8. LIVELIHOOD ISSUES IMPACTING ON POVERTY ...............................35
    8.1. The Issues Agriculture - Related Issues ....................................35
    8.2. People’s and Farmers’ Suggestions and Recommendations ....39
9. THE SOCIAL SECURITY SECTORS .......................................................42
    9.1. People’s Perception of Social Welfare: the National Picture ......42
    9.2. What People Say To Set The House In Order? .........................45
10. SUMMARY OF POLICY IMPLICATIONS ..............................................47
Annexure-1:
The Steps and Stages In People’s Participation in PRSP Revision ..........62
Annexure-2:
List of Villages and Communities Selected for Participatory Sessions ....63
1. Introduction and Context

The PRSP for Armenia was adopted in 2003. The preparation of the PRSP was made participatory as enjoined by the World Bank. However, as the concept of "participation" was relatively new in Armenia, the process was huge and participation of every description was included. From April to November 2002, two agencies selected by the Government of Armenia to organize public participation, organized "(i) public discussions with representations from civil society, deputies of the national assembly, local government and the press; (ii) seminars in all regions of the country with the participation of civil society, the private sector, central, regional and local governments; (iii) preparation, publication and dissemination of information and analytical material for the public, including through the internet; (iv) TV and radio programs; (v) articles in the provincial and national press; (vi) public opinion surveys; and public awareness campaigns in communities, various representative groups of the population, educational institutions etc." According to the PRSP, an "Internet site including information on the participatory process has been set up and is regularly updated".

The Governmental bodies through their representatives on the PRSP Steering Committee and Working Group and participation of Deputies in Seminar, topic discussion and round tables; Regions through discussions and round tables; local self governments through feedback on the draft PRSP and participation in a three day workshop on the issues of Local Self Government; NGOs, scholarly and educational structures, mass media, private sector and trade unions; international agencies through joint comments on TOR/Draft PRSP seminars and technical support; and the Diaspora through participation of organizations representing them in joint discussions on the PRSP, all participated in the writing of the PRSP under reference. "More than 100 written recommendations were received. These were mainly incorporated in the draft PRSP. More than 1800 people participated in events organized within the framework of the participatory process. Overall, about 700 recommendations were recorded based on questionnaires completed at the end of discussions."  

1.1. Some Problems with Participation in the Preparation of the PRSP

From the discussions with Government functionaries, donors, civil society actors and international agencies the following features emerged:

(i) It was widely believed that the participatory process followed in the preparation of the PRSP was extensive. Several stakeholders participated.

(ii) Since the concept of participation was new to Armenia and to many development actors in the country, quality and the process of the participatory exercises were not as good as was desired.

(iii) There was, however, some disappointment that in the processes the direct consultation of with the key stakeholders (namely the poor) on a significant scale did not take place.

(iv) All the outcomes of the participatory process(es) were not incorporated into the final

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3. PRSP Armenia, 2003 page 17
4. Ibid
5. Ibid
PRSP document. According to some key civil society actors, this had resulted in cynicism amongst the people about the PRSP.

(v) There was a general feeling amongst NGOs and development actors that there will be lack of motivation on the part of the people to engage in the PRSP review process. However, it was felt across the board that direct consultation with the people, as inputs to reviewing the PRSP and seeking feedback from the people on a Draft revised PRSP, would be important.

(vi) The Government of Armenia was keen on the participation of people in the revision of the PRSP but it did not wish to "radically" disturb the exiting institutional arrangements for revision of the PRSP.

While civil society actors felt that lack of political will to incorporate the outcomes of the participatory process(es) was mainly responsible for the disappointments with participation in the preparation of the PRSP, Experts who Drafted the PRSP felt that views from the participatory process(es) could not be better incorporated because "thousands of pages" of material presented to them could not be put to best use within the available resources (including time) because of the sheer volume. They thought the "Voices of the Poor" would be very important in drafting the PRSP and would also be keen to have feedback from the people once the PRSP is drafted.

1.2. Revision of PRSP

There were two tracks of the PRSP Revision process. One, based on the monitoring of the PRSP implementation so far and other inputs, the Expert Group were to draft the revised PRSP document in a manner it deemed fit. Two, there was a participatory track, in which views and opinions of the people (especially the poor people) in revising the PRSP were be elicited through a participatory process and the outcome of the process (called for brevity, "Voices of the Poor") were to be taken cognizance of in revising the PRSP. The second exercise and its outcome relate to people's direct participation. The present volume is that "Voices of the Poor".

1.3. The Framework

In order to facilitate the process of people's participation ("Voices of the Poor") in the revision of the PRSP, a Framework was devised which is presented in summary format in Annexure-I. In preparing the framework the principal concern of the Government of Armenia (that the institutional arrangements are not required to be radically changed), the concerns of the civil society (that PRSP should be cognizant of the outcomes of the participatory processes) and the concern of the Expert Group (that they may be presented with outcomes of the participatory process in useable form) were all taken into account.

To complete the process it was estimated that 3 months time would be necessary. The process actually started in August 2006, and the "Voices of the Poor" was finally available by the beginning of November 2006.
2. Methodology and Methods

The methodology for eliciting views of the people was anchored on what has come to be known as the Participatory Action and Learning\(^6\). The basic tenets of the methodology are that people "know their condition best", can provide the data based on their knowledge, they can analyze their situation, they can identify their problems, they can find solutions to their problems and they can monitor and evaluate policies, strategies, plans and programs designed for them. The outsiders act as facilitators and help them to make informed choices.

A fairly wide range of methods was used. These included:
- Mapping and modeling
- Transects
- Seasonality Analysis
- Time lines
- Historical Transects
- Mobility Mapping
- Scoring, Ranking and Matrix Analysis
- Venn Diagramming for institutional analysis
- Relational Matrices
- Causality Analysis
- Empowerment Diagramming
- Semi-structured Interviews
- Participatory SWOT Analysis
- Participatory Force Field Analysis.

These methods are inherently flexible, both in theory and practice and improvisation is very strongly encouraged, as every human formation is unique. The facilitators, therefore, improvised these methods depending on local conditions.

A sample of the outputs from the participatory sessions is in Appendix-3.

3. The Process Followed

3.1. The Process as a Whole

The PRSP revision process was under way when work began on attempting to incorporate the "Voices of the Poor" directly into the PRSP revision process. As stated there were two tracks in revising the PRSP: one an Expert Group drafting the revised PRSP and a participatory process where, the public directly provided their inputs into the revision process under reference. There existed an institutional arrangement for revising the PRSP and for making it "participatory". The methodology adopted for this exercise did not require radical changes in

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\(^6\) The earlier incarnation of this methodology was encapsulated in what was called Participatory Rural Appraisal (PRA). There were diverse versions of PRA.
the existing institutional arrangements for revising the PRSP but make small adjustments to
achieve the objective of inputting "Voices of the Poor" in the revision of the PRSP.

The process involved the following elements
a) Reviewing the process of preparing the PRSP of Armenia and the various poverty
reduction program of the Government of Armenia;
b) Ascertaining the views of the different stakeholders on the feasibility and utility of
bringing the voices of the poor into the PRSP revision process;
c) Devising a framework for eliciting the views of the people on the different dimensions
of the PRSP, using participatory methods;
d) Developing, to the extent possible, the capacity of the key
Government functionaries and selected agencies on the technology of eliciting the
views of the people and reflecting them in the PRSP Process, as indicated above;
e) Carrying out participatory sessions in various locations;
f) Preparing write ups on the participatory sessions;
g) Sharing and disseminating the outcomes of the participatory exercises;
h) Providing to the Expert Group, drafting the revised PRSP, a
consolidated view of the people for incorporation in the revised PRSP

The participatory process was carried out under the auspices of the PRSP Secretariat and
supported by the UN System. The steps involved the following:
 a) A Special Group of animators was recruited under the auspices of the PRSP
Secretariat (funded by UNDP). They were trained (for 10 days approximately) in the
use of participatory methods.
 b) These animators carried out participatory sessions, using the methods outlined in 10
(c) above, on the PRSP in about 10% of the villages in
each Region (subject to a minimum of two in each region), chosen randomly. [See
section 4 below on the method for selection of the villages and communities]. The
groups of people in each village/locality in towns who participated included the mar-
ginalized people/excluded people of the village/community. Where necessary sepa-
rate participatory sessions were conducted with the marginalized groups.
 c) In each town, the participatory sessions were conducted in different locations, select-
ed through purposive sampling so that all localities/groups of people are represented
in the participatory exercises, using the methods outlined in above, or some combina-
tion thereof.
 d) The Reports on the outcomes of the participatory sessions in the villages and towns
were prepared at the community level and shared at the community levels.
 e) The Report on the outcomes of the participatory sessions in the villages (and towns)
was consolidated in Yerevan with technical support from UN System. First, the issues
as emerging from each village were collated in Tables, such as in Table-1 on issues
relating to poverty. Then the common issues and exceptional issues were collated
Region-wise as Regional Tables, like in Table-2 for poverty. From these Regional
Tables, the national issues were collated, as in Box-1 and 2 for poverty. [For brevity
other tables relating to other sectors, like education, health, agriculture etc., have not
been included in this publication. A similar process was followed for finding solutions to the issues raised. Finally, these issues and solutions have been packaged in policy formats.

f) Finally, the Reports were then condensed in a publishable form for the Expert Group as "Voices of the Poor" being micro-level perspective possibly as a supplement to the Macro perspective presented as Chapter-2 of the PRSP. As far as possible, the language used by the people has been retained, noting that there has been loss of local flavour due to translation from Armenian to English.

Based on the "Voices of the Poor", it was expected the Experts revising the PRSP might wish to revise the PRSP Goals and Main Policy Directions.

A graphical presentation of the process is at Annexure-1.

3.2. A Sample of Process Followed in One Community

There is no one-way of conducting participatory sessions. Indeed the technology of participation as also the philosophy of participation, enjoins that facilitators should avoid blueprint and improvise, innovate and improve all the time. Thus the processes for the participatory sessions followed by different facilitators in the 11 Regions were very different. Described below is a summary of steps followed in one village, to give an indication of the nature and character of the process.

The name of the village is Teghut in Tavush Marz.
The date when the participatory session was conducted is 29 September 2006.
The methods used were the ones mentioned earlier.
A village meeting was held in the middle of the village
Requested the villagers to choose a place for discussion
People were very active.
Visited the Town Hall AT 10.30 am and met the staff.
Started Session in the School building at 11.00 A M.
Described the program and answered villagers’ question as a start up activity.
Divided the people into 2 focus groups with men and women equally represented
Used previously prepared formats
Did not express our opinions
Took down dialectical expressions
Used historical transects, social map, problem matrix etc
And people choose the methods
Distributed evaluation sheets on the PLA and animators
Finished at 19.00 hours
Thanked for the discussion and said 'we hope for positive social change'.

4. Selection of the Communities

Armenia has a total of eleven regions and the urban agglomeration of Yerevan. All the regions and the urban agglomeration of Yerevan were chosen for conducting participatory
sessions. It was originally envisaged that 10% of villages from each region would be selected at random from each region and 10% of the communities would be chosen at random from Yerevan. However, since the regions varied in size, in terms of the number of villages, it was decided that participatory session would be held in 10% of the villages in each region subject to a minimum of 4 or even 5 communities per region. Based on the above, the villages and communities mentioned in Annexure-2 were chosen for participatory sessions and participatory sessions were conducted.

Participatory sessions were also held in Yerevan but not as exhaustively as one would have ideally wished to.

5. Results of Participatory Sessions with the Communities: the Many Faces of Poverty.

5.1. How People Define Poverty?

It is almost a truism that there are many faces of poverty and poverty has been defined in as many ways as there are experts in the field. The concepts of poverty such as income poverty, capability poverty, human poverty, poverty of "unfreedom" (from hunger, fear and want) and poverty born out of powerlessness, voicelessness and vulnerability from the tyranny of nature and man, are too well known to be paraded here. The concepts of poverty that people in Armenia have demonstrated include the above concepts as also those that portray that there are localized forms of poverty. They have also spoken of the existence of such forms of poverty in different locations. These together make what we call the State of Poverty in Armenia to which we may presently turn.

5.2. The State of Poverty

The fifth column of Table-1 makes an interesting reading. In at least 21 of the villages and communities studied, people experienced a rise in poverty and in another 4 of the villages and communities, the state of well being has remained unchanged. In 3 village and communities studied, people perceive that poverty has actually decreased. That is, in at least 31.3 per cent (approximately) of the villages and communities, across the country, the state of deterioration of poverty has gone unabated over the years; and in at least 37.2 per cent of the villages and communities, the state of poverty has either deteriorated or remained as they were before.

Against this backdrop, it seems that a high rate of economic growth experienced by Armenia (of around 12 per annum for the past few years) has not translated itself into reduction in poverty uniformly across the country. The structure of growth as also the redistributive policies may need to be examined de novo. The views expressed by the people are different from what has been the recent position of the World Bank 7.

5.3. Criteria for Definition of Poverty

The fourth column of Table-1 also makes as interesting a reading as the fifth one. People

have a very complex and comprehensive set of criteria to locate poverty. The depth of perception and width of tacit knowledge that people have in judging poverty are demonstrated by the wide range of criteria identified by them. Some of these are well known but some are rarely heard. Hark these criteria outlined in Boxes 1 and 2. In Box 1, what we call for want of better expression, “non-traditional criteria”, are catalogued and in Box-2 the “traditional criteria” are set out. Let us look at the Boxes under reference.

