

POLICY ENVIRONMENT BRIEF

SOCIAL PROTECTION

"INCREASING CIVIL SOCIETY PARTICIPATION IN NATIONAL POLICY DIALOGUE IN ARMENIA" ENPI/2013/334643



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ABOUT THE INITIATIVE

Economic Development and Research Center (EDRC) is a non-partisan think-tank aimed at analysing and monitoring of public policies and programs. Since 2001, EDRC carried out numerous projects with a special focus to budget analyses in various sectors.

Convinced of the crucial importance of direct interrelation between public programs with programmatic goals, objectives and targets as well as implementation efficiency and public satisfaction regarding these programs, EDRC strives to professionally contribute to policy development processes and discussions.

In collaboration with OXFAM GB, the “Increasing Civil Society Participation in National Policy Dialogue in Armenia” project was launched in 2014. EDRC works to increase budget literacy and analytical capacities of Civil Society Organizations and will carry out monitoring and evaluation of budget programs and public policies.

The “Policy Environment Brief: Social protection” is an analytical publication targeting a large audience from various groups of society. It aims to increase awareness and create bases for efficient cooperation between the civil society and public sector and promote more informed discussions and decision-making.

The main sources of information used for developing this publication are the policy documents and strategies, State Budget Laws and MTEFs, and other documents and data.

For comments and suggestions please contact EDRC: info@edrc.am.

Proper reference to the document when citing is obligatory.

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POLICY ENVIRONMENT BRIEF: SOCIAL PROTECTION

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SOCIAL PROTECTION SECTOR IN ARMENIA

Social Protection is a system of principles, social guarantees and measures defined by the state which aims at satisfying the needs of certain individuals and social groups, reduction of potential social risks and mitigation of consequences thereof. These can refer to age, disability and sickness, loss of employment, unemployment etc.

The Social Protection system includes social security, social insurance and social support.

Social Security is a public system of assistance and services to the elderly, disabled, as well as households with children and vulnerable households.

Social Insurance is a system of monetary benefits which is organized by the state based on mandatory payments. The main types of such benefits are unemployment, disability, pregnancy and childbirth, age, handicapped and survivors' benefits and pensions.

Social Support programs are designed for targeted and sample-based assistance to the vulnerable groups of population, as well as individuals that appeared in difficult circumstances.

The main goal of the public policy in social protection is the significant reduction in poverty incidence in the country and provision of social guarantees to certain groups of population.

Poverty in Armenia became a huge problem in the early years of independence as a result of collapsed Soviet economic and social systems. By the end of 1990s, poverty reached its peak: about half of the country's population was considered poor. During the years of two-digit economic growth, namely starting from 2001, poverty incidence reduced significantly in Armenia. The economic crisis in 2008-2009 and consequences thereof again resulted in an increase in poverty incidence in Armenia and a deterioration of the social situation.

Poverty in Armenia is closely linked, first of all, with unemployment. Unemployment rate in Armenia is amongst the highest in the World. The present situation is aggravated by a number of demographic problems, such as low birth rates, high death rates, as well as high levels of emigration.

Thus, social problems emerged from the loss of economic opportunities and income that were initially reflected in "material" poverty, thereafter transformed into "human" poverty during the next two decades by gradually including more complex and new problems. Health preservation, quality education, as well as services to the elderly and protection of rights of certain social groups formed the policy agenda. Therefore, Social Protection in Armenia is a priority of public policy in Armenia.

Currently, about one third of the State Budget Expenditures are directed to financing the Social Protection sector. The following targets are set for the policy in the coming years:

- Continuous increase in public expenditures in Social Protection,
- Increase in age pensions, continuous improvement of social conditions of pensioners and provision of pension system sustainability in the long-run,
- Inclusion of all HHs below the poverty line in the Family Benefit program aimed at improving living conditions of beneficiaries (provision of full coverage),
- Improvement in the quality of services provided by childcare institutions, prevention of inflow of children into such institutions and reduction in the load of these organizations,

- Provision of alternative support¹ to children and families thereof,
- Increase employment level, including the formal employment,
- Gradual increase in minimum salaries in line with the average salary trends.

The Table below presents the target indicators set by the Government of Armenia for the Social Protection sector.

Table 1. Target Indicators in Social Protection Sector

	2013	2014	2017	2021	2025
	Actual	Projection			
Social Protection Expenditures from Consolidated Budget					
AMD bln	300.7	365.3	507.5	777.4	1227.3
Share in Consolidated Budget, %	25.7	28.4	30.5	29.3	29.9
Share In GDP, %	7.0	7.7	8.0	8.2	8.7
Index, 2013=100	100.0	121.5	168.8	257.6	408.2
Total Pension Expenditures					
AMD bln	198.0	242.0	371.0	601.0	996.0
In GDP, %	4.6	5.1	6.0	6.4	7.1
Share in Consolidated Budget, %	16.9	18.8	22.2	22.8	24.2
Share in Social Protection Expenditures in Consolidated Budget, %	65.8	66.2	73.1	77.3	81.2
Expenditures on Labour Pensions, AMD bln	167.0	196.0	296.0	464.0	767.0
Expenditures on Labour Pensions as share of Social Protection Expenditures in Consolidated Budget, %	55.7	53.6	58.3	60.0	62.5
Expenditures on Benefits to Increase Living Standards of Families					
AMD bln	34.6	37.1	38.4	56.1	84.3
Index, 2013=100	100.0	107.2	111.0	162.1	243.6
Share In GDP, %	0.8	0.8	0.6	0.6	0.6
Average Monthly Benefit, AMD	29,350	29,350	30,500	52,390	106,600
Number of Beneficiary HHs	103,130	104,685	104,685	89,221	65,883
Number of Beneficiary HHs as share of HHs below National Poverty Line, %	69.0	75.4	94.5	100.0	100.0
Unemployment Rate, %	16.2	17.2	16.0	13.1	10.0
Employment Rate, %	53.2	57.3	59.6	64.7	71.1

Source: 2013 Budget Implementation Report, 2014 Annual Budget Law, Perspective Development Strategic Programme for 2014-2025, NSS of RA, EDRC calculations.

¹Complete set of material and non-material services for the childcare and protection offered at community level which is derived from the needs of a specific child and family.

STRATEGIC POLICY FRAMEWOK

Public policy in Social Protection bases on several strategic papers, concept papers and policy programs. Part of them is very comprehensive, being a framework document, while others are more specific pertaining to a certain subsector. The following documents can be mentioned as the main framework documents representing the public strategic approaches and priorities:

- RA National Security Strategy (RA President Decree NH-37-N dated 07.02.2007),
- RA Government Program (RA Government and RA NA, 2014),
- Perspective Development Strategic Programme for 2014-2025 (PDSP) (RA Government Decree N-442-N dated 27.05.2014),
- National Human Rights Protection Strategy (RA President Directive NK-159-N dated 29.10.2012).

RA National Security Strategy was adopted by a President Decree in 2007 and is a framework document for a number of sectors. This strategy sets the main policy directions for the Government of Armenia, namely – in the social sector: implementation of a social policy ensuring poverty alleviation and protection of vulnerable groups.

RA Government Program bases on the National Security Strategy. According to this document, the task of the Government in the Social Protection sector is to fully and comprehensively ensure social rights, create conditions for their realization, set up priorities for non-competitive groups in need of Social Protection – based on the social justice principle, increase efficiency, targeting and quality of implemented programs and delivered services, introduce modern, new alternative services, ensure stable and efficient employment of population, create decent working conditions, as well as development and extension of social guarantees system in sector.

To that end, the Government of RA delineated about 30 points in its program to which a number of programs and measures shall be directed, addressing almost all existing problems in the sector.

Perspective Development Strategic Programme, adopted in 2014, is the main strategic document for socio-economic development of the country which replaces the previous Poverty Reduction Strategy Paper (PRSP) and Sustainable Development Program (SDP). The horizon of this document is until 2025 and it sets the four policy priorities. The first priority is improvement of Social Protection system, second – expansion of employment, third one related to the Human Capital Development² and related to the Social Protection sector.

