

## Challenge

### EVEN IT UP

TOGETHER WE CAN END EXTREME INEQUALITY. JOIN US!  
OXFAM.ORG/EVEN-IT-UP #EVENITUP

#### Oxfam Stands for Equality

By joining Oxfam's "Even It Up" global campaign, Oxfam Armenian branch announced a photo competition entitled "Together We Can Even It Up". It aimed at drawing public attention to various forms of inequality in our everyday life, and first of all, to poverty which currently demonstrates dangerous trends of increase and reproduction in our reality. You can see photos within Oxfam Armenia's "Together We Can Even It Up" in Oxfam Armenia's Facebook page.



#### Towards the year of 2015

The Declaration and the eight Millennium Development Goals (MDGs) adopted in the Millennium Summit in September 2000 became unique guidelines for 189 states, including Armenia. 2015 is the target deadline for MDGs. At present the definition of new goals and priorities after 2015 are actively discussed in the United Nations. Just as before, poverty reduction ranks the first in priorities: 1.3 billion people in the world still live in extreme poverty.

#### Millennium Development Goals



**Goal 1:** Eradicate Extreme Poverty and Hunger

**Target 1:** By 2015, Reduce the Poverty Level to Lower than in 1990.

**Target 2:** Halve, between 1990 and 2015, the Proportion of People who Suffer from Hunger.

**Target 2. A:** Achieve full and productive employment and decent work for all, including women and young people.

According to the Second National Progress Report published in 2010, the first two localized MDG target indicators, particularly the first and the second ones, were assessed as hard to achieve, and Target 2A was assessed as unlikely to achieve.

It is worth mentioning that the RA Perspective Development Strategy 2014-2025 anticipates reducing the poverty rate in Armenia to around 24% (in comparison with 32.4% rate registered in 2012), 18% - in 2021, and 13% in 2025. The extreme poverty is forecast to be cut to 2.4% (in comparison with 2.8% registered in 2012), 2.1% in 2021, and 1.8% in 2025, which in fact means overcoming extreme poverty.

# Woman & politics

One cannot establish justice with unjust laws



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WomenNet.am



#### Every third person is poor

The poverty rate in Armenia is 32.4% (980 thousand people). Among them 13,5% are very poor (408 thousand people), 2,8% are extremely poor (85 thousand people).

"Social Snapshot and Poverty in Armenia", RA NSS, 2013

Photo by Lilian Galstyan

## Let's Join the Campaign

### "Even It Up"

"Even It Up" – this is the name of the global campaign Oxfam International has launched worldwide recently against injustice and inequality. Highlighting the topic of inequality is not new for an organization like Oxfam that is known in 120 countries, including Armenia, for its mission of building a world free from human suffering and poverty. Working towards the World Economic Forum in Davos held earlier this year, with Oxfam's initiative a report was published that had a scandalous title: "Working for the Few: Political capture and economic inequality" <http://www.oxfam.org/en/research/working-few>.

The report highlighted a number of killer facts which were the key findings revealed by the research team.

- Oxfam has calculated that in 2014 the richest 85 people on the planet owned as much as the poorest half of humanity.
- The richest 1% owns the 46% of the world's wealth.
- The richest 10% owns the 86% of the world's wealth.
- The poorest 10% is stuck in debts.
- Seven out of ten people live in countries where economic inequality has increased in the last 30 years.

With this report Oxfam tried to call for all world leaders convening in Davos to consider economic inequality as a big threat to human progress 'impacting social stability within countries and threatening security on a global scale.' The research team highlights that the extreme levels of wealth concentration occurring today threaten the political and economic systems, and compound other types of inequalities, including the inequality between men and women. These processes result in the weakening of political institutes and the vast majority of governments serve the interests of the economic elite to the detriment of everyone else. In reality, we witness capture of political and economic levers, as well as "opportunity capture" by the rich, as suggested by the research authors.