<table>
<thead>
<tr>
<th>Box-1</th>
<th>People’s Criteria for Defining Poverty: Non-Traditional Ones</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voice and power Deficit</td>
<td>i. Powerlessness against the tyranny of nature: hailstorm;</td>
</tr>
<tr>
<td></td>
<td>ii. Being ethnic minority (Ezide);</td>
</tr>
<tr>
<td></td>
<td>iii. No voice: voicelessness in political process;</td>
</tr>
<tr>
<td></td>
<td>iv. Powerlessness/ voicelessness;</td>
</tr>
<tr>
<td></td>
<td>v. Yezidi (minority), sense of insecurity born out of government apathy;</td>
</tr>
<tr>
<td></td>
<td>vi. Violation of human rights;</td>
</tr>
<tr>
<td></td>
<td>vii. Proximity to border with Azerbaijan: vulnerability. Work without rest;</td>
</tr>
<tr>
<td>Gender and Relative Income Deficit</td>
<td>i. Women headed households without paid employment;</td>
</tr>
<tr>
<td></td>
<td>ii. Food poverty;</td>
</tr>
<tr>
<td></td>
<td>iii. A situation where the cost price of agricultural production is more than the sale price of the produce;</td>
</tr>
<tr>
<td></td>
<td>iv. The ratio of monthly incomes to indispensable cost per household is less than 1;</td>
</tr>
<tr>
<td></td>
<td>v. Imbalance between income and expenditure</td>
</tr>
<tr>
<td></td>
<td>vi. Not having anyone from their relatives helping from Russia”;</td>
</tr>
<tr>
<td></td>
<td>Lack of entitlements to pensions and welfare;</td>
</tr>
<tr>
<td>Social Obligation Deficit</td>
<td>i. &quot;Inability to attend funeral or a wedding&quot;;</td>
</tr>
<tr>
<td></td>
<td>ii. Inability to pay taxes;</td>
</tr>
<tr>
<td></td>
<td>Inability to pay public utility bills;</td>
</tr>
<tr>
<td>Capability Deficit</td>
<td>i. Lack of intellectual and material capacities;</td>
</tr>
<tr>
<td></td>
<td>ii. Inability to sustain a student;</td>
</tr>
<tr>
<td>Privacy and Hygiene Deficit</td>
<td>i. &quot;In the 21st century we still have no baths, there is not even a single public bath in the village. If that does not make us poor, what does?&quot;</td>
</tr>
<tr>
<td></td>
<td>ii. Not washed for weeks.</td>
</tr>
</tbody>
</table>
Even under the traditional criteria for defining poverty as given in Box-2, people think beyond asset deficit (assetlessness) and income deficit (income poverty) to define and determine poverty. People talk about technology deficit as being a criterion to judge a community as poor (such as inefficient farming methods and old farm machinery and equipment). Though the link between technology, productivity and income is seen in the agriculture, people were inclined to name technology deficits as themselves criteria for recognizing poverty. Significantly, belonging to a minority community or group is considered as a criterion for poverty, which by implication means that either for historical factors or because of the current socio-politico-economic situation, the minorities face deprivation of some form. This may or may not be a huge problem for the present but it needs to be tackled. Good democracy is always cognizant of the needs of the minorities because democracy is the rule of the majority with the acquiescence of the minorities.

In the non-traditional criteria (see Box 2), people outlined five sets of criteria: voice and power deficits, gender and relative income deficits, social obligation deficit, capability and pri-
vacy hygiene deficits. Powerlessness against tyranny of man and nature, powerlessness and voicelessness in the political process, violation of rights, inability to meet social and legal obligations, lack of privacy and personal hygiene are among the prominent criteria identified by the people. While so doing, the people were not oblivious of the fact that capability poverty is also an important element in the poverty scenario. It is worth mentioning that a vast majority of respondents put high importance on the establishment or reopening of the "cultural clubs" as key center of communities' cultural and social life. In fine then people were concerned with income and non-income poverty in equal measure. In consequence, the common people do provide glimpses of many faces of poverty and do remind that poverty reduction strategies need also to be multi-dimensional.

5.4. Poverty Regional Dimensions

The regional dimensions of poverty are noticeable in the Armenian context. It is debatable whether these differences are strong except perhaps in the domain of livelihoods, primarily agriculture. The following observations are in order.

"Unemployment" as a criterion has been used in all regions in some form or the other: Aragatston, Ararat, Armavir, Gegharkunik, Kotayk, Synik, Shirak, Tavush, Vayots Dorz and Yerevan. This is symptomatic of the fact that the economy of Armenia is not diversified, especially after independence when many factories have been closed, which is reflected in the fact that people in many villages have urged that the factories be re-opened and that people are migrating to Russia and to a moderate extent to Yerevan in search of livelihood and to better their prospects. For example, villagers in Meghri, has urged for re-opening of the wine factory and indicated that their well-being improved because of the resumption of operation of the Agarak Copper-Molybdenum Combine (the gold mine) a few months back in 2006. Again in Noramut Village, Lori Marz, villagers were keen that processing factories (read agro-processing) are opened to provide jobs and help farmers add value to their produce.

Not surprisingly, "landlessness" as an indicator of poverty has been voiced in all parts of the country: from regions like Lory, Shirak and Tavush in the North to Synik and Vayots Dorz in the south, to Armavir and Gegharkunik in the vicinity of Yerevan. People were quite categorical that ownership of land alone does not necessarily lead to poverty alleviation. Owning land but inability to cultivate land, or use of inefficient methods of cultivation have also been identified in several regions as indicators of poverty. This is especially true of Ararat, Armavir, Lori, Synik and Shirak While these issues will be dealt with in the section on agriculture, suffice it to underscored here that people did flag the point of dated technology and absence of technical advice (also called agricultural extension), being major determinants of poverty.

The issue of "rights" has been raised from different perspectives. In some cases, the rights relate to minority rights, like those of minorities like Yezdis in Aragatsotn (it is surprising that no one raised the issue of Kurds also a minority in Armenia and in the same Region) and in other cases, relates to violation of human rights (as in case of Yerevan). In case of Khashtarak, Tavush Marz, political right as it relates to the possibility of raising their voices in a free and fair democratic election, was mentioned. This is significant. In case of a village in Vayots Dorz, the right to privacy and what Johan Galtung had once said "right to excretion"
were mentioned up front. There are other rights, like right to food, to education and to information, being not exercised, which have been mentioned, but people presented them from the "deprivation perspective" rather than a violation of rights perspective.

In the context of income poverty, the communities considered both absolute levels of income and relative levels of income as indicators of poverty. In two communities, people held that incomes below a certain level would indicate poverty. For example, people thought that income levels at less than 10000 to 15000 Drams per month in case of village Rind and 50,000 Drams per month in case of village Vernashen in Vayot Dorz Marz would indicate poverty. But in several places, income poverty was relative. For instance in some communities in Tavush Marz severe disproportion between incomes and expenditure was an indicator of poverty or in case of certain communities in Kotayk Marz, ratio of monthly income to indispensable expenditure was an indicator of poverty. Communities in Geharkunik Marz introduced the concept of a farmer's cost of production being higher than the market price as an indicator of poverty, thereby injecting the element of non-viability of agricultural operations as a sign that the people (read the farmers) are poor. Not viability of agriculture impinges upon a major portion of the livelihood sector.

It needs to be indicated that the criteria for identifying poverty (or poor for that matter) used by the people have been a mixture of both income poverty, capability or non-income poverty in some combination, except in case of Argatsotn and Yerevan where minority issues and violation of rights were raised. Indeed, in case of Vayots Dorz the communities indicated at least 20 criteria to identify poverty. By conservative interpretation, therefore, it seems that the poor suffer from multiple poverty and, in turn it may, therefore, be necessary to have policies with multiple strategies to tackle poverty in Armenia. People have also recommended certain measures to improve their lot, to which we shall revert later, and they too are aimed at reducing different aspects of poverty.

5.5. Interim Policy Implications

These criteria, therefore, have important implications for strategies and policies for the Government of Armenia. Poverty reduction strategies have to address a wide range of issues, if poverty is to be tackled substantially if not wholly, and "well-being" of the people increased significantly. While rapid economic growth does provide one way of reducing poverty, it is not the only way to do so. Poverty reduction strategies could, at first glance, include, but not be restricted to, measures for:

(i) increasing the income levels of the people - to remove income poverty, poverty born out of social deficit through such measures as provision of micro-credit and launching of wage-employment programmes;

(ii) increasing the asset base of people - to remove poverty due to assetlessness---micro-credit and launching of self employment programmes;

(iii) increasing the "voice" of the people in the political (and development) processes - to remove poverty due to voicelessness - through a process of decentralization of development administration, planning and project implementation to the lower level on the basis of the principle of subsidiarity;

(iv) empowering the people - to eliminate poverty due to powerlessness and violation of
rights—may be through organizing the poor, promoting community based organization and encouraging the voluntary sector to flourish. This would entail a paradigm shift, a movement away from welfarist approach inherent in some socialist societies. It needs to be underscored that rights are violated, not necessarily by the State, but by a range of actors and circumstances;

(v) increasing the capability of the people through improved education, healthcare and personal hygiene; and

(vi) increasing incomes relative to expenditure to eliminate relative income deficit, primarily through reduction of input prices through a benevolent regulatory mechanism, social risk management (to minimize loss) through provision of micro-insurance and elimination of exploitative intermediation by better marketing of goods and services produced by the people and providing minimum support price.

Specific policies and strategies will be dealt with in the last section.

The criteria set out by the people and the knowledge they shared during the participatory sessions also indicate that the causes of poverty are as varied as the faces of poverty that the people have outlined. A reading of the output from the participatory sessions in the villages/communities indicates that poverty in different regions of Armenia has been caused by:

(i) processes - e.g., degradation of land, environmental degradation, loss in soil fertility, decline in quality of seeds;

(ii) policies - e.g., poor targeting for providing social welfare benefits, unregulated prices of inputs etc.,

(iii) institutions - e.g., recalcitrant government officials, lack of support institutions to provide technical advice and technical knowledge to farmers, to eliminate exploitative intermediation and market agricultural products and provide social risk management cover.

Thus if the voices of the people are heard there is a need to propel the boat of poverty alleviation with oars of remodeled institutions, new policies and "reversed processes" to eliminate poverty of different hues. Care has to be taken not to loose sight of poverty caused by powerlessness, voicelessness, vulnerability, violations of rights and privacy and hygiene deficits.

It needs to be underscored that the criteria for defining poverty that people have articulated also brings forth in bold relief the inherent goodness of the people and their urge to have a freer and fuller life. For example, people are concerned about their income (or low income), but only in relation to their expenditure to meet their basic needs - food, fuel, shelter, and clothing. People are concerned that those who are unable to meet their legal and social obligations are poor, because they are unable to discharge their responsibilities as good members of society and responsible citizens, which in turn leads to an erosion of social capital. People know that they do not live by bread alone: they need dignity, privacy and capability. They perceive, and rightly so, that they deserve their right to be respected and their entitlement not denied. These issues need to be dealt with in any poverty reduction strategy.

Having discussed the state of poverty, it may be useful to see at some of the key sectors: education, health and social security and agriculture.
6. Education Sector in Armenia

Participatory assessment of education-related issues was undertaken in 11 regions of Armenia. People, both women and men, and more importantly teachers and students, freely expressed their views and opinions based on their daily experience and local knowledge. The villagers from different Marzes of Armenia and communities in Yerevan listed 14 key issues in education sector (see Box Below) and also suggested changes in education-related programmes and strengthening of the education system.

Schools are operating almost everywhere and only in rare cases do children have to go to a neighbouring village to take lessons as in village Gyalto, in Aragatsotn Marz children need to go to a support school in the neighboring village of Pirmalak. School is an institution, which receive a lot of public attention, because, inter alia, education is a high priority for the people in Armenia. In only one case, in Gegharqunik Marz, did the community maintain that education was not a priority. Generally there are no families whose children do not attend school due to social issues. The schools give textbooks with a discount to a number of children from vulnerable families. However, some children cannot afford to go to school due to their families' poverty. The principal issues raised by the people are in Box-3 below.

### Box-3

**Issues for the Education Sector Raised by the People**

(i) In sufficient or poor condition of building and infrastructure in schools
(ii) Poor physical environment of schools
(iii) Lack of or poor personal hygiene and absence of water and toilets
(iv) Teachers and their capability
(v) Old or inadequate furniture, equipments and inventory
(vi) Inadequate library
(vii) Ill equipped or absence of, laboratory and computers and computer-rooms
(viii) Ill equipped, or absence of, gymnasium and extra curricular activity
(ix) State of kindergarten
(x) Poverty as a hindrance to education.
(xi) Health of students
(xii) Neglect of schools by social institutions and parent's council
(xiii) Adverse impact of “recent education policies” off the Government of RA
(xiv) Others: attitudes, budgets.

6.1. The Issues in the Education Sector

(i) **In sufficient or poor condition of building and infrastructure in schools:** Building and infrastructure across the regions stand in need of renovation. In some cases the condition of School buildings is deplorable while in one case the School is being held in temporary structures. Leaking roofs, cracked window glass and single frame windows are not uncommon. Insufficient number of classrooms has also been spoken of. This has resulted holding of what people call, in several cases, "combined classes", where students of different classes study in one classroom. In one case in Shiraz Marz all the 9 students of the School study in the same classroom. Some communities want a modern School Building with proper fixtures and equipment.
Within infrastructure, heating is a major problem. Various forms of heating are used from heating with liquid fuel to fuelwood. When heated with Kerosene stoves, classes are filled with smoke causing considerable discomfort to students. In some cases chimneys create problems. In some cases stoves are old and hazardous. Poor heating is generally the case, often leading to diseases. “In winter the classroom temperature is below 0 (degrees). But they do not allow to make the classes shorter” said one villager. A teacher even argued that the cold has led to decrease in fertility of the girl children later in their lives.

Many schools did not have provision of drinking water. In some cases there is no drinking water supply in the School at all while in others the source for accessing drinking water is far away from the school.

(ii) Poor physical environment of schools: Environment of the School is an area that bothers people considerably. Construction activities in the villages are a spontaneous enterprise and are not always done in accordance with the village plan. In some villages, presently the construction works undertaken in the school area, as well as the nearby shops, seriously interfere with the teaching process. In one case, the households of the village dump their garbage by the school fence. Sewers too contaminate the school territory. There are cattle sheds constructed next to a school in a village; and manure is piled up in and around the place.
(iii) Lack of, or poor, personal hygiene and absence of water and toilets: The issue of personal hygiene came in for comments at many places. There are no toilets and no running water in several schools. In some other cases, where toilets exist, they are not useable in the absence of running water supply. Pupils and teachers often use Open Pit Toilets. There are Schools which have neither separate toilet for the girl children or for children with disabilities.

(iv) Teachers and their capability: Schools are generally well staffed and teachers are perceived as being well educated and well trained. There are both men and women teachers. Students respect teachers and their positive attitude is appreciated. Technical teachers are in short supply especially in specialized subjects such as Physics, Chemistry, Geography, History, Armenian, English and Russian. In some cases, however, teachers are seen as lacking proper training in the art of teaching and do not know the modern pedagogy.

Box-6
On Capability of Teachers

"They avoid the army by hanging out here for four years and then they leave. They can't even tell the difference between wheat and barley." ...Villagers in Akhpradzor, Gegharqunik Marz.