The state plans to implement a much more targeted policy in the Social Protection sector in the long-run, directed to poverty reduction, inequity reduction, ensuring decent old age, increasing opportunities and provision of certain social guarantees for the vulnerable groups, and improvement of the demographic situation.

In particular, the actions aimed at improving the Social Protection system will aim at increasing efficiency of existing systems and creating bases for long-term financial sustainability thereof. The main public priorities in the abovementioned period are the following:

² The fourth priority of the SDP is institutional modernization of governance system.

1. Social support to the socially vulnerable, as well as target groups both in terms of monetary assistance and targeted provision of a complete set of social service package (switching mostly to social service package in the medium-term),
2. Ensuring decent old age, including introduction of mandatory cumulative pension system,
3. Social assistance aimed at the improvement of the demographic situation.

The National Strategy on Human Rights Protection was adopted in 2012. As such, it is a document reflecting human rights protection mechanisms in civil and political, economic, social and cultural areas. In the first instance, it addresses provision of rights protection for vulnerable groups (children, women, elderly, disabled, families of killed soldiers, ethnic minorities, refugees, repressed etc.).

In addition to these documents, one should also mention the following sector strategies and policy programs:

- National Strategy for Social Protection of Persons with Disabilities in Armenia for 2006-2015 (GoA Protocol Decree N 44 dated 03.11.2005),
- The 2013-2016 National Strategy on the Protection of the Children's Rights (GoA Decree N 1694-N dated 27.12.2012),
- Strategy on Social Protection of the Elderly and Resolution of Problems Arising from Aging Population (GoA Protocol Decree N 31 dated 02.08.2012),
- RA Pension Reform Program (GoA Decree N 1487-N dated 13.11.2008),
- 2013-2018 Employment Strategy (GoA Protocol Decree N 45 dated 08.11.2012),
- 2104 Public Program on Employment Regulation (GoA Protocol N39 dated 28.09.2013),
- Concept on Integrated Social Services Provision Process (GoA Protocol Decree N 21 dated 03.06.2010), etc.

The objective of the **National Strategy for Social Protection of Persons with Disabilities in Armenia for 2006-2015** is to ensure full participation of the handicapped in various areas of social life, clarify the role and importance of the Social Protection system for the disabled in the entire social policy context and outline the main policy directions in Social Protection for the disabled. The main directions of the Strategy are:

- Access to all areas of social life for the disabled, provision of equal rights and opportunities,
- Provision of education to the disabled children,
- Promotion of employment of the disabled,
- Public awareness raising and education on disability.

The main objective of the **2013-2016 National Strategy on the Protection of the Children's Rights** is to ensure children's welfare in the family and society, Social Protection of children and integration thereof in the society, improvement of quality of life for children in hard circumstances.

Strategy on Social Protection of the Elderly and Resolution of Problems Arising from Aging Population (2012-2016) serves as a basis for the development of annual public Social Protection programs for the elderly.

The main priorities set by the Strategy are:

- Creation of a respectful attitude towards old age in the society, promotion of integration of elderly in communities,
- Improvement of quality of life and provision of conditions supporting independent life,
- Improvement of housing conditions for the elderly and provision of income to the elderly,
- Promotion of life-long learning,
- Provision of assistance to HHs with elderly members and fostering solidarity between generations, etc.

Pension Reform Program aims at implementing pension reforms that creates a link between the incomes earned by an individual and his/her pension by introducing the mandatory cumulative pension component.

2013-2018 Employment Strategy presents the targets of employment policy for the mentioned period, as well as implementation solutions. The Strategy is directed to the attainment of the following goals:

- Recruitment of labour for demanded professions per sectors and industries of the economy, as well as promotion of self-employment and improvement of self-employment opportunities,
- Establishment of bases for a permanent and systematized interconnection between the economy, labour market and education system and development thereof,
- Introduction of an effective professional orientation system,
- Alleviation of territorial disproportions in labour market development,
- Preservation of positive trends in demography and labour migration and continuous improvement thereof,
- Promotion of decent working conditions, provision of efficient legal basis,
- Improvement in living standards through increased incomes from employment and introduction of fair distribution mechanisms.

Concept on Integrated Social Services Provision Process implies provision of integrated social services to individuals (HHs) appeared in difficult circumstances – in order to protect their legitimate rights or to prevent from appearing in such circumstances. The Concept aims to:

- 1) Improve access to social services and their orientation towards the client, service quality improvement and efficient policy-making,
- 2) Ensure monitoring and evaluation of social services in order to improve the efficiency of the entire process,
- 3) Improve efficiency of Social Protection rights realization, reduce social isolation of vulnerable groups and foster social solidarity,
- 4) Make the social service field compliant with clauses set in the Revised European Chart and EU Code on Social Security.

LEGAL FRAMEWORK

The Legal and regulatory framework of the Social Protection sector is quite comprehensive, including the Constitution of the RA, various laws and by-laws.

The Constitution defines that everyone shall have the right to social security during old age, disability, loss of bread-winner, unemployment and other cases prescribed by the law.³ The extent and forms of social security shall be prescribed by the law.

The main legal document regulating the sector is the Law on Social Assistance which defines that the main goal of social assistance is to satisfy the basic needs of a person appeared in hard circumstances, create conditions to integrate into the society, stimulation of their capacities to solve their problems on their own and self-support, prevent social isolation, as well as support in resolving their social and financial problems.

Other laws and by-laws regulate activities in specific directions of the Social Protection sector and define the legal regulation framework thereof.

MAJOR LEGAL DOCUMENTS

- RA Family Code,
- RA Labour Code,
- RA Law on Social Assistance,
- RA Law on the Social Protection of the Disabled People in Armenia,
- RA Law on the Child's Rights,
- RA Law on Social Protection of Children without Parental Care,
- RA Law on Temporary Disability Benefits,
- RA Law on Social Security for Military Servants and Family Members Thereof,
- RA Law on Funded Pensions,
- RA Law on State Pensions,
- RA Law on State Benefits,
- RA Law on Employment,
- RA Law on Minimum Monthly Salaries,
- RA Law on the Minimum Consumer Basket and the Minimum Consumer Budget, etc.

³ The Constitution of the RA, Article 37.

INSTITUTIONAL FRAMEWORK

The Social Protection sector is rather large; therefore, institutions acting in this sphere are numerous and various. The Ministry of Labour and Social Affairs is in charge of public policy development and implementation in the sector. A number of public bodies under the Ministry or reporting to the Ministry, as well as a number of other state bodies are service providers in Social Protection sector or support services. Nevertheless, a number of non-public entities operate along with public bodies and agencies.

The most important players in this field are:

- Social Security State Service of the MLSA (2008),
- Social Housing Stock Service Center SNCO (2012),
- National Institute for Labour and Social Research SNCO (2012),
- 6 public (3 general and 3 specialized) and 2 non-public orphan houses,
- 8 boarding institutions of childcare and protection,
- “Zatik” child support center in Yerevan,
- 4 public and 4 non-public boarding houses,
- 23 daycare centers,
- The Republican Centre of In-home Social Services for Elderly and Disabled SNCO (2000),
- State Employment Agency (1992),
- The Agency of Medical and Social Analysis (2002),
- Professional Orientation and Labour Rehabilitation Center for the Disabled SNCO(2010).