However, the most important fact that Oxfam wants to stress in this report is that extreme inequality is not inevitable and this dangerous threat can be reversed. Good examples of this are demonstrated in a number of countries which really reduced inequality in

line with growing prosperous and developing such policies that benefit all, both the rich and the poor. The most scandalous fact among the killer facts included in the report was the one about the wealth of the richest 85 people. In this regard, Ricardo Fuentes, the Head of the Research Team explained how this finding was drawn: "This is a simple calculation, however it required huge efforts. First of all, we initially did not intend to bring about a statistical shock, as claimed by many reviewers. The facts were indeed shocking. The most shocking fact is the concentration of wealth in the world, as it is. We studied a number of available data bases on income and wealth and analyzed trends. There is no need for inventing injustices as life is already full of such real facts ..." he said.

Let us add that right after the publishing of the report the British Guardian published the names of the 85 richest people. It mentioned that although they never used a bus, but they all could fit into one double-decker London bus ... Men would still get the driving seats, and women would need only seven seats mostly on the bottom deck...

## Beijing +20: Women and Poverty

The first and the most critical area in the Beijing Platform is "Women and Poverty". Some say that poverty is not classified by gender and in poor countries both men and women experience equal social tension. However, irrespective of statistical facts, the heavy burden of social issues falls on women's shoulders first. Experts claim that this happens because "men only earn and their income is not always sufficient, and the adequate distribution of income and saving family from poverty and hunger are a woman's tasks". Armenia is not an exception in this sense. Armenian women are also poverty managers and poverty spokespeople.



The Beijing Declaration and Platform for Action recommends acting in the following directions:

- Review, adopt, and maintain macroeconomic policies and development strategies that address the needs and efforts of women in poverty.
- Revise laws and administrative practices to ensure women's equal rights and access to economic resources.
- Provide women with access to savings and credit mechanisms and institutions.
- Develop gender-based methodologies and conduct research to address the feminization of poverty.

Facts and figures

Poverty in Yerevan and regions of Armenia

According to the RA National Statistical Service (NSS), poverty and extreme poverty are more widespread in urban areas of regions, where the poverty rate is 40.2%. This is with 1.6% higher than the rate registered in Yerevan. The poverty rates of Shirak, Kotayk, Lori, Gegharkunik, Ararat and Armavir regions are also higher than the average national rate. The poorest in these regions constitute the 39-46% of the population. Shirak region continues to be Armenia's poorest region where 46% of population lives below the poverty line.

Who is considered to be poor?

In 2012 poor were considered those people whose consumption per adult-equivalent was below the upper general poverty line, calculated as AMD 37,044 (USD 92,2). Very poor were defined those people whose consumption per adult-equivalent was below the lowest general poverty line, calculated as AMD 30,547 (USD 76). Extremely poor were considered those people whose consumption per adult-equivalent was below the food poverty line, calculated as AMD 21,732 (USD 54,1).

Calculations show that the poor benefit from economic growth, but not in such volumes as the rich. And during the world financial crisis (2009 – 2010) when economies faced crisis, poor people suffered more than the rich, whereas the rich continued to increase their wealth, even despite the crisis. In 2012 the poverty rate in Armenia was 32.4% by showing an increase of 17.4% in comparison with the rate of 2008 as a pre-crisis period.

The poor are becoming poorer and the rich richer

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Kids, live a life, but not like us

According to the RA NSS household survey, the 34.3% of respondents, while speaking about increasing their living standards, noted that nothing depended on them: the Government had to provide them with jobs and decent living conditions. 12,5% of respondents said that they had been looking for a well-paid job in Armenia, whereas only 0,5% wanted to start a business in Armenia. Only 30,3% of respondents thought that the younger generation would live better, 27,9% of respondents could not answer, and the remaining 20,1% said that they would live in the same way.

