

# SOCIO-DEMOGRAPHIC, FINANCIAL, AND ECONOMIC ANALYSIS OF THE ENLARGEMENT PROCESS IN THE NORTHERN PROVINCES OF ARMENIA



SOCIO-DEMOGRAPHIC, FINANCIAL, AND ECONOMIC ANALYSIS OF THE  
ENLARGEMENT PROCESS OF THE AMASIA AND TUMANYAN  
COMMUNITIES IN THE NORTHERN PROVINCES OF ARMENIA

*Research Report*

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## *Introduction*

*In the present complex socio-economic situation*, there is an emerging necessity to analyze the results of the latest administrative-territorial changes that took place in our Republic in recent years in terms of individual communities, where the complaints of the residents of existing settlements within the enlarged communities and the negative impact of the enlargement process are particularly high. It is important to conduct an analysis of the budgetary processes, summarize the results of the development projects, and assess the socio-economic situation of the community. All of this will allow us to detect the struggles, problems, and gaps in community life.

The budgetary process is an extremely important process for every community. It must be as perfect as possible, without any defects or deviations, otherwise, the fiscal year may be planned incorrectly and as a result, the problems faced by the community will remain unsolvable. In this regard, efficient planning and targeted implementation of community development projects are also important. Every community life-related process should be implemented without any deviations because all the processes are interconnected with each other, and the deviation of one indicator may influence the overall results. This can lead to the use of inefficient options for solving community problems, leading to the emergence of new problems.

The Armenian government adopted the concept of “Community Enlargement and Formation of Inter-Community Associations” on November 10, 2011. It aimed to unite the small and weak communities into large communities and form a new model of self-government.

Considering the implementation of the concept urgent and appropriate, the Armenian government enlarged around 142 communities in the provinces of Shirak, Lori, and Tavush (Shirak – 43 communities, Lori – 82 communities,

Tavush – 17 communities). 54 out of 502 existing communities in Armenia are enlarged communities. There were 915 communities before the unification, 48% of which had a population of less than 1000. Before the community enlargement, the Republic of Armenia was divided into 48 urban, 871 rural, and 12 district communities of Yerevan. Since the commencement of the community enlargement process, 54 enlarged communities have already been formed as a result of the unification of 486 settlements in different provinces of Armenia. The community enlargement process was a turning point in the socio-economic, local self-government, and political life of Armenia.

According to the new changes initiated by the government in 2021, 186 communities were united into 11 new community groups, some of which were already enlarged communities.

The enlargement process of the Armenian communities commenced in 2013. The first phase of reforms included 3 pilot communities (Dilijan, Tatev, and Tumanyan)<sup>1</sup>, the latter being the object of our research. However, the town of Tumanyan in the Lori province was enlarged in 2016, with 6 adjacent communities (Atan, Ahnidzor, Lorut, Shamut, and Karinj). For the record, 1007 people, 68% of the referendum participants, have voted in favor of the enlargement.<sup>2</sup>

Considering the importance of these processes, we assessed and analyzed the socio-economic, financial, and demographic situation of the Amasia community in the Shirak province and the Tumanyan community in the Lori province of Armenia as a part of this research.

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<sup>1</sup> Participative diagnosis and planning methods: Dilijan, Tumanyan and Tatev communities, <https://celog.am/hy/1/Reform/ReformDetail?reformId=45>, 06.06.2022.

<sup>2</sup> Tumanyan enlarged community, <https://www.gov.am/files/meetings/2008/213.pdf>, 06.06.2022.

***This research aims to study and analyze the change in the socio-economic and demographic situation of the Amasia and Tumanyan enlarged communities before and after the enlargement time periods.***

The following objectives were set for the achievement of this goal:

- To study the experience of the enlarged communities, and the existing problems;
- To assess the socio-economic, financial, and demographic consequences, risks, and positive results of the community enlargement;
- To find out community residents' attitude, their opinions about the process.

***The study has an important scientific and practical significance for the development of prospective socio-economic and state security projects for enlarged communities.***

In the course of this research, the official data of the Statistical Committee of the Republic of Armenia, numerous official reports on community enlargement, and results of field ethnic social studies have been used.

The following activities were carried out during the research:

- Visits to some of the enlarged communities, in order to get familiar with the situation in more detail on the spot;
- Development of a questionnaire to be used among the population and local authorities;
- Field ethnic social research implementation;
- Information inquiries to local authorities;
- Focus-group surveys among the population;
- Budget monitoring and analysis;
- Summary of survey results;

- Analysis of governance, financial, demographic and socio-economic situation in the enlarged communities.