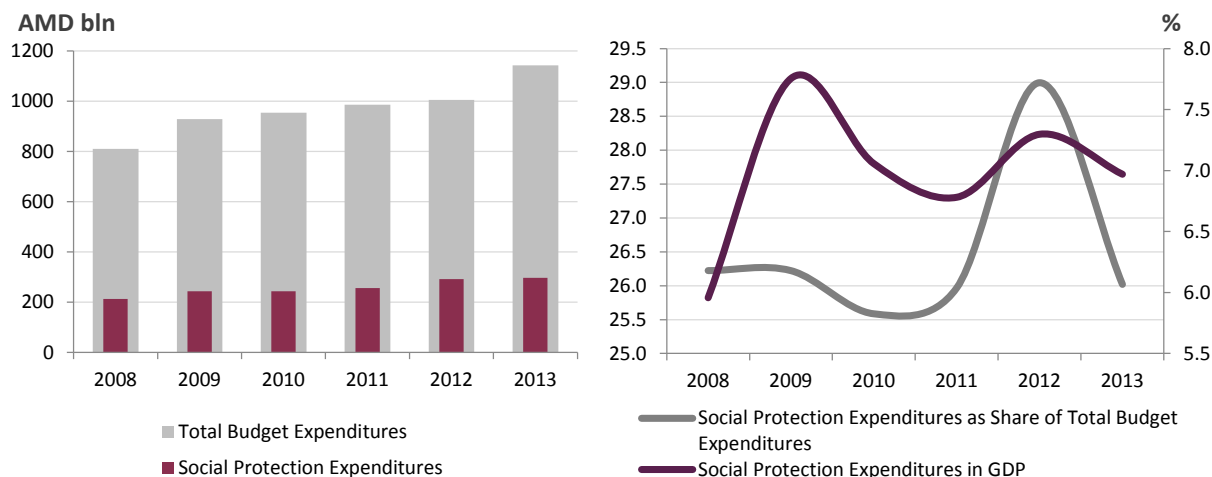
The above listed entities participate in the social service provision process, either directly or through intermediaries. Along with the entities in the list, a number of non-governmental entities operate actively, including Mission Armenia, Armenian Caritas, Fund for Armenian Relief, Zangakatun, Orran, Prkutyun, Bridge of Hope, Hans Christian Kofoed, UMCOR, Save the Children, World Vision, Diaconia, ARDA, Shoghik, Nur, Huysi Metsamor, Astghavard, Astghatsolq and others.

MAIN POLICY PROGRAMS AND BUDGET FRAMEWORK

Social Protection sector expenditures are the largest functional item in the State Budget. In 2013, around 26% of Budget Expenditures were directed to Social Protection or about 7% of GDP (see Figure 1), while for 2014 they were projected to reach 29% and 7.7% respectively.

Despite the fact that the increase in sector financing is not stable, however, on average they grew by 9.3% annually during 2009-2014⁴:

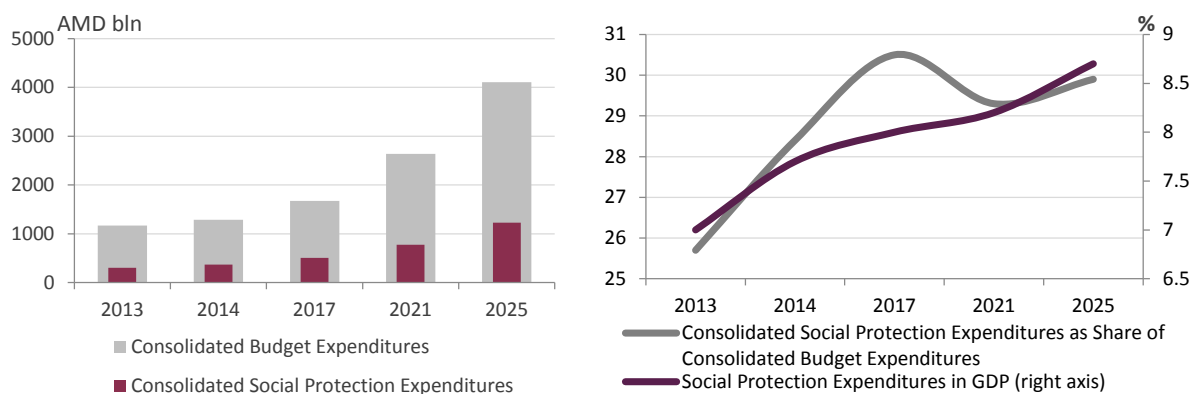
Figure 1. Budget Expenditures in Social Protection Sector in 2008-2013



Source: 2008-2013 Annual Budget Implementation Reports, NSS of RA, EDRC calculations

Nominal expenditures in this sector will continue to increase in the long-run. As share of GDP, sector financing will also gradually increase and reach 9%, while constituting 29-30% of the Consolidated Budget Expenditures. As a result, nominal expenditures in Social Protection sector in 2017 will exceed the 2013 level 1.7 times, while in 2025 - 4.1 times.

Figure 2. Projections of Social Protection Expenditures in 2014-2025⁵



Source: 2013 Budget Implementation Report, 2014 Annual Budget Law, Perspective Development Strategic Programme for 2014-2025, NSS of RA, EDRC calculations

⁴ For more details, please, see Simplified Budget for Social Protection, 2014, EDRC, July 2014.

⁵ Actual data for 2013.

Let us discuss the intra-sectorial priorities, programs and financial plans in the Social Protection sector per following major directions:

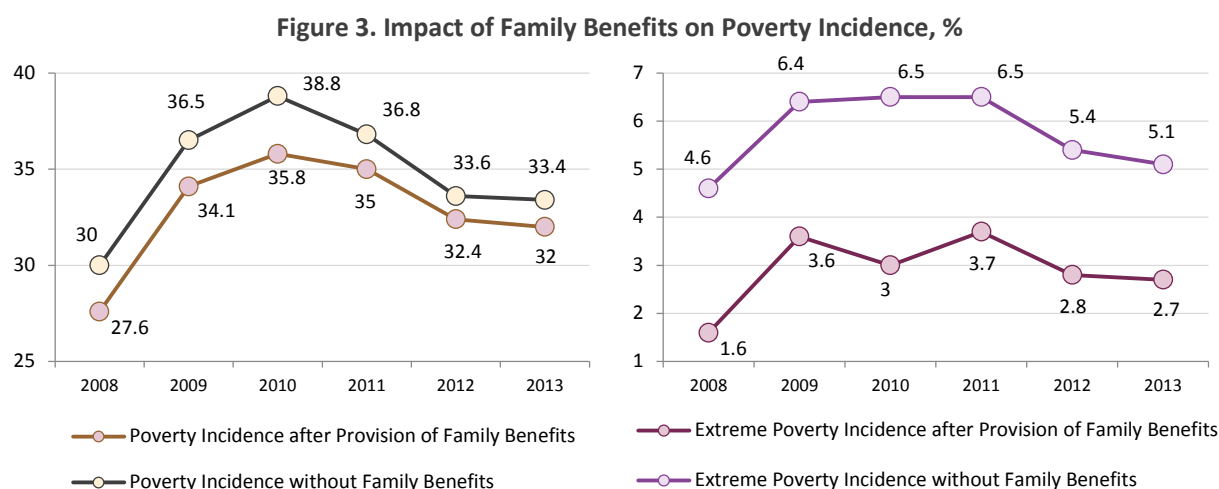
- Poverty and Family Benefits,
- Demography,
- Disability,
- Families, Women and Children,
- Labour and Employment.

POVERTY AND FAMILY BENEFITS

The Family Benefit System directed towards poverty alleviation plays an important role in the Social Protection sector, namely – in social support. This system is based on the former Paros system, established in 1994 in order to provide for targeting and social justice in distribution of humanitarian assistance. The object for registration and vulnerability assessment is the household.

Family Benefits System operates starting from January, 1999⁶. Since 2006, this sector is regulated by the RA Law on State Benefits⁷ which determines the size and procedures of benefit provision. Starting from January 2014, Family benefits were renamed into Benefits to improve living standards⁸. The latter includes the Family benefit – for poor HHs with (a) child(ren), Social benefits (for poor HHs without children) and Urgent support (for HHs not entitled to either one of the benefits above, however experiencing hardships). It is worth noting that the amount of benefits determined is depending on the HH vulnerability score⁹ plus the pre-determined benefit base.

According to the NSS of RA HH's Integrated Living Conditions Survey data, other things being equal, Family benefits in 2013 reduced poverty and extreme poverty incidences by 1.4 and 2.4 percentage points respectively (see Figure 3).



Source: NSS of RA

⁶ GoA Decree N727 dated 19.11.1998.

⁷ National Assembly of RA, HO-205-N, dated 24.10.2005.

⁸ GoA Decree N65-N dated 30.01.2014.

⁹ HHs with vulnerability scores of 30.0 and above are eligible for benefits.