In most cases teachers are from the local area but there are communities where teachers are not community residents and commute from nearby places or even walk. In these places teaching becomes problematic during the winter season when public transport gets dislocated due to snow.

Private tuition has been mentioned as an area of concern. Though in many Schools private tuition is not encouraged, in some cases, students have resorted to private tuition. Members of some communities want this to be discouraged because they maintain that private tutoring has a negative impact on the quality of education in the Schools generally, as teachers are not interested in ensuring good standards of teaching at school.

(v) Old or inadequate furniture, equipments and inventory and didactic materials: It is a fact that Schools generally have furniture and equipment. What people perceive is that some cases they are not adequate to meet the needs of the School and in most cases these are worn out and need replacement. In some cases additional furniture are necessary. Similarly inventory and stocks and didactic materials also are in most Schools old and need urgent replacement. In several places supplies have not been received since 1970. Equipments and inventory as also didactic materials are considered inadequate in several cases. Given the importance of inventory and stocks and didactic materials, and given the state of resources made available to the School Management, existing inventory of a school has been occasionally repaired by the efforts of teachers and villagers.
(vi) Inadequate library: the communities consider libraries as important. Many Schools have library. Some libraries are rich. But there are several Schools with a limited number of books inherited from the old Soviet times. In some cases the school library does not meet the new requirements of foreign literature and training materials on information technology. There is shortage of fiction and does not meet the standard for literature set for school programs. There are Schools as well, which do not have a library at all. Stacking school libraries is an important need for the schools.

(vii) Ill-equipped or absence of laboratory and computer rooms: Many Schools have Laboratories. And there are Schools, which have no Science Laboratory especially for Physics and Chemistry, which prevents them from properly teaching these subjects. Teaching of Biology is also hampered by lack of laboratory. People complained in many places that though there is a laboratory in the School, laboratory equipments are in short supply and in some cases, they are old or even in missing.

Computer Rooms were also in for discussion. Some Schools have computer classroom with computers and some even had Internet connection. Others did not have either computer rooms or computers. Some of the schools have their computer classroom (with even upto 6 computers). The School Reforms Program has provided computers to Schools. Computers were also brought in 2006 through World Bank's co-financing, credit program. Having an information technology teacher was a problem for many schools.

(viii) Ill-equipped or absence of gymnasium and extra curricular activity: People in most of the Villages and Marzes were keen to see that the school-going children have a disciplined body and that they get opportunities to develop their talents outside the class. While some schools also do not have any gymnasium at all, in many schools there are gymnasiums but these lack equipment or the equipment is old. Some Schools lack playing fields, while others have no recreation room.

(ix) State of kindergarten: Except in one village, kindergartens are highly valued by the people. There is a mixed picture that one gathers about the state of kindergartens. There are kindergartens, which are well run and in good buildings and people in these communities are happy with the kindergarten's work. Such kindergartens are accessible to everybody in terms of fees and location.

But there are cases where kindergartens have fallen in bad times and in other cases they are conducted in old buildings. In one cases the roof of the kindergarten building is flat and has become obsolete. Rainwater penetrates into the building and damages the entire building, furiturer and other inventory. And there are some villages, which have no kindergarten or where the kindergarten has been closed and needs re-opening. Complaints about lack of linen, toys and stationery were also herd. The kindergartens are financed through the local self-government budget but in many cases they are also funded by international NGOs like World Vision and other charitable Trusts. Recently, in Meghri, Ararat Mraz, a contract was
signed with the Australian owner of the gold mine, to sponsor the kindergarten (covering the cost of food and salaries).

(x) **Poverty as a hindrance to education:** Poverty is a major stumbling block for children's education in several communities. In some villages, due to socio-economic hardships that the population has to cope with, students are not sent to school. In all Marzes, while most of the children have their textbooks, the teachers mentioned that the parents in some communities are so poor that they can hardly afford buying the textbooks. Lack of money to buy clothes, as well as children's involvement in cattle farming and household chores (due to parent's poverty) prevent children from going to school.

Teachers have also indicated that in several communities few school graduates and talented children continue their education in institutions of higher learning because it is in a faraway village and because of families' "grave socio-economic condition". There are even cases where due to poverty, parents cannot bear full costs of kindergarten operation (approximately AMD 4-5 thousand per child). One woman from Village in Nor Kyurin, Ararat Marz explained that her two daughters do not attend school because of health problems, and she has no means of seeking medical assistance. She is a single mother.

(xi) **Health Issues of students:** It is in winter and fall months that the number of cases of pneumonia and flu grows because of bad heating. One of the teachers said angrily that many girls develop sterility because they sit on cold desks in the school. A system of immunization is also needed.

(xii) **Neglect of schools by social institutions and parent's council:** Though Schools were highly sought after by the people, Social Institutions did not pay much attention to the schools. Even the Parent's Councils set up to act as bridges between the Schools and the respective communities are in most cases inactive. In some cases they are active and where they are so, they make valuable contributions.

(xiii) **Adverse impact of "recent education policies" of the Government of RA:** In case there are small groups (small number of students) in the class the classes are combined in one. For example the 2nd and 3rd and/or 4th grade classes will have class in one room and within the 45 minute (official class time). This means that teachers have to complete explaining the topic for each class as well as accomplish asking and giving assignments, within one "class time" otherwise devoted to a separate class. Thus if 2 classes are combined, it would imply that a teacher devotes 22.5 minutes per class instead of 45 minutes to a given class. The teachers complained that this seriously impaired teaching. Secondly, from 2006 the school education became 12 years instead of 11. It also meant that while earlier a child's age of entry to a School was 7 years, it now became 5-6 years. There, the key complaints by the people and teachers about this change were that children that young need special equipment and/or teaching materials, methodology, toys, etc. But none of these was provided to schools. Thus the teachers explained that schools were not prepared properly for this reform.
In one village, the teachers are also concerned about the Education Ministry's decision to convert their school into an eight-grade school and set a base high school in one of the nearby communities to serve several villages. They are afraid that such a decision will foster the emigration.

Policies regarding schools for children with disabilities leave much to be desired. It was indicated that generally there are no schools for children with disabilities. For example, in one case in Gegharqunik Marz, virtually all of the school-age children in the community attend the school, with the exception of nine children that are mentally retarded or have physical disabilities. Only one of them attends School and the others do not do so. Owing to financial problems and lack of desire on the part of the parents of such children, the other eight cannot attend special education institutions.

(xiv) Budget
Insufficiency of budget is a major problem for the School Management in some cases. Local self-governments have little leeway to fund either capital or recurring expenditure in Schools that operate within their jurisdiction.

6.2. People's Solutions
Having discussed the issues in the education sector, people provided their solutions to tackle the problems. The solutions have not been presented here in the same sequence in which the problems have been enumerated for the reason that the solutions are inter-related and the same solution or more than one solution, applies to a particular issue highlighted by the people. A summary of the solutions presented is in Box-7 below.

| Box-7  
People's Solution in the Education Sector |
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>(i) Provide Transportation</td>
</tr>
<tr>
<td>(ii) Medical Attention in Schools</td>
</tr>
<tr>
<td>(iii) Nutritional Program</td>
</tr>
<tr>
<td>(iv) Institutional Reforms</td>
</tr>
<tr>
<td>(v) Curriculum Development and Capacity Building of Teachers</td>
</tr>
<tr>
<td>(vi) Reopen or establish Kindergartens.</td>
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<tr>
<td>(vii) Building School Infrastructure, Equipment and Hygiene and sanitation.</td>
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<tr>
<td>(viii) Affirmative Action for Vulnerable groups.</td>
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<tr>
<td>(ix) Raising resources from Non-conventional Sources.</td>
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<td>(x) Policy Changes.</td>
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<td>(xi) Rights of the students be recognized</td>
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A brief discussion of the solutions is presented below.
**A. Provide Transportation**

In winter where a School is not properly heated or teachers cannot come, School Transportation should be provided so that students can go to a nearby School. Even though this seems like a seasonal measure, it has to be institutionalized. For example, the children of a village go to Dzorashen owing to the benefactor A.Aghababyan who has provided a jeep to take them to school and back.

Repair of community streets is very important as in bad weather (meaning winter) it is almost impossible to get to the Schools. Only providing transportation without a minimum of roads will not carry the communities very far. The complementarity of the two is well realized by the people.

**B. Provide Medical Attention in Schools**

Health issues are important for the community. All, promotive, preventive and curative health care for students and teachers were considered essential for improvements in school education. Medical Examination of the schoolchildren and specialist visits more frequently were strongly recommended. Along with students, Teachers should also be provided with free medical examination and treatment. Teachers should additionally benefit from reduced fees for utility services.

One model for providing medical care to students and teachers in Schools is the "Open Door Days" model. "Open Door Days" held once or twice a year when the doctors from a nearby hospital visit the school and examine the students. In addition, once a month the nurse conducts a sanitation day. This should be extended to all Schools. An example of “Open Door Days”

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**Box-8 On Good Practices in School Nutritional Programme**

In Hoghmik Village, Shirak Marz, for six years that CARITAS has been carrying out a food program directed towards the pupils of elementary classes. The organization distributes vegetable oil, lentil and flour. On their part, community members donated a baking oven, gas-stove and utensils to the school. Besides, community members provide the school with requisite food - potato, and other vegetables.

One kindergarten, in Noramut Village, Lori Region, has two groups with 35 children in each. Children are fed three times a day. Save the Children Funds program supports the food provision. 2000 Drams are collected from each child for food and the village administration transfers 50 Drams per day for each child.

The UN Food Program has been supplying food for elementary school students for 3 years in Village Arjut. Jointly, the school and the parents renovated one classroom, which is used as a dining room. CARITAS provided the dining room with tables and chairs. The parents support the project either by money or with food.
Days” is in Village Tavshut, Shirak Marz. Another model is that provided by the School in Noramut Village, Lori, where a nurse, carries out the mandatory vaccinations of schoolchildren, together with the nurse of the medical post.

C. Start Nutritional Program
Nutritional Programmes should be started in the Schools as both an enabling step and as a health measure. Nutritional Programmes would not only improve School attendance of children from relatively poor families (by increasing the real income of the respective parents) but improve the health status of children in general, enabling them to study better, specially in harsh weather conditions where nutritional requirements of the body are not easily met. There are several Models available in Armenia, which can to be adopted or upscaled.

D. Institutional Reforms
It is important to revitalize the Parent's Council. The Parent's Council acts as a bridge between the community and the schools. A revitalized Parents' Council can act as a watchdog against violation of students' rights and arbitrary behavior of teachers and eschew corporal punishment meted out to students. Above all an active Parent's Council would help the school management to raise resources including community contribution to help repair buildings etc, run nutritional programmes and enlist the support of social institutions for the schools.

E. Curriculum Development and Capacity Building of Teachers
Needs for additional teacher of Armenian and Russian languages and in technical subjects such as Geography, History, Physics, Chemistry, Biology and Information Technology should be met. The Education Department of the Marzes should be mandated to help Schools, when School Management approaches them for assistance. An example is the case of the School in Hoghmik, Shirak Marz, which was assured that a specialist will be sent, by the Education Department, Gyumri and the assurance was carried out.

Appointment of Physical Education Teacher and as well as teachers in Arts and Craft are important. The potential impact of these teachers, according to the people, on the students is

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**Box-9
Good Practices in Institutional Reforms**

The Parents' Council is registered as an NGO, "Tavshut School Parents' Council." The governing body is a ten-member board. Acting as a legal entity, the parents' council has been repeatedly helping the school. Recently they were awarded a project and repaired the gym and purchases sports equipment.

Parents' committee, the Office of the Village Head, the Church and philanthropists could join hands to help schools.
that they would not only enhance the overall development and personality of the children but also inculcate in them healthy habits.

Local Language should be used as a medium of instruction. Use of local language would improve the learning process and elicit more interest from parents and the community in School's activities. It is also in this context that appointments of language teachers mentioned above assumes greater importance.

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**Box -10**

**Learning in Your Own Tongue**

In the School at Fioletov, Lori Region, the language of education is Russian. In Village Gjalto, Aragatsotn Marz, the school offers instruction in the Ezide language. In the School in village Arzni, Kotayk Marz, the Assyrians students have the opportunity to study in their native language, though the school is Russian.

Introduce English language in the school curriculum found much favour. The villagers attach great importance to the learning of English, as they believe it gives greater possibilities for professional growth than from learning other foreign languages.

The pedagogy of teaching should be modernised. Many of the teachers have positive attitudes and have earned the respect of the students. But they have not been able to keep up with modern methods of imparting education. Training of teachers has, therefore, been emphasized which will positively impact on the quality of education.

According to some participants, it is necessary to raise the teachers' salaries and their responsibility for their work and measures must be taken to enhance the role of teachers in the society, both of which will improve the quality of teaching in schools. One reason why raising salary commends itself is that a higher salary would reduce the need of the teachers to undertake private tuition, to which we shall revert again later.

The school curriculum needs to be upgraded along with upgrading the skills of the teachers and make the Schools more relevant to the ground realities. It may be done either by including into the school curriculum subjects for professional application, like viticulture, tractor and car-driving classes or vocational schools be started for building capacity of young men and women in these and such other areas, such that they become more employable. It is believed that these measures would help in reducing the problem of unemployment.
G. Promote Kindergartens
Kindergartens are highly prized by the communities. They have a strong gender dimension. People recommended reopening kindergartens where they are closed; renovating buildings where they stand in need of repair and equipping them with toys and other materials necessary for children's initial initiation into the schooling system. Promoting kindergartens was also recommended as a measure to help reduce the loads of teachers in secondary schools.

H. Building School Infrastructure, Equipment and Hygiene and Sanitation
There is a need to make investments in building and renovating the infrastructure of the Schools. The Governments both of RA and local levels should provide inventory, furniture, physical plant especially heating facilities, Gymnasium and recreation centre. Acquisition of didactic materials, computers, equipment and other materials needed for practical training and laboratory classes must be made a priority for the Government. It seems there is under-investment in these areas of the education sector.

Box-11
Save the Children and USAID

At present, "Save the Children Fund" is implementing a sewerage repair project in one of the school in Lorut Village in Lori Marz. While USAID is supporting light repair works in the school building and its heating system.