When studying the *demographic conditions* of the enlarged communities, attention was paid to population dynamics, natural reproduction, marriage and divorce rates, changes in the age-sex structure, and migration before and after the enlargement time periods.

The education, healthcare, and cultural life of the population were targeted during the study of the *social sphere*.

*Resettlement:* We studied the changes recorded in the structures of urban and rural resettlement.

*Employment:* Changes in the labor market and employment structure. We analyzed the occurrence of new professions, newly-opened enterprises, as well as enterprises closing down. We found out whether the creation or closing of enterprises is related to community enlargement or not.

*Quality of life:* The changes in education levels, housing conditions improvements, enlarged community environments, and living conditions were considered. The changes recorded in the income and spending of the population. The impact of natural and man-made disasters on the life of the enlarged community population, and whether the community enlargement had an impact on the solution of these problems.

## **CHAPTER 1: ANALYSIS OF DEMOGRAPHIC AND SOCIO-ECONOMICAL INDICATORS OF THE AMASIA AND TUMANYAN COMMUNITIES**

### ***1.1. Theoretical-methodological foundations of administrative-territorial reforms and their characteristics in the Amasia and Tumanyan communities***

The community enlargement process was a turning point in the socio-economic, local self-government and political life of the Republic of Armenia. Before the adoption of the law "On the Administrative-Territorial Division of the Republic of Armenia (December 11, 1995), the territory of the country was divided into 37 regions and 4 large cities (Yerevan, Leninakan, Kirovakan, and Abovyan). From January 1, 1996, it was divided into 11 provinces, including the city of Yerevan with the status of a province. Before the community enlargement, the country was divided into 930 communities, including 48 urban and 871 rural communities, and Yerevan with its 12 districts. There are 49 cities and 952 rural settlements, 8 of which are included in urban communities, and the remaining 944 are in rural communities.

Since the beginning of the community enlargement process, 54 enlarged communities have been already formed from the unification of 486 settlements in different provinces of Armenia. The last groups of enlarged communities were formed in the spring of 2020 (Ijevan in the Tavush province and Lermontovo in the Lori province). In 2021, as a result of the new changes, 11 community groups were formed in the Aragatsotn, Ararat, Armavir, Lori, Kotayk, and Shirak provinces by the unification of 186 communities.

During the years of independence, the disproportionate socio-economic development of the regions of Armenia increased even more. In particular, over-concentration of financial, human, and economic resources took place in the capital Yerevan. Because of that, at the beginning of the 21st



century, the Armenian government declared balanced territorial development as one of its main strategic priorities. Authorities considered the existence of a large number of communities with small and weak capabilities in the local self-government system as one of the reasons for disproportions in territorial development, thus setting the goal to implement the enlargement of rural communities and the creation of intercommunal associations.

The community enlargement project of the Republic of Armenia was approved by the National Assembly on April 30, 2008.<sup>3</sup> One of the principles of community enlargement concerns the provision of human resources, which is directly connected with the socio-demographic processes of the population. At least 2 of the standards of community enlargement refer to the demographics of the community population.<sup>4</sup> The Armenian government considered population growth as one of the expected results of community enlargement.

On November 10, 2011, the government of the Republic of Armenia approved the concept of “Community Enlargement and Formation of Inter-Community Associations”. The government confirmed that administrative-territorial reforms are necessary to ensure the continuity of community development and provision of better and affordable community services, from the perspective of more efficient utilization of the enlarged communities’ unified resources (human, financial, land resources, etc.). Since February 14, 2016, 54 community unification projects were implemented, resulting in 486 communities unifying into 54 communities<sup>5</sup>.

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<sup>3</sup> On approving the conceptual approaches of inter-community associations formation and community enlargement, <https://www.gov.am/2008/213.pdf>, 05.06.2022.

<sup>4</sup> On approving the conceptual approaches of inter-community associations formation and community enlargement, <https://www.gov.am/files/meetings/2008/213.pdf>, 05.06.2022.

<sup>5</sup> Local self-government system description of the Republic of Armenia, <https://mtad.am/pages/local-self-government-system>

Finally, in 2021, by the government initiative, 11 community groups were formed in the Aragatsotn, Ararat, Armavir, Lori, Kotayk, and Shirak provinces by the unification of 186 communities, a part of which were already enlarged communities.