Childhood endangered by poverty

The RA NSS data reveals that 3,3% of children aged up to 18, live in extreme poverty, and 36,2% of them are poor. In Armenia the level of poverty in a family grows if there is a child in it. The poverty level of households with two children is 42%. In families with three and more children aged up to 18, the poverty level is 43,2%; extreme poverty is 4,5%.

Every 5<sup>th</sup> child in Armenia experiences malnutrition

Experts ring the alarm: around the 20 percent of children aged up to 5, i.e. every fifth child experienced chronic malnutrition and that affects their physical and mental development. As a result, these children stunt, as well as they are diagnosed with anemia.

Poverty is the primary factor that results in children's malnutrition. The number of children facing it is higher in poor families. "The malnutrition rate in poor families is 25 percent; however the problem exists in well-off families too. They show 16 percent of malnutrition. This demonstrates that poverty is not the only underlying cause; wrong meal plans and lack of knowledge among mothers".



Photo by C-G-Rodero/Oxfam

Expert's opinion

“Employed poor people – phenomenon, that does not exist on most civilized countries”

What is the real picture of poverty in Armenia? Some experts say that the real poverty rate is much higher than the official statistics shows. We conducted the below interview on these issues with Professor Tatul Manaseryan, the Founder of “Alternative” Research Center, Doctor of Economy.

**- It** should be noted that it's difficult to present the real face of poverty. We cannot ignore several factors. First, there is hidden poverty in Armenia which is not registered anywhere. There are poor families which do not apply to anyone and are not registered anywhere for getting poverty benefits since the fact of being poor is hard to prove. Often, when these families have TV sets or other household appliances, they are not considered poor and get deprived of poverty benefits. The second issue is that even not all people with jobs manage to cross the poverty line. It seems that if people work, they will be able to “earn their living” and survive, whereas the minimal salary merely ensures survival: it creates misery, rather than poverty. This means that we have the phenomenon of employed poor people which does not exist in most civilized countries.

All of the above results in the dissemi-

nation of asymmetric information on this phenomenon. No one can truly state the dimensions of hidden poverty.

**- What trends does the poverty have? What type of progress does it show?**

- The poverty rate increased in 2008, during the financial crisis. However, we must separate the internal crisis from the impact of global crisis. After all, the world crisis is almost over, whereas Armenian crisis still sustains. This means that we must understand the underlying causes of poverty. I think the disproportional distribution of GDP is one of the reasons. Income produced in the country is disproportionately distributed. It's not a secret that 80-85 percent of wealth is concentrated in the hands of 10-15 percent of population, and the rest is distributed among the bigger part of population. It's useless to speak about poverty reduction and middle-class formation in conditions of such polarization.

**- What is your opinion on feminization of poverty and why do women often turn up in the most socially vulnerable group?**

- Unfortunately, women have traditionally been most socially affected. Indeed, women in Armenia enjoy higher status in the society than women in some other countries, but women's work has never been adequately valued. Women do not receive adequate acknowledgement in the family, workplace and society. Overall, most Armenian women belong to socially vulnerable groups, and patriarchy is one of the reasons contributing to that. This is inherent with traditions and results in valuing men's dominance in the society with all relevant consequences.

**- What steps, in your opinion, should be undertaken towards overcoming poverty and social polarization?**

- First of all, the minimum salary must be increased and the minimal food basket calculation must be included in it. Also, a conducive and competitive environment in the country's economy must be created. Knowledge should be in demand. I see a link between well-being and knowledge ...

The Voice of the Many

“The poor do not confess that they have nothing, the rich do not say they own everything”

Aharon Adibekyan, the Director of “Sociometer” Independent Sociological Center refers to their studies conducted in 2013 and states that 42% of Armenia's population lives below the poverty line, 20% of whom are extremely poor. “13% of Armenia's population is rich. The oligarchs constitute 0,2% of the overall population. Hence, people with modest income, or the so-called middle class people constitute 40%”, says Mr. Adibekyan.