I. Take Affirmative Action for Vulnerable groups
Poverty being a serious issue and being an impediment to educating children from disadvantaged families, the communities had various suggestions to make in this regard. Summaries of these are
- To provide the vulnerable children with books and stationery free of charge in addition to financial aid.
- Provide preferential treatment to applicants from high-mountainous villages in admissions to Schools of Education in Yerevan.
- Children from socially disadvantaged families should be allowed to attend school exempted from paying the required fees /fees for textbooks etc.
- Children form Minorities like Assyrians have serious problems with enrollment in Universities. As children from a minority group they have no privileges, while competing with Armenians is hard. This must be addressed by making special reservations for minorities in institutions of higher learning.

Legitimate exemption from classes for both pupils belonging to disadvantaged families and teachers during the harvesting period allowing children to participate in income generation activities.

J. Raise Resources from Non-conventional Sources
Communities when they catalogued the foregoing list of "things to do", for the Government,
were aware that to implement the suggestions, there will be need for additional resources. While the government has the responsibility to implement the recommendations in the education sector, people thought that alternative means of financing should be devised and there are enough examples of such alternative sources of funding in Armenia. A sample of good practices is in Box -12.

**Box-12**

**Innovative Ways of Raising Resources**

In village Lorut, Lori Marz, owing to the industrious and persistent efforts of the one school management they have been able to win projects and draw the attention of benefactors. In the same village, benefactors Karo and Aida Mirikyans have funded renovation of the second floor of the School Building. In village Khnkoyan also in Lori Region, in 2006 the Social Investment Fund is planning to build the roof of the school, as the flat roofs of the previous period are not well suited for Armenia and especially the climatic conditions of Lori. The same School in Khnkoyan had a problem with textbooks but the Headmaster has managed to bring them from School #2 of Spitak using his personal ties. Every year free-of-charge textbooks are being provided to 7 orphan children (1 with a single parent and 6 with no parent at all). Syunik Marz.

**K. Policy Issue**

On educational reforms and related issues, the teachers were more vocal than the communities because they understood the technicalities, based on their professional experience, better than the communities in general. The following suggestions emerged:

- To declare invalid the decree of the Ministry of Education on class mergers, even if the enrollment in classes is too small.
- Competent authorities, including the Marz Governor's Office, RA Ministry of Education, RA Government, RA President, should be responsive to the needs of the Schools.
- The education reform mentioned earlier is problematic in that its implementation is not supported either financially or technically. Hence, they should be implemented only after necessary groundwork is done in terms of proving technology and resources for aids and materials to the schools in question.
- The government should organize inspections in the classrooms thus contributing to increased sense of responsibility on the part of both the teachers and the pupils. This is considered important by the communities to respect the rights of the children and ensure quality in education.
- The students should not be asked to contribute to the everyday needs of the school.
- Pupils have to take private classes both in the village and in the town to be admitted to institutions of higher education. This must be discontinued and teachers made to improve their performance in the Schools. This regulatory step should essentially be accompanied by the incentive of a higher salary as people have recommended earlier.
The local people consider per capita financing of the village school wrong. Financing of School should be based on the resources required to run the school in an efficient manner.

**L. Respect Rights of the Students**
The students made the following recommendations:

- Students' rights should be respected,
- Teachers should not beat students,
- Students' opinions should be respected,
- Students' knowledge should be assessed impartially,
- Students should take part in laying down the school rules.
- Students should have a say in selecting their class supervisor and
- Some activities should be organized for leisure time.

In conclusion, it seems that the areas of concern voiced by the people demonstrate that people want their children to have a disciplined mind and a disciplined body. These concerns reflect that because people generally are satisfied with the education imparted to their children in terms of quantity and attitude and the behavior of the teachers, the focus of improvement in the education sector should be on software part of the sector as well. The impact of advancements in information technology is much sought after by the communities. Thus the emphasis of strategies to improve education should be on the quality of schools, their technology, didactic material, plant and machinery and, the most important, the teachers. It may not be out of place to mention here that the communities exhibited their awareness of the need to find innovative ways of finding some of which have been suggested above.

**7. Health Issues as Indicated by the Voices of the Poor from Armenia**

Participatory assessment of health-related issues and services was undertaken in 11 regions of Armenia. Village-wise issues were elicited first; then region-wise issues were distilled and finally national health related issues were identified.

The villagers from 60 study villages of Armenia (across 11 regions) listed 9 key issues in health (see Box 13) and also suggested changes in health-related interventions and strengthening of health-related infrastructure and services. In terms of common issues, which were voiced to be crucial, the villagers flagged the first 6 issues in most regions covered by this study.
7.1. Key Health Problems
Selected local dimensions of the key issues indicated by the people are described below.

(i) **Limited availability of local health services and medication:** Local Health Services are limited to child vaccination, counseling and first aid, check up and registration of pregnancy and timely injections. Medication for primary health care is insufficient. There is a lack of medical equipment. Medicaments (sic) are too expensive. In a few study villages, the health post is almost always closed. Even if it is open, the required medication is not to be found. For other study villages there is no primary health post functioning and the residents need to travel long distances for health care. The local nurse performs only the mandatory vaccination of children, provides consultation and first aid, the latter being generally free of charge in the village.

(ii) **Infrastructural constraints in local health post and maintenance:** In some villages, the primary health post is located in a small shabby room with no running water, sewage, toilet, telephone, basic furniture or equipment. Due to lack of funds, for years, many villages have experienced such deprived semi-dilapidated ambulatory. This is also the reason for the decline of healthcare quality and affordability. There exists first aid post in many villages for vaccination programme, which has no running water, sanitary arrangements, essential equipments, no refrigerator for keeping vaccines; and the first aid items available are not adequate in quantity. The lack of refrigeration accounts for failures to organize several important vaccinations in good time. In many villages, the first aid post cannot pay for its electricity bills and often power gets disrupted. Some have full time/part time nurse who is over-loaded and rarely a visiting dentist. In absence of heating in winter the health post is forced to remain closed and the nurse attends patients at her own home.

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**Box-13**
**Key Issues in Health From the Voices of the Poor in Armenia**

(i) Limited availability of local health services and medication
(ii) Infrastructural constraints in local health post and maintenance
(iii) Constraints to approaching health care outside village
(iv) Difficult transportation and no ambulance allotted
(v) Lack of financial capacity to access health care
(vi) Problems in emergency health services
(vii) Lack of local village pharmacy store
(viii) Lack of provision of anti-snake venom
(ix) Polluted water, climate and morbidity
(iii) **Constraints to approaching health care outside village:** With difficulty the villagers go to healthcare institutions in the provincial center. In serious cases people have difficulty going to hospitals at a distance for which they need money for travel or need to pay for fuel charge for getting ambulance service. Though in many hospitals treatment is provided free of charge the attitude of health staff is not always pro-client and in some cases some payments are also required to be made to get health services.

(iv) **Difficult transportation and no ambulance allotted:** This is a serious problem not only in terms of financial costs, but also in terms of bad roads and lack of transportation. There are no ambulances allotted to many villages and patients tend to use any available vehicle by paying for it. Residents are often asked to pay money by hospitals in order to supply fuel for ambulance service.

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**Box-14**

**First Aid Box Get Updated with Improved Infrastructure,**

**Village Hoghmik, Shirak Marz**

Until last year, the village’s first-aid post had been located in a 32 years old wagon. Last year the NOVA organization renovated two rooms in the village administrative building, and since then the first aid-post has been removed to these rooms. The aid-post has water supply and working sanitary arrangements. The NOVA also donated some inventory and medical equipments. The only worker of the aid-post is the nurse who is paid 12000 drams monthly. Participants were content with medical services provided by the nurse. According to them, one can go to her house for an urgent help even at night.

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**Box-15**

**No Health Care Comes Free of Charge**

**Shirak Marz - Village Hoghmik**

"There is nothing free of charge nowadays." One of the participants told us: "When my daughter-in-law was about to deliver, I approached the doctor and told that the only money I have is 10000 drams. He replied that 10000 drams is a very small amount to be divided among 6 people: So, give me at least 20000 drams. Take it into account that I had already paid 2000 drams to the pediatrician and 1000 drams additionally for seeing the child. If there is a need for doctor, they have him/her visited from the Health Center by a phone call. Sometimes they have to pay for the visits. There is a private dentist in the nearby village of Goghovit, whom the population of Hoghmik mainly goes to see in time of need.

As for the availability of medicine, people can get it from the first-aid post, which, on the whole, has medicine in necessary quantities. Regarding the medicine prescribed by doctors, people get it from the pharmacies in Amasia or Gyumri. The village authorities assist the first-aid post by paying the latter’s electricity bills.
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(v) Lack of financial capacity to access health care: According to the participants, medical aid presently is more costly than in the 1980s. Medicines are expensive and approaching hospitals are also costly due to high transportation cost and health costs. It is wise to avoid illness and avoid going to hospitals to the extent possible.

(vi) Problems in emergency health services: As there is no proper telephone communication, the villagers themselves handle emergency cases by taking the patients to different health outfits generally at a good distance from their villages. It is not possible to provide childbirth assistance locally. Roads are closed in winter months and there have been cases where women gave birth at home. Ensuring telephone communications, transport and resolving the issue of the ambulance are urgent problems for the community.
(vii) **Lack of local village pharmacy store**: Many villages do not have a drugstore or people who would sell medicines as intermediaries. The problem is due to the small size of the population residing in a village, a drug store may not be viable.

**Box-18**

**Trying to Escape Medical Services by Not Falling Sick**

Gegharqunik Marz, Village Mets Masrik

Health care to community members is provided by medical institutions of Vardenis, Martuni and Yerevan. However, they mention that they try not to fall sick "as far as it's a crime to go to hospital". The main reason for escaping medical services is that the fact that these services are inaccessible because of being rather expensive while to get qualified medical aid they are constrained to go to hospital in Yerevan as far as the hospitals of their region are lack of not only qualified specialists but also kind attitude. They report that the hospital in Vardenis hasn't completed either its staff or equipment within recent fifteen years. "Medical operations are made using forty-year tools, what should we do there?"

People were complaining of first aid services as well. They report that it has been fifteen years that no any ambulance car has visited the village. One of the villagers told that currently the first aid station in Vardenis has got only one Mercedes, which doesn't reach their village because it's impossible for this car to overcome the road to Mets Masrik. So if they call for first aid service, and if somebody answers the phone, they will say indeed "We cannot register the call". In response to the question what they do in these cases, they answered: "If there is such a case, we put the patient into a truck basket and take him to hospital".

**Box-19**

**Vaccination at Local Health Post is Problematic though Getting Ambulance is Easy**

Lori Marz - Village Armanis

There is an ambulatory in Armanis located in the school building. The ambulatory has neither water supply, nor sufficient medication needed for primary medical aid.

The ambulatory is staffed with one nurse who, however, is not an Armanis resident. The former nurse was an Armanis resident, but she died last year and due to the lack of the relevant specialist in the district, a nurse was appointed from Stepanavan. The new nurse visits the district once or twice a month referring to the lack of transportation; even vaccination is not done on time. The residents complained about her: "She says, bring the new-born to Stepanavan for vaccination. And if the young parents are unaware of the needed vaccinations and don't inquire, the child remains unvaccinated."

When needed, the residents use the ambulance, which arrives from Stepanavan. According to the residents, they are satisfied with the ambulance service. According to them, only the poor roads slow down the arrival of the ambulance on time and transportation of the patients to Stepanavan. Even in the event of accidents, the residents are reliant on the ambulance, since the ambulatory is almost always closed. In the meantime, neighbors help with bandages, cotton wool, iodine, etc.
(viii) Lack of provision of anti-snake venom: Villagers in many villages were worried about abundance of snakes connected with current drought, while there is no antidote vaccine in the first-aid post. Increased number of cases when people are bitten by venomous snakes, tarantulas and scorpions are also cause for concern.

(ix) Polluted water, climate and morbidity: A health survey revealed that the most frequent illnesses are cold, flu and pneumonia both among children and adults. The main causes are the severe climate and insufficient heating at the school and in the houses. Decline of the general health status has been noted mainly due to an increase in the number of stomach and intestinal cases caused by water pollution. In recent years there has been an increase in cases of cardio-vascular diseases, cancer, hypertension and cold-related ailing, though there is lack of local health service in these vital aspects.

Box-20
Seasonal Morbidity in Derek and Nerquin Sashnashen Aragatsoin Marz

Village Derek
According to a seasonal morbidity diagram, the most common illness for the community members is the inflammation of upper respiratory tract, which is very common in winter, beginning of spring and in autumn. One of the main causes is the lack of proper heating. Inadequate quality of drinking water tends to cause gastrointestinal and kidney diseases, which become more acute in spring and autumn. According to the villagers, there is not a single household in the community where at least one member had no gastrointestinal problems. Appendicitis is a common illness.

Village Nerquin Sashnashen
The seasonal morbidity diagram of Nerqin Sasnashen shows that the most common diseases include flue and gastrointestinal conditions. In the former case, epidemic breaks out in winter, spring and fall, when the weather is cold and there is no or little heating (the flu mostly affects children of school age and teachers). "People cough a lot", says Hovik. Gastrointestinal diseases are mostly caused by the quality of water. These diseases also become more common in spring, fall and summer. Due to the poor condition of water sources manure infiltrates the drinking water system with rain and melted snow.

Village Tsaxkashen
A health survey among the school children revealed that the most frequent illnesses are cold, flu and pneumonia. These are also common among adults. The main causes are the severe climate and insufficient heating at the school and in the houses. One of the teachers, Shushan, informed that most of the students suffer from intestine disorders but the parents tend to disregard that.
7.2. People's Suggestions and Recommendations

The villagers across 11 regions suggested several measures towards improvement of the overall situation in health care services. According to many local communities, the health situation is determined by the under-financing of healthcare, by the imperfection of the legislation, regulating healthcare, by the poor socio-economic condition of people, by corruption, by poor skills of the doctors and public inertia.

Box-21

People's Suggestions and Recommendation for the Health Sector

(i) Up-gradation of Skills in Health Care Services.
(ii) Up-gradation of Facilities at Health Post.
(iii) Overhauling of Health Care System
(iv) Raising Salaries of Health Staff
(v) Establishing Local Station for Medical Aid.
(vi) Other Health and Nutrition Measures

The top priorities of the villagers from different regions include the following:

A. **Up-gradation of Skills in Health Care Services:** People were concerned with access to health care services as we shall see later but they were as anxious to have quality health care. The health care personnel can upgrade their health care skills and the nurses can be better trained for improved delivery of health services. Just as people asked for capacity building of teachers, they were keen that capacity of medical staff and nurses be built for betterment of the health services.