Currently, the community enlargement process in the Republic of Armenia is almost over. Based on the above, we find appropriate the socio-demographic study of the enlarged communities of Northern Armenia, particularly the ones bordering Turkey and Georgia.

One of the main problems of the socio-demographic study of the enlarged communities is to find out and assess the practical and applied impact of the community enlargement on the population's ethnic sociological, demographic, migration, and resettlement processes. We have set a goal to study the quantitative and qualitative changes in social, age-sex structure, employment, and the population's quality of life after the community enlargement time periods.

### *1.2. Analysis of the community's demographic and socio-economic indicators*

The transitional periods of social life impact the population numbers. Notably, the demographic transition stages of the Amasia and Tumanyan enlarged communities chronologically coincided with the transition periods of our country's social life. While delimiting the transition periods, we were guided by the turning point in the administrative-territorial division. It had a particular impact on the demographic dynamics of the community populations. In that sense, by the end of the 20th and the beginning of the 21st centuries, we can distinguish three transitional periods in the enlarged communities of Amasia and Tumayan. The first period includes 1988-2001 (the period of the new administrative-territorial division), the second period: 2001-2015 (before the period of the community enlargement), and the third period: from 2015 to present (the period after the enlargement).

In general, population development patterns are determined by demographic, biological, socio-economic, spiritual, cultural, and psychological factors. During the 20th century, in the current territory of Armenia, together with the enlarged communities of Amasia and Tumanyan, three important events occurred that significantly changed the demographic conditions of community populations. Table 1 indicates that in 2022, the Amasia and Tumanyan regions were administratively divided into 5 communities, where 60 settlements were unified. The enlarged community of Tumayan included 26 rural settlements. 9 settlements, including one urban settlement, were included in Amasia.

**Table 1**  
***Number dynamics of the Amasia and Tumanyan enlarged communities during 1996–2022***

Communities and settlements	1996		2016		2022	
	Number of communities	Number of settlements	Number of communities	Number of settlements	Number of communities	Number of settlements
Tumanyan region	36	38	33	34	4	34
Amasia region	19	26	2	26	1	26
Tumanyan enlarged community	-	-	1	7	1	9
Amasia enlarged community	-	-	1	9	1	26

In our opinion, the status of the homonymous cities of the Tumanyan and Amasia enlarged communities should be changed. They should be given the status of an urban settlement, which primarily has the strategic importance of increasing the efficiency of territorial administration and ensuring security.

Table 2 shows that 68% of the Amasia and 49.5% of the Tumanyan communities' land funds are of agricultural importance. In these communities, most of the agricultural land fund is pastures and ditches, which creates prerequisites for animal husbandry development. The indicators are especially high for the Amasia enlarged community. Despite the fact that these communities have vast areas of agricultural importance, they are among the sparsely populated regions of Armenia. This is explained primarily by unfavorable climatic conditions. Both communities are specialized in animal husbandry, particularly in cattle breeding.

According to the ethnic social surveys, we found out that most of the villagers of the enlarged communities are not engaged in agricultural work, the main reason being the land irrigation problem. Some of the residents of the Byurakn village of the Amasia enlarged community complain that the big farmers irrigate their fields, and as a result, there is almost no water left for the farmers with small plots of land. The picture is the same in the Voghji village. According to the respondents, the community enlargement did not have any positive impacts on solving the water irrigation problem. The overwhelming part of the Dsegh and Tchkalov villages' population of Tumanyan is not engaged in agricultural work. According to them, the reason for that is the acute problem of irrigation. In addition, the animal husbandry income is several times higher than the agricultural income, and finally, agriculture does not cover the minimum living expenses of the family.<sup>6</sup>

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<sup>6</sup> Boyajyan A. Demographic and socio-economic processes of the Amasia and Tumanyan enlarged communities, field ethnic social materials ("FESM"). Transcript 1, Gyumri, 2022, pp 2-7.