Nominal public expenditures on Family benefits have been increasing in the recent years with the only exception in 2011, when the number of beneficiary HHs decreased by more than 18%. Budget expenditures on Family benefits in 2013 increased by about 20% as compared to 2008 (or by AMD 5.7 bln). In parallel, the average benefit size also grew reaching AMD 29,350 against AMD 21,100 in 2008.

It is worth noting that although the number of beneficiary HHs has increased since 2011, however, their number has decreased by 8% as compared to 2008, totaling to 103,130 in 2013.

Table 2. “Benefits to Increase Living Standards of Families” financing

	2008	2009	2010	2011	2012	2013
Budget Expenditures on Benefits to Increase Living Standards of Families, AMD bln	28.8	29.1	30.9	29.0	33.1	34.6
Budget Expenditures on Benefits to Increase Living Standards of Families in GDP, %	0.8	0.9	0.9	0.8	0.8	0.8
Number of beneficiaries	111,918	108,460	102,472	83,997	100,879	103,130
Average monthly benefit size per beneficiary, AMD	21,100	23,560	26,850	26,850	29,350	29,350

Source: 2008-2013 Annual Budget Implementation Reports, NSS of RA, EDRC calculations

During 2015-2017, expenditures on Family benefits will exceed the 2014 level by about AMD 1.3 bln totaling to AMD 38.4 bln. No increase is projected in the number of beneficiaries. The average size of the benefit will not change considerably: it is projected to total to AMD 30,500 in 2017 against AMD 29,350 in 2013-2014.

MEDIUM-TERM OBJECTIVES

- Continuity of provision of Family benefits
- Administration improvement
- Increase in average nominal benefit size

Table 3. “Benefits to Increase Living Standards of Families”: financing projections

	2013	2014	2017	2021	2025
Expenditures on Benefits to Increase Living Standards of Families, AMD bln	34.6	37.1	38.4	56.1	84.3
Index, 2013=100	100.0	107.2	111.0	162.1	243.6
As share in GDP, %	0.8	0.8	0.6	0.6	0.6
Average monthly benefit amount, AMD	29,350	29,350	30,500	52,390	106,600
Number of beneficiaries	103,130	104,685	104,685	89,221	65,883
Number of beneficiaries/ families below poverty line, %	69.0	75.4	94.5	100.0	100.0

Source: 2013 Budget Implementation Report, 2014 Annual Budget Law, 2015-2017 Medium-Term Expenditure Framework, Perspective Development Strategic Programme for 2014-2025, NSS of RA, EDRC calculations

The increase in nominal average monthly amount of Benefits to Increase Living Standards of Families will be considerable by 2021: it will exceed the 2013 level 1.8 times, while in 2025 – 3.6 times. Total Budget allocations to these benefits will increase 1.6 times by 2021 and 2.4 times – by 2025, while remaining at 0.6% equivalent of the GDP (see Table 3).

It is worth noting that despite the projected decline in the number of beneficiary HHs in the long-run, the overall policy aims at inclusion of all HHs below the poverty level. Starting 2018, all such HHs shall be included in the benefit system.

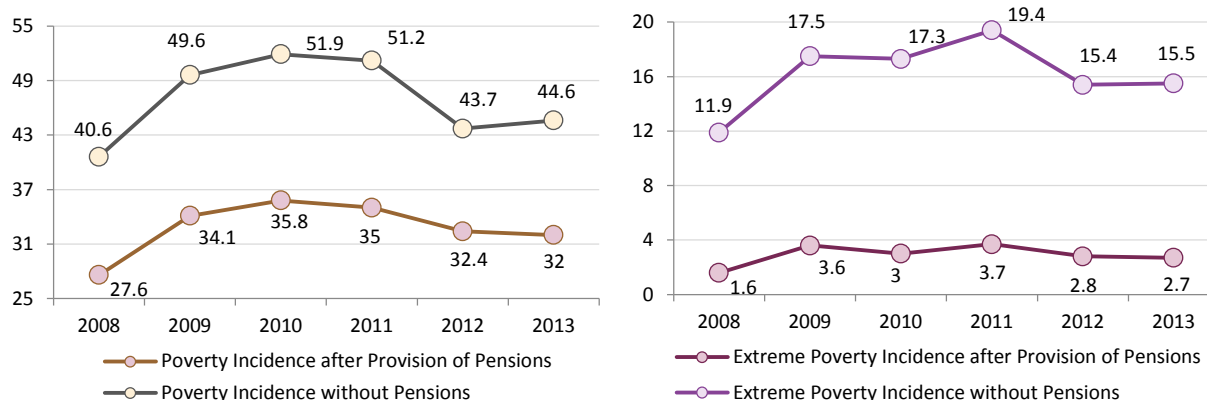
OLD AGE

The next important priority in social policy is ensuring decent old age and improving the quality of life for the elderly. Coming from the objective of ensuring equal opportunities and decent living conditions for the elderly, policies focus on age pensions and benefits, as well as provision of care services.

Pension sphere in Armenia is rather wide: around 17% of the population are beneficiaries of this system. Notably, these transfers are the most important from the perspective of impact on poverty.

During 2008-2013, pensions on average allowed for 13-14 percentage points reduction in poverty and extreme poverty incidences (see Figure 4).

Figure 4. Impact of Pensions on Poverty Incidence, %

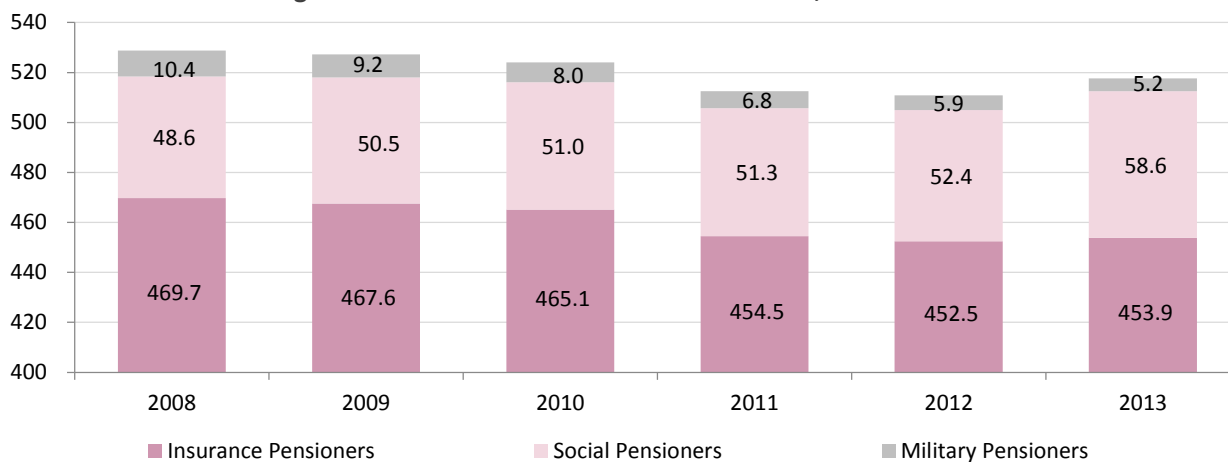


Source: NSS of RA

There were 515,340 pensioners in 2013 in Armenia, of which 453,917 – insurance pensioners, 58,588 – social pensioners and 5,185 – military pensioners.

As can be seen from the Figure below, the numbers of insurance and military pensioners tended to decline, while that of social pensioners – increase.

Figure 5. Number of Pensioners in 2008 – 2013, thousands



Source: NSS of RA

It is worth noting that the average amount of insurance and social pensions increased prior to 2013, while in 2013 it slightly decreased reaching respectively AMD 30,962 and AMD 14,799.

Table 4. Average Monthly Pension Size, AMD

	2008	2009	2010	2011	2012	2013
Insurance Pensions	22,556	26,056	28,647	28,701	31,248	30,962
Social Pensions	8,656	10,067	13,130	13,182	16,236	14,799
Pensions Relating to Military Services	17,063	19,587	19,263	14,779	16,353	16,517

Source: NSS of RA

The major share of Social Protection budget goes to the payment of pensions: on average, budget expenditures on pensions constituted about 70% of the total Social Protection sector during 2008-2014.