Photo by Lilian Galstyan



**H**owever, both the rich and the poor in Armenia prefer to be silent about their social conditions. The poor do not confess that they have nothing; the rich do not say they own everything. Mr. Adibekyan thinks that it's a result of unique psychological protective mechanisms that people have.

“Hence, only half of people living below the poverty line consider themselves poor. Only the 3,7% out of the 10,2% extremely poor people think they are really extremely poor. Again, only the 2,2% out of the 13% richest people confess that they are rich. 70% of the respon-

dents said they had modest living standards, whereas the real percentage of these people is 40%”, says the sociologist. He also thinks that the reason behind deep social polarization in Armenia is the threatening emigration trend among middle class families.

“Middle class families leave the country. For that they have certain opportunities: they can sell their businesses and use the money to get established abroad”, Adibekyan says and notes that surveys show that the 40-42% of respondents are potential emigrants. He states that Armenia may gradually become an Asian-type

country when it loses its middle class citizens due to emigration trends. “Unlike the Asian countries, European countries have a powerful middle-class which mitigates the poverty in the country and influences the rich”, he says.

Mr. Adibekyan highlights another problem too. Approximately 17% of Armenian families sustain not with their income but due to other remittances. “300 thousand children in Armenia live without their fathers since the latter live and work abroad. This will result in very negative consequences in the future”, he thinks.

What can we do?

What would be the cost of overcoming poverty?

**A**ccording to the RA NSS, to overcome poverty Armenia would need 69,4 billion AMD or an amount equivalent to the 1,7% of the country's GDP, in addition to already channeled resources for social protection, with the assumption that social protection

resources will be provided to the poor only.

Eradication of extreme poverty would require around AMD 2.0 billion, or 0.1% of GDP, in addition to social assistance already channeled to the extremely poor and assuming efficient targeting.

International experience suggests that

perfect targeting is almost impossible; therefore, the actual resources needed to overcome poverty would be significantly larger.

In market economies, the minimum resources required to overcome poverty should be at least doubled given the concerns related to efficient targeting.

Three stories

“Where can I demand justice ...?”

The 43-year-old Marine curses her life almost every day. She says she asks the God every day “why and for what sins she suffers and her family is in such miserable condition”. Marine works in one of the restaurants in Yerevan. She works every second day, according to the established shift. She gets paid AMD 3000 for each working day. She is not happy because she works hard but gets paid little. But she has no way out: she needs to work to feed her family.

She was just 20 when Armenia gained independence. Marine was hopeful that her life would be different. She had a boyfriend and they were planning to get married, set up a family and have many children. They got married but the war in Artsakh started and her husband went to fight leaving his studies incomplete. He fought the entire war and when he returned he could not find a job for a very long time. Besides, he was unable to complete his studies and to get a specialization. Marine and her husband were toilers all life hardly making both ends meet and aiming to provide a dignified life for their two children. “Even the word “dignified” is very relative. It is dignified for someone and humiliating for another. For instance, my son’s almost all friends have expensive mobile phones bought by their rich fathers, let alone the new and expensive clothes they wear and showcase on daily basis. My son tries to avoid interacting with his friends and

communicates less and less. But you know they grew up in the same neighbourhood. My son feels down and broken and I see that. I know that even if we work our tails off, we will not be able to provide for them like that”, Marine says.

Arayik, her husband, shows his son photos from the battlefield to inspire him. “Keep up your spirit, son. Your father is a soldier. We liberated Khaabakh. Money is not everything”, he says. He tries to inspire his son, but in reality Arayik is disappointed and desperate.

“Where and from whom can I demand justice? This is life. To whom can I complain? When I was fighting in Kharabakh, my neighbor and my childhood friend went to Russia, earned a lot of money and returned only when the war was over. It’s true that I get a special allowance as a war participant, but I get some paid job only when there are renovation works on ad hoc basis. This is not enough for decent life. You see that my wife gets some miserable

salary. It’s time for children to get higher education which costs money. We want them to get higher education and have professions, but the tuition fees are so big that we are lost. We may sell the house ...”