*Table 2*

**Population density of the Amasia and Tumanyan enlarged communities, 2020**

<b>Enlarged community</b>	<b>Occupied space in hectares</b>	<b>Population density (person per square kilometer)</b>	<b>Lands of agricultural importance in hectares</b>	<b>Population density by agricultural land area (person per square kilometer)</b>
<b>Amasia</b>	20468.30	21.0	18453.72	23.0
<b>Arpi</b>	38361.00	4.0	20863.33	7.0
<b>In total</b>	58829.30	12.5	39317.05	15.0
<b>Tumanyan</b>	38239.76	17.7	18914.67	35.6
<b>In total</b>	97069.06	15.1	58231.72	25.3

From the numerical indicator analysis of Table 3, it becomes clear that over the past 33 years the absolute number of the Tumanyan and Amasia enlarged communities' populations have decreased twice – 2.7 times in Amasia, and by 23.1% in Tumanyan. The sharp decrease in the Amasia enlarged community population was caused by the Nagorno-Karabakh conflict. During 1988-1990, the administrative district of the Amasia, the borders of which coincide with the borders of the homonymous enlarged community, had a predominantly Turkish-speaking population. Because of the tensions between Soviet Armenia and Azerbaijan over the Nagorno-Karabakh Autonomous Region (NKAR) populated by Armenians (Nagorno-Karabakh Autonomous Region was a part of the Azerbaijan SSR), the

Turkish-speaking populations of Amasia migrated to Azerbaijan. Later, a significant part migrated to the Eastern territories of Turkey, the cities of Igdir and Kars.

During 1996–2021, the population numbers declined by 37.5% in the current territory of the Amasia, and by 28.6% in the Tumanyan enlarged communities. However, during the mentioned period, there was no significant change to the proportion of the population of the Tumanyan enlarged community to the population of the homonymous administrative district that existed until 2015<sup>7</sup>. Before the enlargement (1996–2015) a decline in the population size was registered in all settlements of the Tumanyan enlarged community. During those years, the population of the enlarged community declined by 1251 people, in other words, annually by 1.1% on average. And during 2015–2021, it declined by 402 people, or annually by 1.5% on average. This means that after the enlargement, the overall rate of population decline exceeds the rate of the decline before the enlargement. It is difficult to give a solid answer to whether the increase in the population decline is related to the community enlargement since the survey among the residents showed that the community enlargement did not have any impact on the population decline.

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<sup>7</sup> In 1988, 9.2% of the total population of the Tumanyan region lived in the homonymous enlarged community, in 2021 the same indicator was 9.9%:

Table 3<sup>8</sup>

**Population number dynamics of the Tumanyan and Amasia enlarged communities,  
1988-2021**

	Year								
Regions and enlarged communities	1988	1996	2001	2011	2015	2017	2019	2020	2021*
	Population								
Tumanyan region	56048	60606	48982	40006	42679	43241	40948	40573	39687
Tumanyan enlarged community	5145	5780	5586	4493	4529	4677	4107	4069	4127
Amasia region	19497	8558	7141	6306	7593	7384	5654	5630	5662
Amasia enlarged community	11494	6808	5175	4455	5501	5648	4288	4275	5662
TUMANYAN ENLARGED COMMUNITY									

<sup>8</sup> Potosyan A.'s "Rural Resettlement of the Republic of Armenia" was used in the compilation of this table. Yerevan, 1999, pp 181-199.

<https://www.armstat.am/file/doc/162.pdf>,

<https://www.armstat.am/file/doc/99482548.pdf>, <https://www.armstat.am/am/?nid=781>,

<https://www.armstat.am/file/doc/99516223.pdf>

	Year								
	1988	1996	2001	2011	2015	2017	2019	2020	2021*
	Population								
Tumanyan city	2246	2400	1954	1710	1670	1866	1507	1484	1448
Ahnidzor	175	297	332	218	183	195	182	182	194
Marts	477	602	652	496	588	495	444	441	389
Karinj	589	735	747	643	640	634	639	613	612
Lorut	931	1030	1126	843	1010	1012	886	891	869
Shamut	299	313	334	257	230	230	220	235	227
Atan	322	385	396	281	208	202	205	200	202
Kober Station	106	18	45	45	-	43	24	23	15
Chkalov	-	-	-	-	219	-	-	-	171
Dsegh	-	-	-	-	2316	-	-	-	2 065
AMASIA ENLARGED COMMUNITY									
Amasia enlarged community	11494	6808	5175	4455	5501	5648	4288	4276	4257
Amasia	3693	2982	1875	1532	2094	2137	1640	1656	1634
Aregnadem	1448	422	407	388	535	442	423	429	439
Bandivan	245	252	269	259	263	283	228	221	217