Despite the nominal growth in pension expenditures, the share of the latter both in sector expenditures and total Budget Expenditures overall decreased during 2008-2013, reaching 67.2% and 17.5% respectively.

Table 5. Expenditures in Old Age Sector 2008-2013

	2008	2009	2010	2011	2012	2013
Pensions, AMD bln, o/w	152,737.5	175,928.6	176,823.8	186,634.6	197,208.0	198,261.5
Labour Pensions	127,443.2	142,499.4	132,101.4	131,990.5	135,282.7	127,916.2
Care and Social Services, AMD bln	2,115.9	1,623.7	1,632.2	1,758.7	1,770.5	1,701.7
Total Old Age, AMD bln	154,853.4	177,552.3	178,456.0	188,393.3	198,978.6	199,963.2
Change from previous year, %	-	14.7	0.5	5.6	5.6	0.5
Share in Social Protection Budget, %	72.9	72.9	73.1	73.5	68.2	67.2
Share in Total Budget Expenditures, %	19.1	19.1	18.7	19.1	19.8	17.5

Source: 2008-2013 Budget Implementation Reports, EDRC

Seven programs are implemented in the Pension sector in Armenia, six of them being designed for certain groups of population. The last program is aimed at the introduction of a cumulative pension system in Armenia.

The Table below summarizes the medium-term projections (targets) for the programs in the pension sector. It is projected that public pension expenditures will increase

due to both increased average size of pensions and increased number of beneficiaries. As a result, nominal expenditures on pensions in 2017 will increase by 91% compared to 2013. While their shares in Social Protection budget and total Budget Expenditures are projected to reach 78.1% and 23.9% respectively, thus increasing since 2013 by 11.4 and 6.6 percentage points.

Expenditures on Labour pensions will grow by 76% to serve 456.7 thousand beneficiaries at average monthly AMD 53,728 (compared to 453.9 thousand beneficiaries at AMD 30,962 in 2013). It is worth noting that, apart from **Pensions to Military Soldiers and Their Families**, expenditures for all other programs are projected to increase. A sharp increase is projected in expenditures for **Pensions Assigned by the RA lows**¹⁰: AMD 2.8 bln is projected for these pensions in 2017 against AMD 0.4 bln in 2013.

LONG-TERM GOALS

- Improved targeting of Family benefits
- Increase in nominal average benefit

¹⁰ The program sets pensions for previous Presidents of RA, judges, as well as Members of Parliament killed at duty.

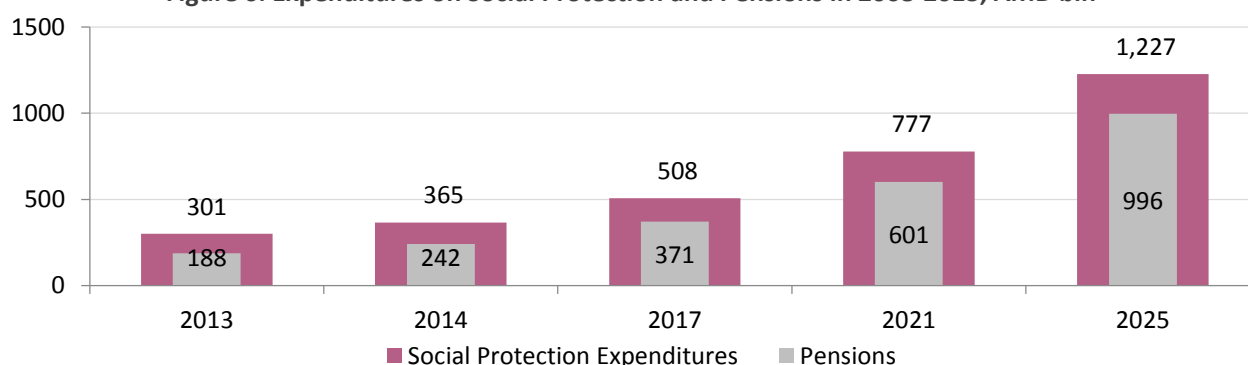
Table 6. Expenditures on Programs in Pensions Provision Area, AMD mln

Program	Budget		MTEF		
	2013	2014	2015	2016	2017
Pensions for Military Officers and Their Families	19,117.9	23,815.6	22,783.3	25,953.6	29,770.4
Pensions to Soldiers and Their Families	1,095.9	1,099.9	1,010.0	977.3	953.6
Social Pensions	10,371.2	10,937.9	13,000.9	13,390.9	13,792.4
Labour Pensions	167,310.0	195,668.6	225,626.9	257,444.6	294,416.2
Pensions Assigned by the RA Laws	366.5	402.1	2,582.1	2,709.4	2,817.9
Transfers for Funeral in Cases of Pensioners; Old-aged, Disabled or Survivor Social Beneficiaries' Death	4,706.0	4,914.6	4,914.6	4,914.6	4,914.6
Introduction of Cumulative Pension System	-	20,683.0	26,242.3	31,502.2	37,667.5
Total Pensions	198,261.5	252,607.1	291,245.5	331,978.0	379,418.0
Change from previous year, %	0.5	27.4	15.3	14.0	14.3
Share in Social Protection Budget, %	66.7	69.8	73.7	76.0	78.1
Share in Total Budget Expenditures, %	17.3	20.3	21.9	23.1	23.9

Source: 2013 Budget Implementation Report, 2014 Annual Budget Law, 2015-2017 MTEF, EDRC calculations

Overall, the growth rate in Pensions will exceed that of Social Protection expenditures: For comparison, they will exceed the 2013 level 2 times in 2017 and 5.3 times – in 2025.

Figure 6. Expenditures on Social Protection and Pensions in 2008-2013, AMD bln



Source: 2013 Budget Implementation Report, 2014 Annual Budget Law, Perspective Development Strategic Programme for 2014-2025, EDRC calculations

The long-term policy will be directed towards increasing the share of Pensions, and especially – Labour pensions, in Social Protection budget. Thus, expenditures for Pensions in nominal terms will increase from 2013 level more than 5 times (by AMD 798 bln) in 2025, while only Labour pensions – 4.6 times (by AMD 600 bln). Such an increase in Pensions will result in their share in Social Protection budget reaching 77% in 2021 and 81% - in 2025. Notably, Labour pensions will constitute 77% of total pensions in 2025 against 84% in 2013 (see Table 7).

Table 7. Pension Expenditures in 2013-2025, AMD bln

	2013	2014	2017	2021	2025
	Actual	Projection			
Total Pension Expenditures, AMD bln	198	242	371	601	996
Total Pension Expenditures in GDP, %	4.6	5.1	6.0	6.4	7.1
Total Pension Expenditures in Total Budget Expenditures, %	16.9	18.8	22.2	22.8	24.2
Total Pension Expenditures in Consolidated Social Protection budget, %	65.8	66.2	73.1	77.3	81.2
Labour Pensions, AMD bln	167.0	196.0	296.0	464.0	767.0
Labour Pension Expenditures in Consolidated Social Protection Budget, %	55.7	53.6	58.3	60.0	62.5

Source: 2013 Budget Implementation Report, 2014 Annual Budget Law, Perspective Development Strategic Programme for

2014-2025, EDRC calculations.

Four public programs are implemented in social services and care for the elderly with two of them being round-the-clock care and social services to the elderly, while the other two are care and social services to the elderly at home or in daycare centers. Notably, the demand for specialized care services gradually increases; meanwhile the capacities of existing care-providing institutions do not suffice to provide the demanded quantity of services. Therefore, the medium-term objective in this field is to improve the quality of care and social services provided to the elderly.

The Table below shows, that despite the projected increase in expenditures of this area in nominal terms in the medium-term, their share both in total Budget Expenditures and in Social Protection budget is projected to decrease.