Arayik says that he does not interact with his ex-friends because of poverty. But there were times when they were very close.

“When my friend returned to Armenia, we still interacted. But you know, he invited us to birthdays once or twice. There we saw very rich people with jewellery and diamonds who talked of luxury things. I felt that I cannot communicate with them ... And this is when I felt how humiliating it was to be poor. Now our children interact with each other, but still we’re not so close: we are from very different classes”.

Psychologists say that social injustice is somehow a subjective perception: a rich person may consider his/her wealth a totally fair thing because of his/her resourcefulness and adeptness, whereas a poor person may not share that opinion. The problem lies in how the wealth was achieved. In our reality the accumulation of seed money or initial capital has not always happened in a fair way. That is why social injustice is perceived in such a bitter way ...

Men in Shinuhayr village are not jealous

Shinuhayr village is the biggest rural community in Goris region. The village is also well-known by its households with many children: some families have up to 13 children. The village lacks irrigation water, and there are no appropriate conditions for land cultivation. There are numerous families that receive social benefits. Men are either abroad for work or breed cattle. Household burden is mostly born by women.

“We are impatiently waiting for the wild greens called ‘shushan’ to ripe in the fields. Its collection and sale saves us. We are now stuck in debts, then we will start paying them out in turn”, women from Shinuhayr say. “We go to Kharabakh at 2 o’clock in the morning in a van without windows. We stay in kharabakh for several days. Our husbands are not jealous of us: they know it’s our job. We start collecting shushans from early morning, under rain and in muddy fields. We do that fast to collect as much as possible because it will ensure for us decent income. We walk huge distances with muddy feet, sacks on our shoulders.”

bunches and sell to processing companies. Income suffices for paying out the debts, as they say. “We are pressured by hard work on the one hand, and the field owners, on the other. We work in fields of others. Field owners swear and shout at us. We try to find justifications saying that we need to feed our children and our husbands are abroad. Sometimes they pity us, and sometimes insult us. Once a field owner approached Anush from Shinuhayr and shouted: “Hey, you, whore, what are you doing in my field?” “Where did you see such a muddy and dirty whore? I came here to earn a living for my children”, Anush told him.

Women even joke while speaking about their hardships. Mrs. Teli says that once police

arrived and took everyone to the police station.

“At that difficult time my friend tried to find out with the policeman whether it would be possible for me and her to stay in the same cell”, she tells us. Children also join mothers during the shushan collection season. For instance, school graduates go to the field after classes, collect shushan and sell it to buy clothes and cover other expenses.

Women also tell us that they work hard in winter time too. Businessmen bring tons of walnuts to village, order women to break and clean them and pay them AMD 1000 for 1 kg of cleaned walnut. Women say that there are three-four children in each house and women watch out so that they don’t eat the cleaned walnuts. If they eat, then women have to pay out from their salaries.

Women in Shinuhayr are also learning to weave wool. A wool washing plant will soon start up in their village. The initiative belongs to “Goris Women’s Resource Center” Foundation.

Jobs in the shadow: “Today we need to live”

48-year-old Mariam sells clothes in clothes bazaar. She does that for 10 years now, both in summer heat and winter frost, almost without any free days.

53-year-old Varduhi is a seasonal worker. She plants and takes care of seedlings in spring with other women in her village. All summer she sorts fruits from early morning till late at night. Although these women work, none of them is considered to be employed since they work in shadow economy. They withstand the fact that their rights are frequently violated. Mariam says that she has never had lunchtime break during all those 10 years. She almost always worked overtime, had only 2-day leave in a month, and never a vacation. However, Mariam, just like many others, prefer to work in shadow economy in such conditions rather than legalize their employment. Why?