Byurakn	2555	884	781	739	671	614	631	634	635
Hovtun	180	228	190	154	211	194	150	155	154
Meghrashat	276	403	371	325	539	561	365	363	357
Jradzor	305	371	302	237	329	329	253	247	240
Gtashen	925	398	370	271	284	482	203	203	207
Kamikhut	314	32	8	2	-	11	11	11	11
Voghji	1553	836	602	548	575	595	384	357	363
Former Arpi enlarged community	7738	1268	1452	1361	1804	1736	1366	1354	1405
Berdashen	761	278	218	203	315	234	164	164	217
Paghakn	292	45	39	83		69	61	100	87
Ardenis	675	121	132	135	213	203	212	205	174
Aghvorik	837	55	90	89	128	146	75	72	117
Alvar	513	140	147	140	246	239	144	112	129
Aravet	488	-	-	-		-	-	-	-
Garnarij	952	210	260	210	269	209	189	184	214
Yeghnajur	495	-	28	27		21	26	30	32
Tsaghkut	923	138	209	181	255	222	146	127	142
Lorasar	288	-	-	-		-	-	-	-
Zorakert	431	130	150	145	168	185	171	174	128

Darik	190	7	12	11		9	14	14	12
Zarishat	196	55	82	49	68	66	76	86	77
Yerizat	414	-	0	0		-	-	-	-
Shaghik	283	89	85	88	142	133	88	86	76

In the same period, the Amasia enlarged community population dynamics had the following picture. During 1996–2015, the Amasia enlarged community population decreased by 1307 people or annually by 1.0% on average. On the contrary, in the Arpi enlarged community, a population increase of 536 people was recorded, or annually by 2.2% on average. During 2015–2021, there was a population decline in both communities.<sup>9</sup> After the enlargement in the Amasia community, the population numbers declined by 1244 people, or annually by 3.8% on average, and by 399 people in the Arpi community, or annually by 3.7% on average.

*Table 4*

#### Population decline relative indicators by rural settlements

Population decline by %	Number of settlements in enlarged communities			In total
	Tumanyan	Amasia	Arpi	
< 10	4	2	5	11
11–20	3	2	4	9
21–30	2	4	3	9

<sup>9</sup> In 2021, the Arpi and Amasia enlarged communities merged into a single enlarged community.

31 and above	1	2	3	6
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During 2015–2021, the population increase in the Tumanyan enlarged community. was only recorded in the Ahnidzor village. The population size of the village of Atan hasn't changed. In the same period, in the Amasia enlarged community, an increase was recorded only in the Byurakn village, and also in the village Zarishat of the Apri community. Table 4 indicates that a population decrease of 31% and above was recorded in 6 settlements of the enlarged communities. In the Arpi enlarged settlement, those villages are Shaghik (-49.6%), Tsaghkut (-44.3%), and Alvar (-47.6%). In the past, the aforementioned villages were inhabited by Turkish-speaking populations. Due to the Armenia-Azerbaijan conflict, they emigrated. In the 1990s, the Armenians of Javakhk settled in these territories, mainly in the villages Samsar, Satkha, and Poka. According to the ethnic-social survey conducted in the Alvar village, the high emigration rates are due to the fact that a significant part of men traveling to Russia for seasonal work for multiple years eventually settle there and move their families as well. Thus, currently, 15 out of 34 households are uninhabited.<sup>10</sup> Besides, there are temporary residents from the Armavir province who shepherd their cattle in the summer and return to their permanent residences by the end of the fall season<sup>11</sup> The same picture is in the Tsakhkut and Shaghik villages, located on the shore of the Arpi Lake reservoir. During 2015–2021, the population of the Marts village of the Tumanyan enlarged community decreased the most, by around 33.8%.

In the studied period, the rural settlement size also changed (see Table 5). There are no large or largest rural settlements in any of the communities. Before the enlargement of the Tumanyan community, the number of small

<sup>10</sup> Harutyunyan Gh., Boyajyan A., Vardanyan N. The socio-economic and demographic situation of the Amasia enlarged community, FESM. Transcript 2, Gyumri, 2022, p. 14.