Table 8. Expenditures on Care and Social Service Programs, AMD bln

Programs	Budget		MTEF		
	2013	2014	2015	2016	2017
Round-the-clock Care Services for Elderly	1,417.1	1,733.4	1,791.3	1,844.0	1,910.3
Social Services to Single Elderlies and Disabled at Home and at Daycare Centres in Marzes of Armenia	159.6	172.4	189.3	206.2	223.1
Social Services at Home to Single Elderly	97.9	123.0	130.3	137.0	145.4
Round-the-clock Care and Social Services to the Elderly at Vanadzor Elderly House	14.5	20.4	22.5	24.6	26.8
Daycare Services to Mentally Disabled	12.5	19.4	20.4	21.2	22.3
Total Care and Social Services	1,701.6	2,068.6	2,153.8	2,233.0	2,327.9
Share in Social Protection Budget, %	0.6	0.6	0.5	0.5	0.5
Share in Total Budget, %	0.1	0.2	0.2	0.2	0.1

Source: 2013 Budget Implementation Report, 2014 Annual Budget Law, 2015-2017 MTEF, EDRC calculations

DEMOGRAPHY

The next priority is increasing the birth rate and an improvement of the demographic situation: One-off Child Benefits, Benefits for Childcare under the age of 2 years and Pregnancy and Childbirth Benefits programs are directed towards these ends.

One-off Child benefits are paid upon a childbirth based on the consecutive number of the child in a family. The procedures and amount of benefit payment is regulated by the RA Law on Public Benefits and, starting from 2014, Procedures on Assigning and Providing One-off Child Benefit¹¹. For the first and second children, the amount of the benefit is set at AMD 50,000, while for the third and fourth children it is AMD 1 mln, against formerly AMD 430,000. For the fifth and each next child, the benefit amount is AMD 1.5 mln.

Benefits for Childcare under the Age of 2 Years are provided to one of the parents or a caretaker up to the child's age of two years. The average amount of this benefit in 2008 equaled to AMD 3,000 which increased consequently, reaching AMD 18,000 during 2009-2013. At the same time, the number of beneficiaries grew continuously reaching 11,539 in 2013, thus exceeding its 2008 level 2.5 times.

Pregnancy and Childbirth Benefits System is an important component of the public social policy. The procedures of providing these benefits are determined by the RA Law on Temporary Disability Benefits

¹¹ GoA Decree N-275-N dated 06.03.2014 On Setting the amount of One-off Child Benefit and Determining the Payment Procedures Thereof.

(adopted October 27, 2010). The Benefit is provided to working women for all working days within the entire period of pregnancy and childbirth vacation – based on the average salaries of the women during the past 12 months. On December 1, 2014, the Government of Armenia adopted an amendment to the abovementioned law which will become effective on January 1, 2015. According to the amendment, the existing law is now called On Temporary Disability and Motherhood Benefits. It assumed certain changes in the sector policy:

- Pregnancy and Childbirth benefit is renamed into Motherhood benefit,
- For employed women, the benefit amount is calculated at 80% of the average salary calculated in accordance with the legislation (instead of 100% formerly),
- A maximum limit is applied to the benefit amount which cannot exceed the amount equivalent to minimum salary level multiplied by 10,
- The minimum salary level was previously taken into account when calculating the amount of this benefit for employed women: it is removed currently.

It is intended to include also non-working women in this benefit program starting from January 1, 2016 (RA Law on Public Benefits).

Expenditures on these benefits in 2013 increased in nominal terms more than three times or about AMD 8.7 bln compared to 2008. Especially, expenditures on Benefits for Childcare under the age of 2 years and One-off Child Benefits increased by AMD 4.3 bln and AMD 3.7 bln respectively.

Table 9. Expenditures on Programs in Demography, AMD bln

	2008	2009	2010	2011	2012	2013
Benefits for Childcare Under the Age of 2 Years	221.7	1,860.1	2,566.8	2,921.7	2,975.9	4,538.8
One-off Child Benefits	1,351.2	5,065.9	4,721.3	4,274.0	4,555.2	5,041.2
Pregnancy and Childbirth Benefits	2,303.7	2,564.5	2,589.9	3,927.9	3,096.5	3,021.6
Total	3,876.6	9,490.6	9,878.0	11,123.6	10,627.6	12,601.6
Share in Social Protection Budget, %	1.8	3.9	4.0	4.3	3.6	4.2
Share in Total Budget Expenditures, %	0.5	1.0	1.0	1.1	1.1	1.1

Source: 2008-2013 Annual Budget Implementation Reports, EDRC calculations

For the first two programs, no changes in expenditure allocations are projected in the coming years (see Table 10). Pregnancy and Childbirth Benefit is projected to gradually increase due to increases in salaries resulting in increased amounts of average benefits.

Table 10. Medium-Term Targets of Public Expenditures on Demography, AMD mln

	Budget		MTEF		
	2013	2014	2015	2016	2017
One-off Child benefits	4,538.8	8,564.7	8,451.4	8,451.4	8,451.4
Benefits for Childcare Under the Age of 2 Years	3,021.6	2,419.2	2,419.2	2,419.2	2,419.2
Pregnancy and Childbirth Benefits	5,041.2	4,682.5	5,104.9	5,410.2	5,734.8
Total	12,601.6	15,666.4	15,975.5	16,280.8	16,605.4
Share in Social Protection Budget, %	4.2	4.3	4.0	3.7	3.4
Share in Total Budget Expenditures, %	1.1	1.3	1.2	1.1	1.0

Source: 2013 Budget Implementation Report, 2014 Annual Budget Law, 2015-2017 MTEF, EDRC calculations

DISABILITY

The followings are the main problems in the area of Disability policy:

- Lack of access to services, absence of equal possibilities,
- Limited quality improvement and variety expansion in rehabilitation items,
- Insufficient study and analyses of reasons/factors causing disability,
- Low employment levels among the disabled,
- Absence of community daycare rehabilitation centers for the disabled.

The main objective of the Government in social sector is to carry out a policy of preventive care, treatment and integration of the handicapped.

Constitution of the RA, Article 48, p. 7.

Coming from these problems, the major policy principles were declared: integration of the disabled into the society, determination of equal rights for them, as well as equal opportunities and responsibilities.

Social Protection of the disabled involves provision of pensions, social services and social support. The major means for life for the disabled is the pension which has two types: insurance and social. The Table below summarizes the numbers of registered handicapped during 2008-2013, of which, those who are considered pensioners (insurance and social), average pension amount and the number of disabled receiving social services.

Notably, among 193,836 registered disabled in 2013, only 165,700 were disability pensioners, of which 73.2% were insurance pensioners. Insurance pensions in 2013 increased 1.5 times since 2008, while social pensions – 1.8 times.

Table 11. Numbers of Disabled in 2008-2013

	2008	2009	2010	2011	2012	2013
Number of Registered Disabled Individuals	170,950	179,257	185,080	176,506	186,384	193,836
Number of Social Service Organizations, of which:	7	7	7	7	7	8
Public	4	4	4	4	4	4
Non-public	3	3	3	3	3	4
Number of Serviced Disabled Individuals, of which in:	468	558	660	655	663	718
Public Organizations	451	543	641	631	635	683
Non-public Organizations	17	15	19	24	28	35
Number of Pensioners, of which:	142,142	149,824	155,924	159,282	164,368	165,700
Insurance Pensioners	106,137	111,243	116,139	118,193	121,367	121,361
Average Insurance Pension, AMD	18,701	21,864	2,747	24,796	27,615	27,549
Social Pensioners	36,005	38,581	39,785	41,089	43,001	44,339
Average Social Pension, AMD	8,239	9,606	12,525	12,435	15,269	15,183

Source: NSS of RA

In the Disability area, public intervention is mostly implemented through 8 programs with a total amount of AMD 1.2 bln in 2013, of which 74% were spent on provision and repair of prosthetic and rehabilitation items.