I tried to discuss with my employer the conclusion of a contract, Mariam says, - however, I always got the same answer. They offered me the lowest salary, plus AMD 10 thousand overtime and a bonus of AMD5 to 6 thousand for some months. My employer explains that he cannot pay me more because for a registered employment he must pay taxes for each employee, or he offers me to pay the taxes from my pocket. You cannot pose demands to the employer. You must either put up with his terms or leave. And it’s not easy for a 40+ woman to find a job nowadays.

A simple calculation helps us to see that in case of registration Mariam’s monthly salary will be AMD 45-52 thousand or less, if she

doesn’t get a bonus. Today her average monthly income amounts to AMD 80-90 thousand and this is why she prefers working in shadow.

I earn a living for my family, she says, - we will simply not be able to live with less amount. We will either starve or be unable to pay for gas and electricity. My salary is not big but I manage to solve certain problems. It’s great to have a legal employment, but it fails to provide for my living ...

Mariam and many other women working in shadow know that when time for pension comes they will get the lowest pension due to no legal employment experience. However, they have one serious argument against it: “We don’t know what tomorrow will bring, whereas we need to live today, our children want to eat...”

The Defender’s Opinion

- The minimum salary in Armenia constitutes AMD 50,000.
- The minimum consumer basket value is AMD 56,214.9.
- The food basket value is AMD 31,759.8.
- The average monthly allowance paid to one family is AMD 31,350.
- The basic pension constitutes AMD 14,000, the average pension – AMD 36,000.
- The lump sum benefit amount for the first and the second children is AMD 50,000.
- The child care allowance received for children aged up to 2 years is AMD 18,000.



Photo by C-G-Rodero / Oxfam

The revised European Social Charter defines the people’s right to social security (Article 12) which includes the rights to healthcare services provided by the state, old age pension, work injury case assistance, family benefits and child care benefits.

Comparing the sizes of these state benefits with the minimum consumer and food basket values, it is clear that the state’s share of social assistance is not sufficient to ensure a satisfactory standard of living, therefore, is it does not ensure people’s social security right.

Annual Report of the RA Human Rights Defender, 2013

Inequality

In the poles of poverty and wealth

In 2012 the monetary income of the 10% of the richest group of population exceeded the income of the poorest group of population (10%) with 15,9 times. The consumption expenditures of the poorest group exceeded that of the richest with 8,2 times. The inequality in consumption, measured by the Gini coefficient, increased to 0,269, whereas in 2008 it constituted 0,242. With regard to aggregate income, inequality increased amounting to 0,372, in comparison with 0,339 registered in 2008.

The poverty risk increases if



Photo by Lilian Galstyan

The existence of the elderly (aged 60 and higher) in the family increases the poverty level of the family with 1,5 times.

The level of poverty in women-headed households (they constitute 32,2% in Armenia) is 33,4% and is higher than that of in calculated 33,4% men-headed households (32% of poverty). 38,3% of women-headed households with children are poor, 5,2% of them are extremely poor which is two times higher than the average figure.

The risk of extreme poverty is higher in households with one or more disabled children. Thus, 35,4% of these households is poor, 11% is extremely poor.

Half of the poor do not get benefits

According to 2013 data published by the RA Ministry of Labour and Social Issues, the number of poor families is 241,772, family and social benefits are received by 102,570 families, which is only the 42,4% of the poor families.

According to RA NSS data, only the 8,8% of households that get family benefits have the right to use free of charge healthcare services.

Today and 200 years ago

The gap between the rich and the poor is on the same level as in 1820 – this is one of the OECD findings. And this is one of the worrying trends during the last 200 years.



The researchers studied the levels of income in 25 countries, after which they observed these levels from the perspective of the world as one country. The results showed that inequality in income has rapidly decreased in mid 20<sup>th</sup> century, in parallel with Communism rise in Eastern Europe, and then it has grown again recently reaching the same level, as registered in 200 years ago.