<sup>11</sup> Harutyunyan Gh., Boyajyan A., Vardanyan N. The socio-economic and demographic situation of the Amasia enlarged community, FESM. Transcript 2, Gyumri, 2022, p. 14.

rural settlements had increased by 1. After the enlargement, it has, again, increased by one. The number of medium-sized settlements decreased by one, which is not connected with the enlargement. The number of big rural settlements decreased by one. After the community enlargement, no certain change in the status of rural settlements by size has been recorded. However, we should note that in the Amasia enlarged community the number of medium-sized settlements has increased and the number of big settlements has decreased, and in the communities of Arpi the number of small settlements has increased and the number of medium-sized settlements has decreased. And finally, during the period of 2015–2021, a decrease in the size of settlements was recorded in the presented enlarged communities. Due to this, we can state that the community enlargement did not have any positive impacts on the settlement size increase.

*Table 5*

The population of enlarged communities by size

Size of rural settlement <sup>12</sup>	Pop.	Tumanyan	Amasia	Arpi	Tumanyan	Amasia	Arpi	Tumanyan	Amasia	Arpi
Year		1996			2015			2021		
small	50–200	1	1	13	1	1	10	3	2	13
medium	201–1000	6	8	2	6	8	5	5	7	2
big	1001–3000	3	1	–	3	1	–	2	1	–
large	3001–5000	–	–	–	–	–	–	–	–	–

<sup>12</sup> Enlarged communities' population size dynamics, <https://www.arlis.am/docid=93481>

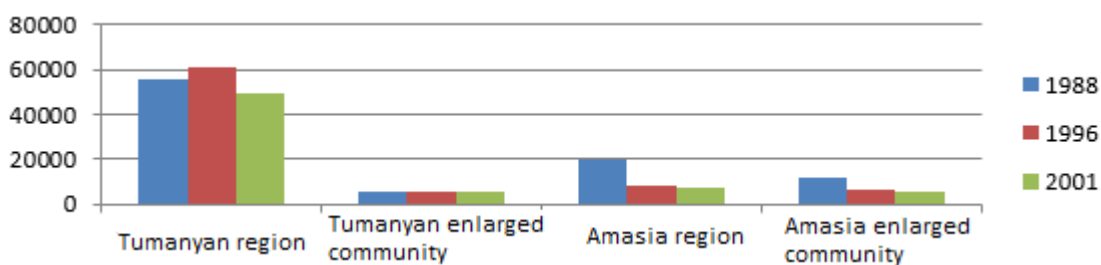
largest	5001 and more	-	-		-	-	-	-	-	-
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The population of the communities has also changed. In 1996, the population of the Tumanyan enlarged community was 578 people, in 2015 it was 453, and in 2021 – 413 people. The same indicators for the Amasia enlarged community were 681, 550, and 428 people respectively, and for the Arpi community – 85, 120, and 94 people. It is interesting that the Arpi enlarged community, which was consolidated into the Amasia enlarged community, experienced a sharp decline in the population size after the enlargement, but before the enlargement, there was an increase.

The population increase of the Tumanyan enlarged community in 2021-2022 was due to the consolidation of the rural settlements Dsegh and Chkalov. As for Amasia, the consolidation of the Arpi enlarged community resulted in rapid population growth.

Chart 1 indicates, that during 1988-2001, the enlarged Tumanyan community population increased by 0.6% annually, decreased by 0.4% during 2001-2005, and by -2.1% during 2015-2021. In the Amasia enlarged community the indicators were -4.2%, -1.4%, and -3.8% respectively.

*After the community enlargement, a sharp decline in the population size was recorded. Although one of the important principles of the community enlargement concept was the improvement of the demographic situation and the provision of the population increase. We can state that this principle hasn't been achieved.*