Table 12. Expenditures on Programs in Disability, AMD mln

Programs	Budget		MTEF		
	2013	2014	2015	2016	2017
Maintenance of Social Housing	29.2	41.0	43.0	44.9	47.2
Medical and Social Rehabilitation Services	102.3	108.8	111.4	115.1	119.4
Mental Health Rehabilitation Services	64.6	69.2	70.9	73.3	76.0
Provision of Wheelchairs and Hearing Aids to the Disabled	81.6	81.0	85.7	85.7	85.7
Provision and Repair of Prosthetic-orthopaedic Items and Technical Means to the Disabled	858.3	880.1	856.3	856.1	855.9
Printing of Special Books and Textbooks for Blind Graduates, as well as Those Who Became Blind and Recording of Audio-Books	10.5	10.5	10.5	10.5	10.5
Social Rehabilitation Services to the Teenagers and Youngsters with Mental Problems	17.8	21.8	23.1	24.8	26.4
Provision of Certificates to Those Having Hearing Problems	-	-	16.0	16.0	16.0
Total Disability	1,164	1,212	1,217	1,226	1,237
Share in Social Protection Budget, %	0.4	0.3	0.3	0.3	0.3
Share in Total Budget Expenditures, %	0.1	0.1	0.1	0.1	0.1

Source: 2013 Budget Implementation Report, 2014 Annual Budget Law, 2015-2017 MTEF, EDRC calculations

In the medium-term, almost no increase is projected in expenditures in this area. In 2017, this subsector will constitute 0.3% of the Social Protection budget and 0.1 of total Budget Expenditures.

Coming from the necessity to ensure continuity of services in this subsector, quality improvement and variety expansion thereof, a Law on Protection of Rights and Social Inclusion of the Disabled was drafted. The adoption of the new law bases on the switch from the medical model of disability to the social model, as well as moving from Social Protection to social inclusion and the need to develop a policy that excludes any type of discrimination towards the disabled.

Despite that the long-term public policy is aimed at introducing a new model based on the assessment of an individual's needs and capacities, nevertheless, both PDSP and other sectoral documents do not define any target indicators.

FAMILY, WOMEN AND CHILDREN

The main priorities of the policy in this subsector are: provision of continuity of services being provided, quality improvement and expansion of alternative service net *by focusing on prevention of inflow of children into care and protection institutions and social programs on reducing loads of such institutions.*

8 orphan houses operate in Armenia, including 6 public and 2 non-public orphan houses. 927 children received services in these orphan houses in 2013, while only 55 children were adopted. There are 8 Boarding houses under the Ministry of Labour and Social Affairs where 750 children were enrolled. At the same time, 23 daycare centers operate in Armenia, 23 of them are charity organizations, serving 1,522 beneficiaries. The other three organizations are included in the system of the Ministry of Labour and Social Affairs and serve 250 beneficiaries.

Currently, 12 public programs are implemented in the subsector with the majority of them directed to care and protection services to children, as well as returning children to their biological families. Public

expenses on these programs for the coming three years are projected to maintain at the same level: their share in total Budget Expenditures will remain unchanged at 0.3%.

Table 13. Expenditures on Programs in Family, Women and Children, AMD mln

	Annual Budget		2015-2017 MTEF		
	2013	2014	2015	2016	2017
Round-the-clock Childcare Services	1,964.9	2,253.3	2,361.3	2,451.7	2,584.5
Social Care Services to Children Under Risk Circumstances	205.6	224.5	233.7	242.1	252.6
Boarding School Services and Protection of Children	916.2	1,041.2	1,085.8	1,126.3	1,177.3
Provision of Temporary Shelter to Homeless Children	35.6	37.6	39.1	40.4	41.1
Provision of Monetary Assistance to School-age Children in Orphan Houses of Armenia	5.0	6.3	5.8	5.7	5.7
One-off Monetary Assistance and Education Fellowships to Orphan House Graduates	1.28	2.8	0.7	0.6	0.5
Support and Counselling to Graduates of Orphan Houses	27.1	16.3	16.3	16.3	16.7
Introduction of Foster Families in RA	22.8	36.1	37.9	39.7	41.6
Services to Return Children in Round-the-clock Care and Protection Institutions to Their Families	11.5	22.2	22.5	22.8	23.1
Provision of Monetary Assistance for Children Transferred to Biological Families	9.7	16.4	20.4	20.4	20.4
Social and Psychological Rehabilitation Services to Victims of Trafficking	6.6	17.2	18.3	19.4	20.5
Social Care Services to Children at Daycare Centres Appeared in Difficult Situations	51.8	63.3	70.0	76.7	83.3
Total	3,258.1	3,737.2	3,911.8	4,062.1	4,267.3
Share in Social Protection Budget, %	1.1	1.0	1.0	0.9	0.9
Share in Total Budget Expenditures, %	0.3	0.3	0.3	0.3	0.3

Source: 2013 Budget Implementation Report, 2014 Annual Budget Law, 2015-2017 MTEF, EDRC calculations

LABOUR AND EMPLOYMENT

The main problems in the area of Labour and Employment are:

- Disproportions between labour supply and demand, high unemployment rate especially among non-competitive groups, women and youth, widespread informal employment practices,
- Underemployment in rural areas, low level of non-agricultural employment.

Everyone shall have the freedom to choose his/her occupation.

Constitution of the RA, Article 32

The task of the State in the social and economic sphere is to contribute to the employment for the population and the improvement of working conditions

Constitution of the RA, Article 48, p. 2, 48

About 75% of the Armenian population or 2.2 mln people are labour resources, of which 63.4% are economically active. In 2013, 1.1 mln people were employed which is lower by 19 thousands than the 2008 indicator. Meanwhile, the employment rate increased since 2008 by 3.4 percentage points. Similarly, the number of unemployed decreased by 7 thousands since 2008, reducing the unemployment rate by 0.2 percentage points since 2008.

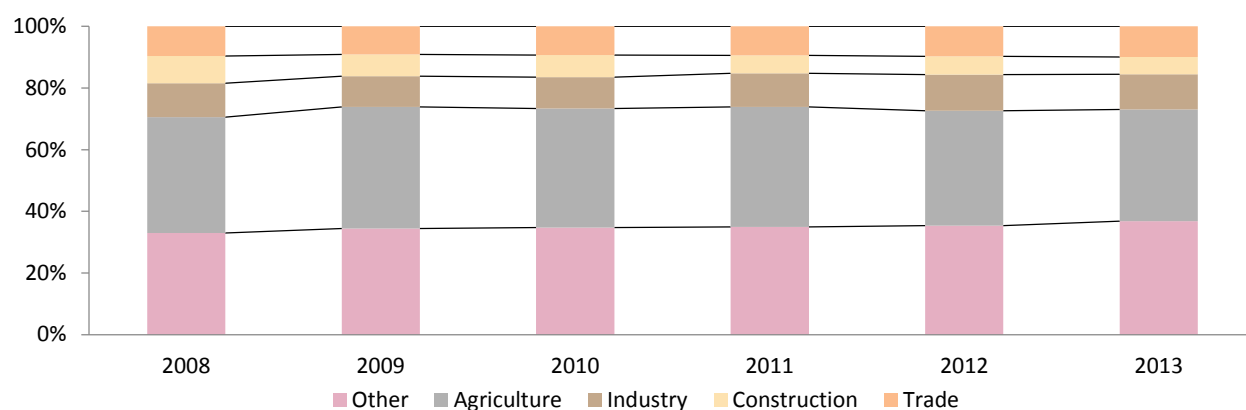
Table 14. Summary Indicators of Labour Market

	2008	2009	2010	2011	2012	2013
Workforce, thousand person	2,376.9	2,397.6	2,389.7	2,286.3	2,260.8	2,189.1
Economically Inactive Population	962.3	978.9	926.3	845.4	842.5	800.7
Economically Active Population	1,414.6	1,418.8	1,463.3	1,440.9	1,418.3	1,388.4
Employed	1,183.1	1,152.8	1,185.2	1,175.1	1,172.8	1,163.8
Unemployed	231.6	265.9	278.2	265.7	245.5	224.6
Level of Economic Activity, %	59.5	59.2	61.2	63.0	62.7	63.4
Employment Rate, %	49.8	48.1	49.6	51.4	51.9	53.2
Unemployment Rate, %	16.4	18.7	19.0	18.4	17.3	16.2

Source: NSS of RA, EDRC calculations.

Agricultural employment is quite high in Armenia despite the decreasing trend in the recent years. In 2013, 36.2% of total were employed in agriculture, thus decreasing by 23.2 thousands since 2008. On the contrary, the number of employed in industry increased slightly since 2008 reaching around 132 thousands. Reduction in employment in construction sector is prominent: by 39 thousands or 37% since 2008.