B. **Up-gradation of Facilities at Health Post:** The health posts need total repair; furniture, equipment, and more and different medication are all essential. The health post needs improvement in its sanitary-hygienic conditions, regular water supply, telephone connection, medicines and training opportunities for the healthcare workers. It has also been suggested that medical institutions should be equipped with modern equipment and first aid station should be provided with technical means and fuel enabling quick transportation of patients to hospital.

C. **Overhauling of Health Care System:** According to the participants, to improve the health-care system and its affordability, it is necessary to stipulate appropriate laws for de-politicization of the sector, to introduce an effective medical insurance system and to initiate the institution of family doctor. In this context, one best practice in health care is that of village Fioletovo in Lori Marz, which has established a Health Protection Project whereby every household pays a certain amount of money on a monthly basis and when the need arises their members are provided with free medication and assistance. What the people were urging in this regard, essentially relates to the domain of either community based health insurance (CBHI) or general insurance.

Some of the local community residents would like to have a specialist doctor, a janitor at the ambulatory, a drugstore and a maternity ward accessible to them in the village. Some local
people have suggested that new working places for population should be opened, medical staff should be trained, as well as skilled professionals should be invited.

**D. Raising Salaries of Health Staff:** It is also necessary to raise the doctors' salaries and make free medical service a reality. Low paid staff is less motivated to render intensive service under difficult circumstances.

**E. Establishing Local Station for Medical Aid:** Other improvements proposed: establishing a medical aid station in the village with a doctor on duty on regular basis; opening a pharmacy near the medical aid station or at another densely populated location within the village for buying the necessary medicine; and instituting the practice of free annual check-ups for everybody. The local doctor should be permitted to seal the medical certificates. The health post and hospitals could acquire didactic materials, computers, equipment and other materials needed for practical training and laboratory classes and also switch to gas heating which is much cheaper and efficient.

**F. Other Health and Nutrition Measures:** Some people also suggested to reinstate the practice of providing free baby food; increase up to 7 years the age of patients entitled to free outpatients and hospital treatment; include more social groups entitled to free or discounted medicine; and furnish and re-equip the outpatients station. This nutritional aspect has also found resonance in the suggestions for nutritional programme in Schools.

To summarize, health care issues have been mapped against each of the 11 study regions in Armenia. Though there are many commonalities amongst the regions in terms of the quality of medical services from hospitals and polyclinics and limitations of services from local health post, some regions, which are located at or near the "center", have better quality of health services than those located at the periphery and mountainous regions.

The crux of the matter is that incidence of illness and disease are on the rise and health care is fast getting "privatized" across regions of Armenia and poor people are finding it very expensive to tackle health issues and emergency health problems. The profile of health problems in Armenia is also undergoing a change and hospitals and polyclinics need better facilities and experts to attend to the patients. Also see "overhauling the health care system" as suggested above in point (iii) as per people's suggestions and recommendations. The poor people without access to proper health care are also in need of more responsive health care systems. Health issues in each study regions have been described based on participatory assessments as done by local communities. Some best and worst practices have also been highlighted.

8. **Livelihood Issues Impacting on Poverty: Agriculture**

8.1. **The Issues Agriculture - Related Issues - Voices of the Poor**

Participatory assessment of agriculture-related issues and services was undertaken in 9 regions of Armenia. The regions covered were (i) Shirak Marz, (ii) Aragatsoin Marz, (iii) Lori

The farmers - both women and men, freely expressed their views and opinions based on their grassroots experience and local knowledge. The villagers from 58 study villages of Armenia (across 9 regions) listed 10 key issues in agriculture (see Box 22) and also suggested changes in agriculture-related policies and programmes and strengthening of agriculture-related inputs and services. In terms of common issues, which were voiced to be crucial, the farmers flagged the first 9 issues in most regions covered in this study.

Selected local dimensions of the key issues are described below.

(i) Common occurrence of drought and hailstorm and lack of related services
(ii) Lack of irrigation facilities and network
(iii) Lack of ability to purchase seeds and chemical fertilizers, pesticides, diesel, fuel
(iv) Lack of agricultural machinery
(v) Lack of access to bank credit
(vi) Lack of good roads
(vii) Low selling prices and limited local markets
(viii) Lack of agro-processing facility
(ix) Livestock-related issues and high cost of veterinary medicines
(x) Lack of access to technical information and technology

Box-22

Key Issues in Agriculture-from the Voices of the poor

(i) Common occurrence of drought and hailstorm and lack of related services
(ii) Lack of irrigation facilities and network
(iii) Lack of ability to purchase seeds and chemical fertilizers, pesticides, diesel, fuel
(iv) Lack of agricultural machinery
(v) Lack of access to bank credit
(vi) Lack of good roads
(vii) Low selling prices and limited local markets
(viii) Lack of agro-processing facility
(ix) Livestock-related issues and high cost of veterinary medicines
(x) Lack of access to technical information and technology

(i) Common occurrence of drought and hailstorm and lack of related services:
Many study regions of Armenia are in the grip of drought and other natural calamities such as hail, whose frequency has increased over the last 5 years. (Shirak Marz - hail and drought are common occurrences; Aragatsoin Marz and Lori Marz - frequent droughts, frosts and hail especially in the past 5 years; Gegharqunik Marz - dry weather and frequent droughts; Vayots Dzor - drought conditions). These natural calamities have taken their toll on yield and productivity in agriculture and have damaged and destroyed crops and made farmers' livelihoods vulnerable. Even livestock -raising as a source of livelihoods has been adversely affected with fodder in short supply and mass slaughter of cattle. The farmers find it difficult to cope with the natural calamities in absence of either an effective government mechanism to tackle drought/hailstorm or insurance to make good the loss to animals, crops and agricultural implements. The farmers, thus, either are not compensated for crop loss or find the compensation from the Government as meager. It appeared from the discussion with the farmers that mechanism to tackle hailstorm was better in the Soviet times as compared to recent periods. In Soviet times hail was tackled quite successfully carried out by cannons that dispersed hail clouds.
(ii) **Lack of irrigation facilities and network:** Lack of irrigation is a major issue in almost all the regions under reference. The land productivity is low due to irrigation problems such as absence of irrigation facility, damaged pumping station and erratic supply of irrigation water. In absence of irrigation, most part of lands is not cultivated, in many villages, being left for haymaking. Some villages have irrigation facilities though local residents complain about high cost of irrigation water and its erratic supply. Cattle breeding are also negatively affected by irrigation problems. Lack of irrigation also makes land cultivation unattractive and unprofitable. In some villages there is no irrigation facility while in other villages such existing facility needs to be renovated and extended. Water consumers are required to pay their water bills irrespective of how and the quality of the service that are provided, whether in timely fashion and in necessary quantities or not.

(iii) **Lack of ability to purchase seeds and chemical fertilizers, pesticides, diesel, fuel:**

Due to expensive seeds, fuel and agricultural machinery many villagers find it difficult to cultivate land; and hence use it as pasture. Indeed the high cost of inputs has made agriculture an unviable livelihood option, given the low returns reaped by the farmers from agricultural produce. Discounted fertilizers that are provided by the provincial authorities are not sufficient for returning soil nutrition and the farmers have to buy additional amounts of fertilisers at market prices. Pesticides provided are of poor quality and their use is not effective. The villagers complained that the land fertility was dropping and the state was not taking adequate steps to provide productive land use and crop varieties.

(iv) **Lack of agricultural machinery:** There is a gross lack of agricultural machinery in the agricultural sector and wherever equipment is available, they are not functioning. The machinery left from Soviet times is outdated and worn out. Most of the farming is done by traditional means and hand labor is widely used. There is acute shortage of tractors. The farming equipment is obsolete and has been in use for 22 years already, in many villages. In many villages, new equipment is not available even on leasing terms. The old equipment is not leased either as there are no spare parts to repair it. Still, people have to pay property tax for, what they called for want of a better expression, "a piece of scrap that they are not using". In some villages the agricultural machinery is now privatized and the farmers have to lease it from the owners. It is estimated that the cost of harvesting one hectare of arable land, which, when compared to the price of the harvest, renders the farmers' livelihood unprofitable. The farming community also has problem with the availability of qualified operators of agricultural machinery. Hence the importance of reopening secondary technical education institutions is also a related issue that is worth pondering.

(v) **Lack of access to bank credit; the farming sector is capital scarce:** There is, therefore, an acute problem in accessing credit by Farmers. Many farmers are badly in need of long-term loans at low-interest rates for their agricultural operations. The expansion of commercial activities is as well constrained by shortage of financial resources since the available circulating assets are inoperative as a result of huge debts accumulated by villagers in different regions. Aside from a lot of paperwork required and bureaucratic delays, the interest rates are far too high. Loans are provided for a period of one-year at 20% interest rate.
Bank loans are also often denied for lack of a steady income and absence of agro-technical machinery. Banks do not accept land as collateral and require only gold as security for the loans. As collateral the banks do accept livestock, though at a very low estimated cost, which makes the loan amount small.

Micro-credit granting organizations refuse to accept villagers' lands as mortgage, again because of their low yield capacity. Credits can be received only through mortgaging of movable inventory or cattle. Most villagers almost do not make use of such micro-credit services. Banks consider agriculture as a high-risk business.

Many farmers fail to keep up the re-payments of interest and loans, and in consequence lose their property. In several cases, people possessing gold items have already pledged them in security and are unable to repay the loans and are likely to lose them to banks.

(vi) Lack of good roads - The villagers cannot afford to take their produce to the market due to bad roads. Because of battered roads, merchants frequently refuse visiting many villages with interior location and, if they visit, they tend to buy goods from the farmers at low prices imposing a big burden on the villagers. (See Box-22)

(vii) Low selling prices and limited local markets - In comparison to the cost of production, the price of farm produce is very low. Most of the villagers are unable to take their agricultural and animal produce to the market due to high transportation costs. The villagers are discontented about the fact that they are not in a position to reap the price they want (and should reasonable get) on their produce in the market. Whereas dealers that buy agricultural produce in villages pay paltry amounts for the produce they get. As there is no shop in many villages, and the villagers cannot afford to transport their crops/produce to be sold elsewhere, they barter. But again barter is not a profitable proposition: the villagers do not get the actual worth for their crops or dairy products.

The business environment is underdeveloped in many villages, which adds to the woes of the farmers. There are very few small shops in the locality that are stocked primarily with the only essential goods for local residents who for the most part buy on credit. In the available few kiosks in the villages, goods are very expensive and only basic necessity goods are purchased.

(viii) Lack of agro-processing facility - At present agro-processing facilities at the local level are rather limited. There are no normal shops available in many villages where agro-processing is supported. Storage of meat is an issue in many villages. As people cannot store meat, they sell or barter it for quite low prices (the traditional problem in economics, of very short run pricing). According to the villagers, it was more profitable to have one cow before than ten cows now. To that extent their conditions have worsened.

(ix) Livestock-related Issues and high cost of veterinary medicines - On a limited scale, the Veterinary Department regulated from the Ministry of Agriculture is an importaconsultant and service provider. Animal immunization is timely. Though there is a vet in the village for vacci-
nation, which is carried out periodically free of charge, the medicaments (sic) for livestock are rather expensive and many farmers cannot afford to buy them. The vaccination of cattle and sheep is inexpensive. However, for pigs both vaccination and feed are expensive. The villages have veterinary service though farming and cattle breeding advice is not easily accessible.

(x) **Lack of access to technical information and technology** - Some villagers also pointed out that there is lack of information on the quality of medication or pesticide and they buy whatever is available, which is usually not very efficient.

8.2. **People's and Farmers' Suggestions and Recommendations**

The villagers of the study villages and regions suggested several measures towards improvement of the overall situation in agriculture and entrepreneurship.

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<td><strong>People's Solution to Agricultural Problems</strong></td>
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<td>(i) Protection against natural calamities</td>
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<td>(ii) Regular and adequate water supply for irrigation purposes</td>
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<td>(iii) Procurement of efficient agricultural</td>
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<td>(iv) Reasonable prices on fuel, seed and pesticides was important.</td>
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<td>(v) Resolution of land problems</td>
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<td>(vi) Provision for agriculture insurance</td>
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<td>(vii) Provision of long-term and low-interest loans and ensuring access to mortgage loans.</td>
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<td>(viii) Creation of markets opportunities for selling agricultural produce was important.</td>
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<td>(ix) It was important to establish accessible sales points and storing facilities</td>
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<td>(x) To procure pedigree cattle.</td>
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The top priorities of the farmers from different regions included the following.

(i) **Protection against natural calamities**: Natural calamity is a major headache for the farming community. Hail and drought visit them with regularity. According to the farmers, the rehabilitation of the hail-dispelling station is extremely important. It was suggested by some farmer group that farming insurance schemes could be created to extend some protection against hails, which threaten crop almost any year. Such insurance schemes could protect farmers against natural disasters. In essence, people recommended what has come to be called, "social risk management approach" to tackle the problem of co-variant risks of natural calamities.

(ii) **Regular and adequate water supply for irrigation purposes** - It was suggested by most farmers that there was need for irrigation facility and/or its extension and ensuring better supply of irrigation water; there was need to increase irrigation water supply hours and make water fee cheaper. It was suggested that for the irrigation network water fees could be collect-
ed on the basis of consumption and not usage time. There was a request from some farmers that irrigation water fees could be collected after the crop was realized. Many suggested that the irrigation water-usage fees were in need of review as they were too high from farmers' perspectives. It was also suggested that the fees could be calculated on the basis of the service costs as the irrigation water was transported through a gravity-flow system.

There was also a suggestion that creation of separate water users' union in the village so that local communities could organize direct management of irrigation water supply, would be very helpful.

It was also suggested that building an open canal irrigation network was better for transport of irrigation water to the village. As a result, the losses would decrease and the neighboring communities would have plenty of water to meet their own needs.

**Box-24**

People prefer to receive welfare payments instead of cultivating their own land in the absence of irrigation and low fertility of land.

(iii) **Procurement of efficient agricultural machinery was important.** The villagers expressed their view that farming equipment should be provided at affordable prices. Some villagers also suggested that they were prepared to purchase equipment with credit facilities, if their cost was affordable. Modern equipments (and especially syringes) were needed for efficiently spraying insecticides and pesticides over the grapes and for treating fruit trees.

(iv) **Reasonable prices of fuel, seed and pesticides were important.** There is apparently a clash between private interest (represented by the profit of private dealers in fuel, seeds and pesticides) and social interest (represented by the need to supply farmers with good quality fuel, seeds and pesticides). It was, therefore, suggested that there ought to be state control on the price, quality and distribution of seeds, fertilizers and treatment materials. It was also important to provide credit lines for buying fertilizers and pesticides and to distribute fertilizers on credit as and when necessary.