Fact

« If Bill Gates were to cash in all his wealth and spend US\$1m every single day, it would take him 218 years to spend all of his money.8 But in reality, the interest on his wealth, even in a modest savings account (with interest at 1.95 percent) would make him US\$4.2m each day.



Access to Education

## Poverty: Reason for leaving school

Although education sector development is considered one of the priorities for the Armenian Government, and Constitution and relevant laws on education guarantee compulsory and basic free-of-charge education, as well as secondary education, analysis of statistical data and conducted interviews evidence that general education is not accessible for all. Opportunities for receiving education are particularly limited for children living in rural areas and they do not enjoy equal opportunities in education as children in urban areas.

According to official data published by RA NSS, within 5 years time (2007 – 2012) more than 22,3 thousand schoolchildren left RA public and private schools and did not continue education anywhere else, out of which 60% are boys. The major reason for leaving school is poverty in families that results in absence of clothes or stationery for children, as well as hunger and mocking and sarcasm by peers. The majority of children that do not continue education after secondary school come from poor families. In rural areas, in particular, boys and girls help their families from an early age: schoolgirls are sometimes forced to share the burden of housework or care for their younger sisters and brothers, and boys take the role of the breadwinner of family.

**Arman: “My schoolmates always laughed at me”**

I am 15 years old. We are six children in the family. My parents engage in cattle-breeding and they lack higher education. My elder sister is already 17 and she did not go to school; she only attended the first and the second grades. She

breeds cattle too. I don't go to school either (left school from the 5<sup>th</sup> grade). My younger brothers are not of school age, the others go to school. We live in a cabin house that belongs to the farm owner. I would like to have the opportunity to go to school. I do not have corresponding clothes and my schoolmates always laugh at me. I engage in cattle breeding and for that reason I miss classes often. Thus I decided to leave school. Teachers were not interested to find out whether I would at all attend school or not. Teachers do not scold children with bad marks and who miss classes. They only give importance to children that study well. I did not study well.

The factor of poverty in the family plays a significant role especially in case of high school attendance. The household living conditions surveys conducted by the RA NSS show that mostly the poorest groups, as well as urban population do not continue education in high school.

**Gor: “Well, I think that damn money is critical...”**

When it was high school time, I decided not to go. My parents



could not manage to earn enough to meet our needs. There are four of us in the family. My sisters hardly manage to attend school. It's hard – you must buy clothes, shoes, everything, but there is no money for that. I decided to sell products in the market with my mother. I was not studying poorly at school. Now I do calculations using my knowledge from math classes. I would like to go to school but there is no money ... My parents tried to convince me to continue education but I felt that I lacked many things that my friends had so it would have been better to leave school. I used to go to school in worn clothes whereas my friends ... and many other things. My mother bought a new uniform for me this September. We could not buy shoes though. I love school but ... I read at home at nights. Well, that

damn money is critical, I think. One should at least have food to eat, so that it does not affect his education.

The problem of children leaving school because of poverty is topical not only today, but for the future too. Education is expensive to afford today, and poor children cannot overcome this obstacle and get out of poverty without receiving tangible support. Receiving education is also a factor for poverty reduction. This closed vicious cycle poses danger for the entire society since the already established culture of poverty is becoming more and more solid and reproduces itself. It becomes another new obstacle for efforts aiming towards human development.

“Gender aspects of education accessibility” report, Oxfam 2014

A voice of complaint

## One cannot establish justice with unjust laws

The amendments in paying out maternity leave benefits, initiated by the Armenian Government recently, may dangerously become a reason for social conflict. More than hundred young parents conducted a big demonstration in front of the Government building. The participants were mainly pregnant women and women with children who demanded to withdraw the amendments in the RA Law on maternity leave benefits which anticipate paying benefits to non-working mothers, together with reducing the size of pre and post-birth benefits paid to working mothers.