Figure 7. Employment Numbers per Economic Sectors



Source: NSS of RA, EDRC calculations

Average nominal monthly salaries demonstrated increasing trends. In 2013 they equaled AMD 146,524, increasing by more than 4% from the previous year. Minimum salary growth rate is more modest: it increased by AMD 10,000 during 2008-2013. Starting from January 1, 2013 the minimum monthly salary was set at AMD 35,000, from July 1 – AMD 45,000, while starting from July 1, 2014 – AMD 50,000. For the efficient policy implementation in the area of labour remuneration currently a Strategy on Labour and Remuneration Field of the Republic of Armenia is being developed which will reflect the solutions to major problems of the subsector.

The following targets are set by the **2013-2018 RA Employment Strategy**:

- Annual reduction in unemployment by 0.35 percentage points,
- Annual increase in participants in the public labour market regulation programs by 5%,
- Annual increase in the number of disabled in programs by 50%,
- Annual increase in public expenditure allocations to the programs by 50%.

The Table below summarizes the public programs implemented in labour and employment subsector. As can be seen, allocations to these programs are projected to increase in nominal terms in coming years, however, as compared to 2013, their shares both in the Social Protection budget and total Budget Expenditures will decrease by 2017 by 0.4 and 0.1 percentage points. Notably, unemployment and temporary disability benefits constituted 94% of expenditures in 2013. If expenditures on temporary disability benefits are projected to increase to AMD 4.6 bln in 2017 (against AMD 3.4 bln), allocations to unemployment benefits are projected to decrease sharply. According to the Employment Law, no unemployment benefits are provided starting from January 1, 2014¹².

Table 15. Public Expenditures on Labour and Employment Programs, AMD mln

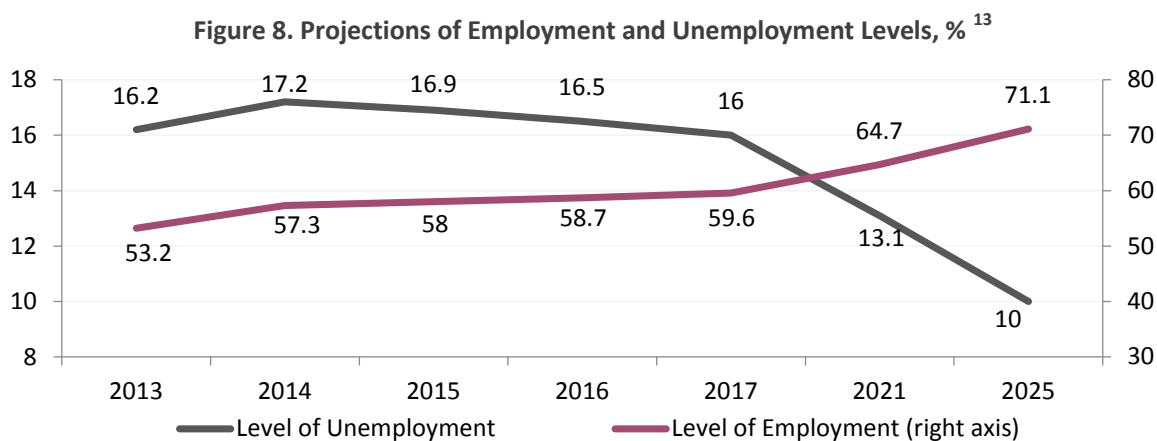
Programs	Annual Budget		2015-2017 MTEF		
	2013	2014	2015	2016	2017
Rehabilitation Services to the Disabled Looking for a Job, Professional Training and Consulting Services	16.1	17.7	18.4	19.0	19.9
Support to Small Enterprises to Promote Self-employment	0.7	75.0	77.3	79.5	81.8
Partial Compensation of Salaries to Employers	92.8	188.1	301.1	329.8	358.5
Unemployment Benefits	1,945.7	709.6	14.4	-	-
Support to Employment in Other Places	13.7	39.4	77.9	84.8	91.7
Organization of Professional Trainings	118.1	270.3	155.1	155.1	155.1
Organization of Labour Market Studies	5.0	5.0	5.0	5.0	5.0
Professional Orientation, Methodological and Training Services	22.2	27.1	28.6	30.2	31.7
Organization of Job Fairs	7.7	7.7	7.7	7.7	7.7
Support to Agriculture by Promoting Seasonal Employment	-	630.0	1,131.4	1,120.1	1,127.6
Support to Agriculture by Promoting Seasonal Employment: Implementation Support	-	9.5	11.3	11.2	11.3
Organization of Internships for Those who do not Have Working Experience in Their Specialization Area	66.6	107.0	114.4	146.6	156.3
One-off Compensation to Employers for Hiring a Non-competitive Employee	9.8	153.5	153.5	153.5	153.5
Support to Non-public Employment Agencies for Provided Services	-	10.0	10.0	10.0	10.0
Compensation to Employers for Visits to Seek Better Employment	-	124.3	124.3	124.3	124.3
Payment of Benefits for Temporary Disability	3,423.7	3,749.2	4,086.6	4,331.8	4,591.7
Provision of Fellowships to the Unemployed Receiving Professional Education	-	-	133.9	146.6	159.4
Total for Labour and Employment	5,722.0	6,123.1	6,450.9	6,755.2	7,085.5
Change from the previous year	-	7.0	5.4	4.7	4.9
Share in Social Protection Budget, %	1.9	1.7	1.6	1.5	1.5
Share in Total Budget Expenditures, %	0.5	0.5	0.5	0.5	0.4

Source: 2013 Budget Implementation Report, 2014 Annual Budget Law, 2015-2017 MTEF, EDRC calculations

¹² Adopted on 11.12.2013.

According to the Perspective Development Strategic Programme, one percentage point economic growth during 2014-2025 on average will result in 0.2 percentage points increase in employment rate. Notably, the long-term focus is on employment increase in “quality” jobs with the assumption of increased opportunities for highly qualified employees, on the one hand, and creation of new jobs with relatively higher remuneration, on the other hand.

The figure below presents the projections of employment and unemployment rates. Notably, increases in employment rate in future are projected to take place mainly at the expense of unemployment reduction, although positive trends in economically active population indicator are also projected. As a result, it is projected that employment rate will reach 71.1% by 2025, while unemployment – 10%.



Source: NSS of RA, Perspective Development Strategic Programme for 2014-2025

By 2025, non-agricultural employment is projected to increase by more than 210 thousands (compared to 2013). The share of industrial employment in total is projected to reach 15.4% by 2025 from 11.3% in 2013, while employment in construction sector is projected to reach 8.2% compared to 5.7% in 2013. Further subsector development is expected to be determined by the increase in productivity. New job opportunities will open in the supply chain, production process serving and trade. In case a full agricultural value chain is established, it is projected that non-agricultural employment in rural areas will increase by 8 thousands by 2017 and another 10 thousands - during 2017-2025.

Special attention shall be paid to unemployment amongst the youth in the long term. Particularly, a detailed analyses is needed on high unemployment rates in this group which will later serve as a basis for a more targeted policy-making.

MEDIUM-TERM OBJECTIVES

- Gradual increase in minimum monthly salaries to AMD 65,000,
- Continuity of services in employment subsector and quality improvement,
- Increase in employment rate of the disabled,
- Introduction of a professional orientation system and HR trainings/requalification.

¹³ Actual data for 2013.

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ABBREVIATIONS

AMD	Armenian Dram
ARDA	Armenian Relief and Development Association
bln	billion
EDRC	Economic Development and Research Center
ENPI	European Neighborhood and Partnership Instrument
GDP	Gross Domestic Product
GoA	Government of Armenia
HH	Household
mIn	million
MLSA	Ministry of Labour and Social Affairs
MTEF	Medium-Term Expenditure Framework
NGO	Non-Governmental Organization
NSS	National Statistics Service
PDSP	Perspective Development Strategic Programme
PRSP	Poverty Reduction Strategy Paper
SDP	Sustainable Development Program
SNCO	State Non Commercial Organization
RA	Republic of Armenia
UMCOR	United Methodist Committee on Relief



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