(v) **Resolution of land problems:** People had considered "landlessness" as an indicator of poverty and it was a serious problem for farmers. Providing access to land is thus, not only an important step for ensuring a viable livelihood for the farmers but also as a means to alleviate poverty. Indeed the two were interlinked. To make available land to farmers, it was suggested that reserve land could be distributed/sold only to the community members and not sold through auctions.

To augment land resources (since technically the supply of land is fixed) people suggested that the Government should de-mine the village land and return it to the community and also provide the village with clearly defined specific programmatic assistance under a "border settlement" clause.
(vii) Insurance and credit: With regard to recommendations for credit it was suggested that the government could make provision for agriculture insurance and long-term and low-interest loans and ensuring access to mortgage loans. It was also suggested that a system could be established to ensure that true market value of the property and land placed in collateral against agri-loans are taken cognizance of. This would ensure a fairer quantum of loan from mortgaging assets pledged by the people. Therefore, in this context expansion of Micro-finance Institutions and of micro-credit as also appropriate rules to govern them comes to mind immediately.

(viii) Creation of markets opportunities and price incentives for agricultural produce:

Many of the regions grow good quality fruits. For reasons mentioned earlier and for the fact that the farmers have no means of "value-addition", results in farming getting poor return. Export of fruits was suggested as an option, though people were aware of the competition they would face from farmers of other countries. Creating either state-assisted or partly state-owned processing companies with own transport and up-to-date packaging facilities would help for exporting the fruit to foreign markets.

There could additionally be a State policy for the sale of agricultural products and fixing a minimal threshold price for purchasing agricultural produce by non-farmers and where the market price falls below the threshold price, the state would step in and buy the products, offering real chances for the growers to sell their products on the market etc, at a fair price. [The agricultural goods to be procured by the state can then be used for creation of economic and social overheads under food for work programme, which will have the twin effect of directly attacking poverty while at once creating the much need infrastructure.]. Brokering contracts between tinned food processing/packaging factories and villagers and store production regularly could help the farmers as well.

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Box-25
Exploitative Intermediation

"Imagine they (meaning traders) come to our houses and buy the wheat that we grew, at 80 drams per kg, while only wheat husks that we buy for pigs cost 100 drams. Milk is also sold at a low price: 90-100 drams a liter, to the milk collecting cars of the Ashtarak Kut Company".

(ix) It was important to establish accessible sales points and storing facilities in order to facilitate crop realization. With Government's assistance, farming plants and processing factories could be created for community's use, which will also help to create new jobs. State assistance could be institutionalized for private individuals exporting fruit including

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\* Called "procurement and minimum support price for agricultural produce" in development literature.
waiver/reduction in custom duties and taxes, to increase exports instead of putting obstacles in their way. Re-opening/establishing factory for manufacturing capacitors could also be considered.

(i) To improve cattle breed: Bovine wealth was part of the farmers' assets. But the cattle held by the people were not of high breed. It was recommended to build production units and entities, establish collective farming and cattle breeding business, to improve the quality of livestock. Many villagers engaged in livestock were prepared to breed cows in crib-equipped stables for which state assistance is also required.

An important point raised by villagers was the indifference and lack of appropriate education of the members of the Council of Aldermen, which deprived the villages of numerous opportunities to benefit from long-term concessional loans and grants provided by various international and local organizations. Some villagers believed that all their problems were solvable if the state focused on their village and provided low-interest long-term loans. Many were of the opinion that there were several opportunities for business development at the local level, where only limited investment was needed to operate and jobs could be created for more people."

9. The Social Security Sectors

9.1. People’s Perception of Social Welfare Programmes in Armenia: the National Picture

Great importance is attached to social services and state allowances. In many villages people receive all social services: monthly allowances, free of charge health care, first year school-child bonus, "new-baby" bonus. Refugees and families of fallen freedom fighter families get support from the State and Office of Village Head, though people feel they need more. People receive pension in time, barring some exceptions. Pension formalities are easy and quick.

People, from across the Marzes, nevertheless had their own story to tell about the Welfare Programmes and serious suggestions to make for the reforms. Issues Important issues and recommendations to rectify the situation are enumerated below.

(i) Level of satisfaction is low: People prefer not to apply for assistance as they feel that if they get adequate crops, they will be fine. In several villages, people are disappointed with social assistance. They do not bother to apply for assistance as the authorities do not respond. There are many families in dire straits and Government pays allowances to some of these families but these are not enough. There are some villages where no people receive benefits and no social assistance is provided to needy families in the village despite there being many deserving people. Several villages were discontented with the quality and time-frame of aid received, especially child bonuses which are only paid several months after all the papers are filed.

(ii) Targeting was indicated as a major issues: Poor targeting was a common refrain. In some cases villagers said no aid is extended even to the most financially disadvantaged.
Some needy families are disqualified for enrolment in welfare program under a score-based qualification system. Social workers would rather prefer to make personal decisions on inclusion of fellow citizens in welfare programmes than rely on outdated score based-system which does not reflect the present reality. "Only those who are already well off receive them"

In some villages, the overall distribution of aid is fair but in other cases people said that the principle of fairness is not there. There is a certain lack of transparency as well because people do not know what data is fed into a computerized system. A villager remarked: "...how can the computer know how many animals a person has, or does he have any animals or not...and who can tell what data was entered onto the computer by the operator....'.

In some villages, people think that the whole population should get aid as they have no other financial income but they don't.

(iii) Quantity is not enough: In some villages a majority of the villagers do not pin hope on pensions, allowances and other compensation provided by the state. The amount of different kinds of pension is insufficient amount or as one set of villagers described, the limited state support (pensions and benefits) "unserious". This was illustrated in one village by the fact that women headed households without employment are considered poor but pensions paid to them fail to eradicate the problem of poverty. Pensions are low even for veterans with 40-50 years seniority. The size of the monthly allowance is too small to take care of even the basic needs of 4-member households. In a few villages, people complained that the number of needy people is high yet they are denied social aid, allegedly because of possessing land or receiving big pensions. Pensions are also few in numbers. In some cases the coverage was deemed inadequate.

(iv) Problems with identification of beneficiaries: Some villagers think that pensions are calculated "justly" but the amount is small while others think that benefits of pensions not assigned fairly. People generally thought that the methodology for poverty assessment was flawed. As they put it in one place "many people sneak in and take the places of the poor people".
The procedure for compensating damages caused by natural disasters such as hail and frost has revealed that the state insurance mechanism needs re-examination. In one village, the villagers mentioned entry of false and exaggerated data.

(v) Transparency issue: Villagers, in many villages, were not informed about the criteria for receiving social welfare benefits. In others places, people have no information of the social allowances. People do not understand why pensioners whose pensions were increased became ineligible. Some villagers feel that there are no clear and understandable legal provisions concerning their eligibility and rights. Some people, therefore, went on to complain that the procedure established by the Ministry of Labour and Social Security for distribution of family allowances is full of loopholes.

In some villages people had no idea about the expenses incurred for the use of social services as the Village Headman deals with these matters. "It is he who submits a list of those who qualify as allowance recipient."

(vi) Corruption: As a natural concomitant to lack of information and lack of understanding/information of rules/legal provision governing welfare programs, people perceive that there is corruption in the system. Villagers in village in Gegharkunik Marz said up front "They pocket the four month's allowance money just for putting you on the list of Paros...".

In one case (village Teghut, Tavush Marz) the public opinion about officials dealing with social security was: "..they are the wolves with open mouths; they will eat whatever you give them..."
Arbitrariness and discrimination in determining vulnerability status of households were also indicated. Villagers in one village alleged even abuse of family ties by the social workers. "Eligibility did not depend on the actual social condition of a household but rather on how well connected this household was or how it could reciprocate this 'favour' " said a villager in Chinari.

Misuse of pension funds was also mentioned in one village. "They hardly pay us any pension and in addition, they make Post Office employees bring various goods with the pension: coffee, soap, pasta, and sell us at high process... We complained but what's the use... The mayor is well aware and keeps silent..."

(vii) Institutional aspects: in some villages people are unhappy about the social strategy and the policy implemented through regional and local service centers.

Villagers indicated in some villages that the Office of Social Security Service is located in another town. People spend resources to go to the Office. Nothing is resolved after just a few visits. People in some cases do not even care to apply for this reason and for the fact that even those who file an application for receiving welfare benefits often do not get a response (presumably from the Office of the Social Security service). People left out of the list of beneficiaries get little response from Marz and Regional Officials. People were not familiar with Social Service Office in some villages.

One village complained that the staff of the Social Service Office is undisciplined. In some cases, the villagers believed that the Social Service Office has insufficient technical resources and its property/computers are old. Officers of Social Service Office are believed to lack basic understanding and care when dealing with people, which lead to poor quality of management of the service. Non-Governmental Organizations and International Non-Governmental Organizations were said to be unhappy with the Ministry of Social Security in one Marz.

(viii) For Yerevan: Social services are normal. More welfare programs are offered now than before. The quality of services has improved. However, residents thought that the policy on welfare program is defective. For example: a resident receiving family benefit is included in the "benefit for work" program and receives 10,000 drams from the public work performed. But his right to receive 24000 drams of poverty benefit is immediately revoked. There is also corruption. "If you give money you will get special treatment; if you don't give money you won't".

Assessment of families for inclusion in the poverty benefit system is not conducted properly. Low salaries of employees have adverse impact on the quality of services provided by the social service employees.

9.2. What People Say To Set The House In Order?

While people had a fairly clear idea of what needs to be improved in the welfare programmes, they were less forthcoming on what needs to done. For one, they lacked information on the system and the programmes, for the other, they were still engrossed in the concept of an all-pervasive welfare-state. The latter inevitably leading to the widely held view that
the state should do everything to set the house in order. Nevertheless the following key suggestions were made which warrant serious consideration:

(i) Democratize selection of beneficiaries: Villagers across the Marzes wanted some objective criteria for identifying the beneficiaries. For example in one village, people said: "Abolish allowances granted through the Paros system and give monthly allowances for minors". In another case, people suggested that welfare benefits be distributed on the basis of number of children in the households. That is, the villagers wanted objective criteria for grant of social welfare benefits. The villagers asked the government to create a Board of Trustees in the Community which would decide who would get the welfare benefits and how much. Involving the Village Head in approving the list of families qualifying for allowances was favoured because he had tacit knowledge of the real socio-economic status of the families in the relative village. Involving the community or the Municipality in approving the list of families qualifying for allowances, would improve the transparency of the system.

(ii) Improve the quantum: Raise pensions and amounts of allowances. Villagers also thought that it is important for the community to get governmental support to construct houses.

(iii) Improve the state insurance mechanism: While people wanted the state welfare system to be improved, they were less sure of what could be done. One suggestion was change staff of the Social Services entities so that they are more responsive to peoples' needs and at once weed out any vested interest that might have grown.

(iv) Information is power: Increasing the awareness amongst the people about the quantity, costs involved, legal provisions, methods of selection of beneficiaries and timeliness of disbursement of welfare allowances was suggested by several communities. A well-informed public is often the first step towards a transparent government and an essential element in weeding out corruption.

Timely distribution of aid and allowances was also very strongly urged.

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<td>Some Good Practices</td>
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In Mets, Gegharkunik Marz, Local Government has set benefits of 7000 Drams for new born babies and stationary and dress for all children going to class one form the village budget in one village. Other villages should follow the example.

Community government supports vulnerable families for the education of their children and Local Municipality Members take care of two vagabonds. These practices are worth examining.
International organizations like GTZ, World Vision and others should expand their coverage for their social assistance and include as many communities as possible in their list of target communities.

In summary, vulnerable families and refugees have access to various welfare schemes. People were aware and have received pensions, allowances and other compensations provided by the State. While the concept and design of social security measures are appreciated, the major concern of the communities relate to:

i. Inadequacy of the quantum of pensions/allowances and compensations;
ii. Inadequate or improper targeting, which results in needy people getting left out, while non-deserving ones reaping the benefits (in as much as in one village a person owing a car was a beneficiary).
iii. The Marz mechanism for collecting and registering information on conditions of the citizens are not always objective;
iv. The big distance between the Marz or the region social security unit and the villages;
v. Artificial improvements in living standard indicators of the village in the database of the corresponding social security agencies;
vi. Arbitrariness and discrimination in determining the vulnerability status of households;
vii. The meager size and lack of timeliness of payments;
viii. The Government apathy towards complaints of citizens and Corruption in granting and utilizing the welfare amounts.

Box-31

"...They're the wolves with open mouths; they will eat whatever you give them..."

- A villager of Teghut, Tavush Marz

10. Summary of Policy Implications

The suggestions emanating from the people range from major macro-economic policy reform to micro-level interventions benefiting households. Although it is desirable that all interventions suggested by the people do get reflected in a PRSP document, for brevity they have been clubbed into broad policy recommendation, without compromising the substantive thrust and character of the suggestions made by the people.

10.1. Direct Attack on Poverty

(i) **Tackling income poverty through employment guarantee in the lean season:**

Increasing the income levels of the people - to remove income poverty, poverty born out of social deficit - is high on the agenda of the people. In almost every region the issue of unemployment and low income as a characteristic and cause of poverty has been identified.
Unemployment also affects the young people most and hence has intergenerational implications including, as indicated by the people, the fertility rate.

Increasing employment has to be high on the [policy] agenda of any PRSP for Armenia. Measures at increasing employment must be cognizant of two facts that the most of the people depend on agriculture (including livestock development) for their livelihood and there are seasonal dimensions. On measure used successfully in many developing countries is creation of wage-employment program during the lean season. In such a program the government guarantees wage employment to people during the lean season for a fixed period and use the labour so harnessed to build infrastructure and improve service delivery. The "Employment Guarantees Scheme" in the State of Maharastra, India has been very successful in the past.

(ii) **Tackling income poverty by creating assets for the poor:** Increasing the asset base of people - to remove poverty due to assetlessness - is the other aspect of tackling income poverty. This is best done through launching of self-employment programs. Unlike wage employment, self-employment programs need not have a seasonal dimension. Under self employment program there will be three elements: one, the program should try to build upon the local knowledge and local technology of the people; two, there will be capacity building of the people in development of products and entrepreneurship, for people who do not have a traditional product or lack the technological capability; and three, most importantly, there will be micro-credit made available to those who either have traditional knowledge or who have received training in development of products and entrepreneurship mentioned earlier. The models for delivery of micro-credit for poverty reduction are several that could be of use to Armenia. Generally, self-employment programs should be developed as "Off-farm" employment opportunities for those who are landless or as supplementary income generating proposition for those who have unviable land (that is land which does not yield sufficient income to meet the basic needs of the poor).