The demonstration participants highlighted posters with the following messages: “It's a shame to fill the state budget with the money of pregnant women”, “Do not steal my mom's money”, “Do not take away money needed for my pampers”, “My baby should be born in Armenia”, “You remove the luxury tax by cutting down maternity

benefits”, “The Government widens the social injustice gap further”.

It's noteworthy that the Government justifies the amendments with its wish to restore social justice and pledges to pay maternity leave benefits to non-working mothers as well. This is indeed, widely welcomed, however the question of who will pay for it and how, remains

unanswered. Judging from the legislative package of the Government, this new amendment will be made on the account of working mothers.

Let us remind that in its September 25<sup>th</sup> session the Government approved the legislative package on making amendments in a number of RA laws, presented by Mr. Artem Asatryan, the RA Minister of Labour and Social Issues. According to the suggested amendments, women who have been in jobs less than a year and take maternity leave will receive only 40 percent of their average monthly wages, while those who have up to 3-year experience are entitled to 60-percent payment. Women with 3 and more years of experience will get 80 percent, whereas the acting law defines 100 percent payment of the average monthly wages of the last year.

The amendments also anticipate a maximum threshold of the benefit amount, not defined in the current law. These amendments will particularly negatively affect women with high wages who will get a significantly disproportionate maternity leave benefits with regard to taxes they pay. The Government justifies the suggested amendments with budget scarcity.

The opponents mention that although they welcome the new provision on paying maternity benefits to non-working women,

however it should not happen at the expense of working women. Mothers and pregnant women angrily question the Government's attempt to violate their rights. They consider the suggested amendments to be unfair and discriminatory towards working and taxpayer women. To reply the Government concern on budget scarcity they propose using other money saving options such as refraining from the increase of judges' wages, purchase of luxury vehicles for Government staff, restoration of luxury taxation provisions and so on. They are sure that mothers of 40 thousand children born in Armenia every year are definitely not the burden that the state is worried to waive. The demonstration participants handed a letter to the RA Prime Minister outlining all their concerns and recommendations. In the letter they highlight that the draft amendments contradict the Government-adopted policy on the support to young families and violate the social justice principles. The Ministry showed readiness to conduct public hearings on the draft before presenting it to the National Assembly. The RA Human Rights Defender also presented his concerns on several provisions of draft amendments, and parliamentary hearings on them were conducted on 23 October.

Rural Women

### “Ayrum Fruits” is a social enterprise model

On October 3 the opening ceremony of “Ayrum Fruits” fruit and berry processing plant was held in border village of Ayrum, Tavush region. It will open up more than 60 jobs, particularly for women, as well as will serve as a sustainable storage market for more than 2000 population of 10 villages surrounding Ayrum. The plant plans to process up to 500 tons of fruit and berries (jams and juices) annually.

The launch of “Ayrum Fruits” operation became possible due to joint efforts of Oxfam Armenia branch and its partners – “BSC” Business Support Center, “New Horizon” Credit Company, “Orange” Foundation and other organizations. This exceptional community-based enterprise is managed by «Lchkadzor» agricultural cooperative and its daughter company called “Mirg” Ltd.



As Ruslan Antonyan, the Cooperative Director said, through the establishment of the plant they would be able to support agricultural food producers in the region.

Ayrum's fruit and berry processing plant is an innovative enterprise model managed and owned locally, just as other social enterprises established by Oxfam's support. This means that the plant will direct one part of its profit towards the solution of social issues of the community.

Ms. Margarita Hakobyan, Oxfam Armenia Country Director announced the opening of the plant operations and put a special accent on its social enterprise direction.

“The plant that is managed and owned by the cooperative is a social enterprise model. It aims at solving community issues. The enterprise will open up around 60 jobs, particularly for women. It is very important as creation of economic opportunities for women is one of the top priorities in Oxfam mission,” she said.

The value of such a plant operating in a distant border community cannot be underestimated. It is obvious that the plant will generate employment opportunities and stable income for population of Ayrum and neighboring communities, hence making the social conditions of numerous families better.

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