Under the self-employment program, it may be possible for one community or a group of geographically adjacent communities, to specialize in one product, which could be termed as One-Community-One-Product (OCOP). This will help in keeping the cost of external inputs low [increasing the profit margin for the people], maintain the supply chain and keep the quantum of production large enough for ease of marketing. The success achieved by Thailand in creating livelihood opportunities for the rural masses through its "One Thambon One Product" (meaning one village one product) warrants a serious look.

Institutional arrangement for self-employment programs may take the form of a public sector-community-NGO partnership, where the public sector helps in identifying the technology gaps, provide appropriate technology and capacity building, the NGOs provide micro-credit and the community ensures proper utilization of resources (including training) and recycling of credit.

10.2. Indirect Attack on Poverty

(iii) **Tackling income poverty by creating a balance between cost of production and realisable price of farm produce:** In a primarily agricultural economy like Armenia poverty of those dependent on agriculture is a critical area for intervention, for increasing incomes relative to expenditure to eliminate relative income deficit of the farming community. Since issues relat-
ing to relative cost of inputs and price of outputs will be the subject to be dealt with under the agriculture sector policies later, suffice it to state for the present, that a balance between cost of production and realizable price of farm produce will have to be achieved primarily:

a. by reducing input prices through a benevolent regulatory mechanism,

b. by social risk management (to minimize loss especially crop loss),

c. through provision of micro-insurance and

d. elimination of exploitative intermediation by better marketing of farm goods and providing minimum support price for agricultural produce.

(iv) Tackling non-income poverty by eliminating the voicelessness of the poor. Increasing the "voice" of the people: in the political (and development) processes - to remove poverty due to "voicelessness" - through a process of decentralization of development administration, planning and project implementation to the lower levels on the basis of the principle of "subsidiarity". It could be "Marz level Planning Based on Community Plans".

There is a burgeoning literature and models on decentralized planning available from the developing world such as in Israel. Indeed there are models already available in Armenia on how community level planning could be carried out both in the NGO Sector and in the UN System. The need is to institutionalize the idea of decentralized planning and adopt a system to scale up the Armenian Models of decentralized planning, with or without modification.

Developing a decentralized system of planning can be in stages. Such a system should include, as a first step, building the capacity of relevant functionaries at all levels in the architecture and engineering of decentralized planning. At subsequent steps, elements of "automaticity" in devolution of more finances, greater financial autonomy and powers to plan to Marzes and communities, need to be institutionalized. In this regard, models provided by China and Kerala, India would be particularly instructive.

(v) Tackling non-income poverty by eliminating powerlessness of the poor. Empowering the people - to eliminate poverty due to powerlessness and violation of rights-may be through organizing the poor, promoting community based organizations and encouraging the voluntary sector to flourish. This would entail a paradigm shift, a movement away from welfarist approach to an empowerment approach. It needs to be underscored that rights are violated, not necessarily by the State, but by a range of actors and circumstances.

Promoting community-based organization could be based on the use of social capital available in the country. The Self-Help Group (SHG) concepts available in Armenia as well as the concepts of Self Help Group movement in different parts of the developing world provide important examples of community based organization. Proactive promotion of community-based organizations (CBOs) could be through creation of an enabling environment, in terms of rules, regulations and laws that make establishment, operation and sustainability CBOs easier. It ought not to partake the nature of institutions established by the Government.

One of the ways to institutionalize the community based organizations like Self Help Groups would be to designate them as program implementation agencies on behalf of the Regional and local self governments. These Self-help Groups, for instance, could be the conduit for servicing micro-credit referred to above. Self Help Groups could be effective organi-
zations for promotive and preventive health care services like Neighbourhood Committees seen to flourish in Israel\(^9\), to which we shall refer later.

**(vi) Affirmative action for the minorities:** While the foregoing measures are likely to help people belonging to the minority communities, in some cases their special circumstances may not allow them to reap the benefits of anti-poverty measures. There may thus be a need for special programs for the minorities. These may include but not restricted to, special financial aid for children of people belonging to minorities communities going to schools and reservation of seats for such children in institutions of higher learning\(^{10}\), reservation of jobs in the public sector and the like\(^{11}\).

**10.3. Education Sector**

Education is the key sector for development of any developing country, especially for a country like Armenia with high level of literacy. As mentioned earlier, people have enthusiastically come up with a whole range of suggestions for making the education sector better. These suggestions can be broadly combined into four policy options: respecting the rights of the child; improving the quality of teaching by filling critical gaps, capacity building of teachers and curriculum development, affirmative action for vulnerable groups and raising resources through alternative sources. These are briefly discussed below.

**(i) Respect rights of the students:** In a modern world, rights of children have a special significance and should be given a high priority. The rights specifically relevant in the current context could be incorporated in a Students Charter comprising:

- Right access to school: provide transportation and school roads as appropriate on a priority basis. Only providing transportation without a minimum of roads and vice versa will not carry the communities very far. The complementarities of the two should be well recognized and realized.
- Right to happy early childhood learning: Kindergartens are highly prized by the communities and have strong gender dimensions. People recommended reopening kindergartens where they are closed; renovating buildings where they stand in need of repair and equipping them with toys and other materials necessary for children's initial initiation into the schooling system. Promoting kindergartens was also recommended as a measure to help reduce the loads of teachers in secondary schools.
- Right to a fear free environment in Schools: ban on corporal punishment commends itself.
- Right to be heard: putting in place a system where students' opinions, including in laying down the school rules and in selecting their class supervisor, are respected and students' knowledge impartially assessed, would be in keeping with the national ethos of Armenia.

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\(^{10}\) This issue will be discussed in the sub-section on education below.

\(^{11}\) The steps taken by the Philippines for the indigenous peoples of that country may be worth an examination.
• Right to be taught in their own languages: Use of local language should be used as a medium of instruction. Use of local language would improve the learning process and elicit even more interest from parents and the community in School's activities.

• Right to nutrition and medical attention: Beginning a national nutritional program as a measure to facilitate attendance because a well designed nutritional program would not only improve School attendance of children from relatively poor families (by increasing the real income of the respective parents) but improve the health status of children in general, enabling them to study better, specially in harsh weather conditions where nutritional requirements of the body are not easily met. There are several Models available in Armenia, which can to be adopted or upscaled.

• Right to full development of their personality: Students need to have a disciplined mind and a disciplined body. Hence, while due emphasis has been placed on academic studies, co-curricular and extra curricular activities needs more attention. Some such activities should be organized for leisure time.

• Providing institutional mechanisms to monitor that the rights of the child are not violated: revitalizing the Parent's Council every where will be a very acceptable and effective means towards acting as a watch-dog against violation of students' rights and arbitrary behavior of teachers. The Parent's Council could act as a bridge between the community and the schools, help the school management to raise resources including community contribution to help repair buildings etc, run nutritional programs and enlist the support of social institutions for the schools.

(ii) Quality of teaching: Filling Critical Gaps, Capacity Building of Teachers and Curriculum Development. Shortage of teachers in certain areas, their capability and modernization of the curriculum have been brought out in bold relief.

Needs for additional teachers in Armenian, English and Russian languages and in technical subjects such as Geography, History, Physics, Chemistry, Biology, Information Technology, Physical Education Teacher and Arts and Craft should be met. The impact of these teachers on the quality of education would be very substantial not only to enhance the overall development and personality of the children and inculcate in them healthy habits but also to upgrade the scientific tenor of teaching. In this context, introduction of English language in the school curriculum has found much favour, as it is believed that language competence in English provides greater possibilities for better professional growth.

The pedagogy of teaching should be modernised. Many of the teachers have positive attitudes and have earned the respect of the students but they have not been able to keep up with modern methods of imparting education to school children. Training of teachers has, therefore, been emphasized which will positively impact on the quality of education.

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12 Also referred to a mother-tongue or “father-tongue”.
The school curriculum needs to be upgraded along with upgrading the skills of the teachers and make the Schools more relevant to the ground realities. It may be done either by including into the school curriculum subjects for professional application, like viticulture, tractor and car-driving classes or vocational schools be started for building capacity of young men in these and such other areas. These measures would help in reducing the problem of unemployment while at the same time making the education system more relevant to present realities of the country.

To take full advantage of improved pedagogy and curriculum development, it is necessary to raise the teachers' salaries as well as their responsibilities including their enhanced role in society, to motivate them, which will ultimately show up in improved quality of teaching in schools. Raising salary particularly commends itself in that a higher salary would reduce the need for the teachers to undertake private tuition, which is detrimental to quality education in School.

In the light of the foregoing, the Government may wish to re-examine the current educational reforms underway.

(iii) Affirmative action for vulnerable groups. Poverty is a serious issue and acts as an impediment to educating children from disadvantaged families. A whole range of steps may be necessary in this regard. A summary of these is

- Children from socially disadvantaged families should be allowed to attend school exempted from paying the required fees /fees for textbooks etc. and provided with financial aid to meet "other expenses" relating to education.
- Legitimate exemption from classes for both pupils and teachers during the harvesting period to allow children to participate in income generation activities.
- Provide preferential treatment to applicants from high-mountainous villages in admissions to Schools of Education in Yerevan.
- Children form Minorities like Assyrians have serious problems with enrollment in Universities. As children from a minority group they have no privileges, while competing with Armenians is hard. This must be addressed by making special reservation for minorities in institutions of higher learning.

There are many examples of such affirmative action in developing countries, which have borne fruits. The treatment of children of indigenous peoples in New Zealand and India can provide learning in this matter.

(iv) Raising resources from non-conventional sources: To carry out reforms in the education sector outlined above, there will be need for additional resources. While the government has the responsibility to implement the recommendations in the education sector, alternative means of financing should be education devised and there are enough examples of such alternative sources of funding in Armenia. A sample of good practices is in Box -12 but there are other means of financing that should be explored. There are two programs that immediately commend themselves.

First, is allowing private sector participation in the education sector, with differentiated fees structure. That is, the private sector may charge higher fees from the parents who are rela-
tively well-off and cross-subsidize the fees charged from parents who are poor or non-rich. Foreign equity participation could also be encouraged in this sector as is being done in several developing countries including in Bangladesh and Indonesia.

Second, a system of child sponsorship should be encouraged where a non-resident Armenian and even others would sponsor one child at home for their education. The amount of sponsorship could vary from US$ 50-100 per annum and the support is for the period till a child reaches 16 years of age. This is what is called a "Child Sponsorship Program", and is run by many international Non-Governmental Organizations like Oxfam, Foster Parents Plan International, Action Aid UK, Aide et Action\textsuperscript{13}, France in different parts of the world including in Bangladesh, Pakistan and China.

These measures would provided the much needed "extra-budgetary" support to make good the "apparent" sub-optimal public-investment in the education sector, especially to in building and renovating the infrastructure, inventory, furniture, physical plant especially heating facilities, Gymnasium and recreation centre. Acquisition of didactic materials, computers, equipment and other materials much needed for practical training and laboratory classes which must be made a priority for the Government, can also be funded through this mechanism, substantially if not wholly.

10.4. Health Sector Policies

The picture of health care in the different regions indicates that there are few, if any, communities, which have not been covered by health services. This is quite remarkable given the structural changes that have occurred after the exit of the former Soviet Union. People have, nevertheless, felt that there are areas within the health sector which do not look pretty. They have urged some major changes, which can be encapsulated in the following policy options:

(i) Overhauling of health care system though Pro-poor Public Private Partnership (PPPPP), Community Based Health Insurance (CBHI) and Para-medics: Looked at from the perspective of the common people, improving the delivery of health care and making it affordable are the two major dimensions to be cognizant of. Against this backdrop, the following policy options commend themselves:

(a) Up-gradation of Facilities at Health Posts: The health posts needs total repair; furniture, equipments and sanitary-hygienic conditions, regular water supply, telephone connection, medicines, specialist doctor, a janitor at the ambulatory, a drugstore and a maternity ward accessible to the people and training for upgrading the technical skills of the healthcare workers all stand in need of essential improvements. The Village Health Posts even need supply of fuel for quick transportation of patients to hospitals who cannot be treated in the Village Health Post. However, given the competing demands on state's resources and quantum of resources required for these measures, it may not be possible for the Government to make

\textsuperscript{13} Aide et Action, France is especially focused on education sector.
the required investments to bring about these changes, at least in the short run. However, combining the mandate and reach of the Public Sector; the entrepreneurial and managerial capability of the private sector and the social capital of the communities, through a pro-poor public-private partnership (PPPPP) could possibly help accomplish these. A PPPPP model has been explored in at least tackling the scourge of HIV/AIDS in Thailand.

Within the PPPPP framework, two supplementary steps are needed:

- Establishment of an affordable medical insurance system such as the community based health insurance (CBHI), which will cut the cost of availing quality health services. There are several success stories in CBHI in different developing countries such as in Senegal and Bangladesh. Indeed, one good practice in Armenia, though in a rudimentary form, is health care provided in village Fioletovo in Lori Marz, through a Health Protection Project where each household in the community pays a certain sum of money every month in a common pool and when the need arises their members are provided with free medication and related assistance.

- Initiation of the institution of family doctor, who would act as a friend philosopher and guide for the suffering masses and where finding a family doctor is not possible for whatever reason, licensing of para-medics with an ability to provide first aid and read the symptoms in complicated cases and referring them to referral hospitals would help the poor people. In Thailand for example, people living with HIV/AIDS have been trained to provide psycho-social counseling to "HIV+" people in the use and adherence to anti-retroviral drugs. In the State of West Bengal, India, the services of Self-help Groups have been utilized to identify under-nourished children and connect them with State agencies for supply of supplementary nutrition.

(b) Establishing Local Station for Medical Aid: Other major improvements proposed are establishing a medical aid station in the village with a doctor on duty on regular basis; opening a pharmacy near the medical aid station or at another densely populated location within the village for buying the necessary medicine. The local doctor should be permitted to seal the medical certificates. The health post and hospitals could acquire didactic materials, computers, equipment and other materials needed for practical training and laboratory classes to help train the "para-medics" referred to earlier.

(ii) Propagating the ideas of promotive and preventive health: Health issues are important for the community. Promotive and preventive health care (apart from and curative health facilities) for students and teachers are considered essential for improvements in overall health. Medical Examination of the school children and specialist visits more frequently is strongly recommended. Catching them young as it were, to take promotive and preventive health, as serious business would eventually reduce the burden and need of preventive health care, make it lean and more effective.

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One model for providing medical care to students and teachers in Schools is the "Open Door Days" model. "Open Door Days" held once or twice a year when the doctors from a nearby hospital visit the school and examine the students. In addition, once a month the nurse conducts a sanitation day. This should be extended to all Schools. An example of "Open Door Days" is in Village Tavshut, Shirak Marz. Another model is that in the School in Noramut Village, Lori, a nurse, who carries out the mandatory vaccinations of schoolchildren together with the nurse of the medical post.

(iii) Health and nutrition measures for marginalized groups: Marginalized groups need special attention. Since programs for special groups would essentially be heavily subsidized, these need to be well targeted and tightly administered. Some people have suggested to reinstate the practice of providing free baby food; increasing up to 7 years the age of patients entitled to free outpatients and hospital treatment; include more social groups entitled to free or discounted medicine.

10.5. Livelihood and Agriculture

The economy of Armenia is largely agricultural and agriculture related like managing livestock. Naturally development and poverty reduction in the country has to pay special attention to this sector. This particularly so when agriculture has a strong bearing on some of the characteristics of income and non-income poverty like unemployment, inability to cultivate land, imbalance between cost of production and realized price of agricultural production and unemployment. The policy options for this sector, emerging from people's perspective, deserve a serious look. These are within four segments: input supply and regulation; protection against calamities; fair price of outputs and livestock improvement. The following comments are in order here.

(i) Resolution of land problems: People had considered "landlessness" as an indicator of poverty and it was a serious problem for farmers. Providing access to land is thus, not only an important step for ensuring a viable livelihood for the farmers but also as a means to alleviate poverty. Indeed the two were interlinked. To make available land to farmers, it was suggested that reserve land could be distributed/sold only to the community members and not sold through auctions.

To augment land resources (since technically the supply of land is fixed) as the people suggested that the Government should de-mine the village land and return it to the community and also provide the village with clearly defined specific programmatic assistance under a "border settlement" clause.

(ii) Regular and adequate water supply for irrigation purposes: Access to land and access to water are fundamental to improving agriculture in Armenia. In fact in many communities in almost all the Marzes, people believe that if only irrigation can be ensured, it would usher in enough prosperity to tackle most of the problems confronting the communities. While water belongs to the State, the users were primarily individuals who are outside the public sector. A new water policy needs to be devised with the following elements:
providing irrigation facility and/or its extension and ensuring better supply of irrigation water would be given a priority;
building an open canal irrigation network was better for transport of irrigation water to the village. As a result, the losses would decrease and the neighboring communities would have plenty of water to meet their own needs;
increasing the hours for supply of irrigation water;
ensuring that water fee would be made cheaper;
for the irrigation network water fees could be collected on the basis of consumption and not usage time;
such water fees could be calculated on the basis of the service costs as the irrigation water was transported through a gravity-flow system and could be collected after harvesting of crop was realized and
the creation of separate water users’ union in the villages so that local communities could organize direct management of irrigation water supply, would be very helpful.

(iii) Reasonable prices on fuel, seed and pesticides was important, because rising input costs have, at least in part, a major contributory factor making agriculture a non-viable option. The conflict of interest between private interest (profit of private dealers in fuel, seeds, fertilizers and pesticides) raising input prices and social interest (the need to supply farmers with good quality fuel, seeds, fertilizers and pesticides at reasonable prices) can be circumvented by a multi-pronged attack on the problem of rising input costs. First, there ought to be state regulation on the prices, quality and distribution of seeds, fertilizers, insecticides and pesticides, essential for a healthy agricultural economy. Second, facilities to provide credit lines for buying fertilizers and pesticides and to distribute fertilizers on credit as and when necessary, to reduce production cost by keeping the cost of working capital at a reasonable level, should be established. Here the role of micro-finance comes in, in a big way. Third, on long-term loans and ensuring access to mortgage loans, the method of valuation of collateral usually was such that they were “undervalued” and hence the loans the farmers succeeded to secure usually resulted in under-financing of their “tiny enterprises”. Hence, a system for valuation of property could be established to ensure that true market value of the property and land placed in collateral against agri-loans are taken cognizance of, to help farmers avail of a fairer quantum of loan from mortgaging assets pledged, is crucial. Therefore, in this context expansion of Micro-finance Institutions and of micro-credit as also appropriate rules to govern them commend themselves immediately.

While, ensuring availability of fuel, seed and pesticides at reasonable price, farmers also recommended the procurement of efficient and affordable agricultural equipment/machinery was as important, as essential complementary inputs. Modern equipments (and especially syringes) were needed for efficiently spraying insecticides and pesticides over the grapes and for treating fruit trees. Some villagers also suggested that if the state was unable to ensure affordable agricultural equipment/machinery, they were prepared to purchase such equipment/machinery with credit facilities, if the cost of credit was affordable. Affordability with regard to micro-credit has two dimensions for the people. One was the rate of interest payable
credit purveyed. Two, the method used for valuation of the collateral offered by the people, which we have discussed earlier. Thus, promotion of micro-credit again emerged as an important policy instrument is agriculture. An important point raised by villagers was the indifference and lack of appropriate education of the members of the Council of Aldermen, which deprived the villages of numerous opportunities to benefit from long-term concessional loans and grants provided by various international and local organizations. This can be rectified without much institutional hick-ups. Many were of the opinion that there were several opportunities for business development at the local level, where only limited investment was needed to operate and jobs could be created for more people.

(iv) Protection against natural calamities: Interventions for making inputs available and affordable, and ensuring access to water and land must be supplemented by protection against the tyranny of nature. Natural calamity is a major headache for the farming community; hail and drought visit them with regularity. While the rehabilitation of the hail-dispelling station is considered extremely important, people hoped that crop insurance could offer the much-needed protection against natural calamities, which threaten crops almost every year. In essence, people sought what has come to be called, "social risk management approach" to tackle the problem of co-variant risks of natural calamities (risks of crop failure resulting from natural calamities are co-variant risks). It is well known that general insurance companies are usually averse to cover co-variant risks nevertheless based on experience in other countries, crop insurance can be tried as part of some form of micro-insurance. The experience of providing social risk management in several developing countries has important lessons to offer for the RA.

(v) Creation of markets opportunities and price incentives for agricultural produce:

Many of the regions in Armenia grow good quality fruits. For reasons mentioned earlier and for the fact that the farmers have no means of creating “value addition” results in farming getting poor return. Three interventions could be suggested. First, an export oriented package. since, export of fruits was suggested as an option for giving fair returns to farmers, setting up of either state-assisted or partly state-owned processing companies with own transport and up-to-date packaging facilities would help fruit exports. State assistance could be institutionalized for private individuals exporting fruit including waiver/reduction in custom duties and taxes, to increase exports. Second, storing facilities. It was important to establish accessible sales points and storing facilities in order to facilitate realization of fair price for the agricultural produce. With Government’s assistance, agricultural produce storing factories could be created for community’s use on pay-as-you-use basis, which will also help to create new jobs. Third, a State policy for the sale of agricultural products and fixing a minimal threshold price for purchase of agricultural produce by non-farmers would be necessary. Such a policy would

15 See for concepts see MICROINSURANCE, No. 6, March 2005. insurance @microfinance.lu.

enjoin that where the market price for any product falls below the threshold price set by the state, Government of RA would step in and buy the products, offering real chances for the growers to sell their products on the market etc, at a fair price. [The agricultural goods to be procured by the state can then be used for creation of economic and social overheads under food for work program, which will have the twin effect of directly attacking poverty while at once creating the much need infrastructure.] These two measures, taken one with the other, will tackle, at least in part, the problems of exploitative intermediation. Many countries in Asia have harvested considerable success from similar schemes.

(vi) To improve cattle breed: Livestock wealth was part of the farmers' assets. But the cattle owned by the people were not of high breed. It was recommended to build production units and entities, establish collective farming and cattle breeding business, to improve the quality of livestock. Many villagers engaged in livestock were prepared to breed cows in crib-equipped stables for which state assistance is also required.

10. 6. Social Welfare Reforms
The recommendations coming from the people on reforms of Armenia's social welfare sector have been on institutional issues, design and content of the scheme. These are not in particular order of priorities but form an integral package.

(i) Democratize selection of beneficiaries and introduce social audit: There are two issues involved here: one is of targeting and the other is of a mechanism to administer the targeting. Villagers across the Marzes wanted some objective criteria for identifying the beneficiaries. This would make the process more transparent and the public servants more accountable. Second, the villagers thought that the present mechanism for selection of beneficiaries is unsatisfactory, leading to various kinds of unfairness and arbitrariness. The Government should create a Board of Trustees in the Community which would decide who would get the welfare benefits and how much. Involving the Village Head in approving the list of families qualifying for allowances was favoured because he had tacit knowledge of the real socio-economic status of the families in the relative village. What in effect the people recommended was instituting "social audit" of the selection and targeting of beneficiaries for social welfare schemes. Concepts like Citizens' Report Cards and Public Accounting lie in the domain of social audit. Several countries like Nepal and Moldova have already begun the process.

(ii) Information is power: Increasing the awareness amongst the people about the quantity, costs involved, legal provisions, methods of selection of beneficiaries and timeliness of disbursement of welfare allowances was suggested by several communities. A well-informed public is often the first step towards a transparent government and an essential element in

\[\text{Called "procurement and minimum support price for agricultural produce" in development literature.}\]
weeding out corruption. An informed citizenry is vital for a functioning democracy and in containing corruption and hold the state and its instrumentalities accountable to the governed\textsuperscript{19}.

Towards that end, the Government of RA could make right to information a basic right of the citizen of RA. Information for the purposes of the right to information could include but not restricted to any material/data in any form in records, documents, memos, emails, opinions, advices, press releases, circulars, orders, log books, contracts, reports, samples, models and data material held in any form, electronic included, relating to any private body which can be accessed by a public authority under any law for the time being in force. And the right of the citizen will be to request access to such information and the corresponding duty of the Government to meet the request except information relating to the security of the country. Such a move would reflect the attitudinal change in perception of the Government and the public towards the government and meet the demands of a dynamic world seeking public accountability. India has taken the step of making right to information a right of its citizens by an Act of the Parliament\textsuperscript{20}.

It may be added that giving people access to information has a critical flip side. It opens a two-way traffic lane. An informed citizenry provides feedback to the Government and corrects errors in database. If, for example, people have information on living standard indicators of the villages in the database of the corresponding social security agencies and the information is incorrect, they would bring to the notice of the government errors, both of commissions and omissions, discussed in section 10 earlier.

(iii) **Expand the range of service providers:** Till now, the welfare scheme/programs were administered by the State agencies. There are inefficiencies, which could be weeded out by a change staff of the Social Services entities so that they are more responsive to peoples’ needs and at once weed out any vested interest that might have grown. Where this is not possible (and even otherwise) the Government of RA could “outsourc” the delivery of welfare programmes to reputed international organizations like GTZ, World Vision and other similar organization, and create an enabling environment where they could expand the coverage for their social assistance programs to include as many community as possible in their list of development areas. This will cut cost and increase both the efficiency and the responsive of the system. Expanding the range of welfare service providers will also help fight corruption and reduce wastage of resources.

Expansion of the range of service providers may also improve the Quantum of pensions, grants and amounts of allowances, including support to construct houses, all of which are high on the agenda of the vulnerable groups.

\textsuperscript{19} “The real swaraj” (meaning independence) “will come not by the acquisition of authority by a few but by the acquisition of capability by all to resist authority when abused”. Mahatma Gandhi.

\textsuperscript{20} See the Right to Information Act and one of the many commentaries in “Informed Citizenry vital for democracy”, The New Indian Express, Trivandrum, India, December 5, 2006, p
Annexure
Annexure-1
The Steps and Stages in People’s Participation in PRSP Revision
Consultation Step

Step-1: Agreement between Ministry of Finance and UNDP

Step-2: Review of Existing Material including the outcome of participatory monitoring of PRSP and Recruitment of Animators

Step-3: Developing a Methodology for People’s Participation

Step-4: Recruitment of Animators by PRSP Secretariat

Step-5: Training of Animators

Step-6: Acceptance of Animators

Step-7: Selection of 10% of villages and towns in each region on a random basis

Step-8: Assigning Animators to Villages and towns: Groups of 2/3

Step-9: Participatory Sessions in Villages and localities in towns

Step-10: Preparation of Village Reports

Step-10a: Consolidation of Reports

Step-11: Preparation of Town Reports

Voices of the Poor
Annexure-2
List of Villages and Communities Selected for Participatory Sessions

<table>
<thead>
<tr>
<th>Marz (region)</th>
<th>Community</th>
<th>Marz (region)</th>
<th>Community</th>
</tr>
</thead>
</table>
| Shirak (7)    | Berdashesh
                Tavshut
                Mets Mantash
                Sarapat
                Hoghmat
                Akhurik
                Sarakap | Tavush (6)    | Chinar
                Berd
                Berdashesh
                Azatamut
                Khashtarak
                Teghut |
| Gegharkunik (8) | Tujur
                Geghamasar
                Mets Masrik
                Aghpradzor
                Astghadzor
                Gegharkunik
                Hajravank
                Tsovakagynur | Ararat (6)    | Verin Artashat
                Paruyr Sevak
                Urcadzor
                Yeghegnavan
                Mrgavan
                Nor Kyurin |
| Syunik (8)    | Khoznavar
                Bardzravun
                Lemadzor
                Nyuvadi
                Torunik
                Srashen
                Tsghuk
                Meghri | Lori (7)       | Khnkoyan
                Armanis
                Mghart
                Lorut
                Fioletovo
                Noramus
                Arjut |
| Aragatsotn (7) | Zovasar
                Derek
                Ohanavan
                Nor Amanos
                Nerskun Sasnashen
                Gyalto
                Tsaghkashen | Kotayk (6)    | Fantan
                Geghashen
                Zovuni
                Charencavan
                Buzhakan
                Arzni |
| Vayots Dzor (5) | Vernashen
                Artavan
                Zaritap
                Rind
                Hermon | Armavir (6)   | Doghs
                Metsamor
                Nalbandyan
                Koghbavan
                Yeghegnut
                Baghramyan |
|                |           | Yerevan (2)   | Nor Nork
                Davitashen |
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