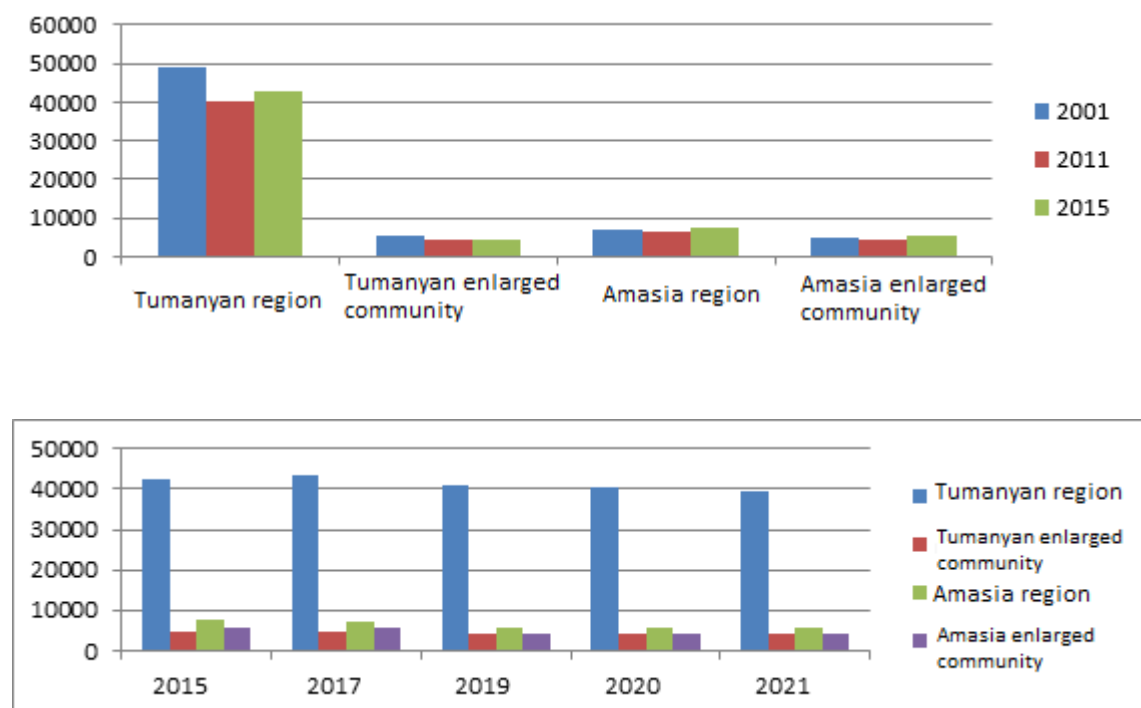


Chart 1

### *The population dynamics of the Tumanyan and Amasia enlarged communities*

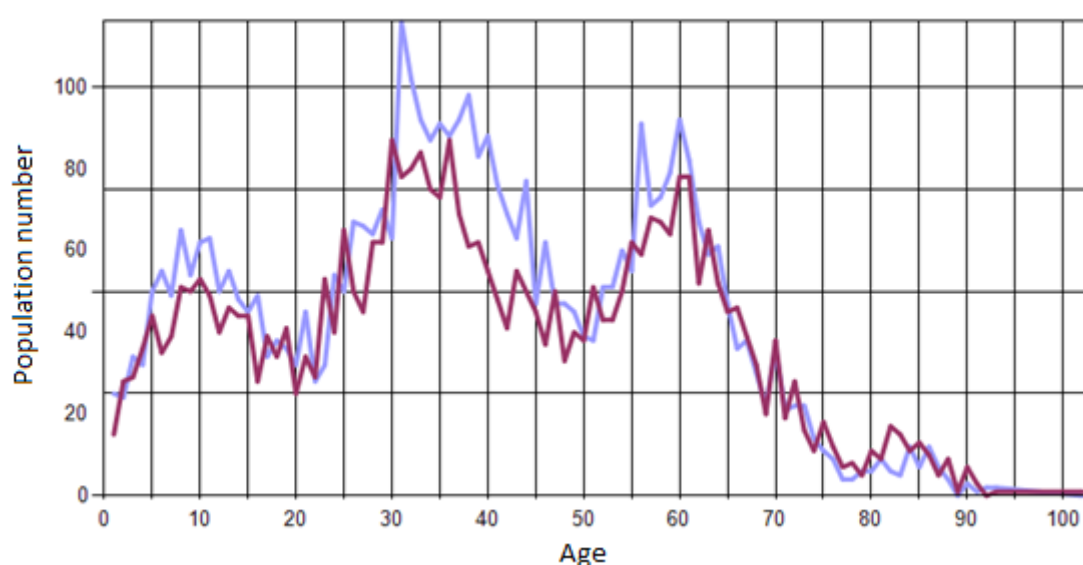
The age-sex structure is an important characteristic for the assessment of the demographic situation of any country, administrative region, or settlement.<sup>13</sup> The population change components are the age-sex structure, natural reproduction, marriage, divorce, and migration statistics. The population change components are the age-sex structure, natural reproduction, marriage, divorce, and migration statistics. The analysis of the population's age-sex distribution enables us to have an idea about prospective changes in the population numbers, the ratio of sex and age groups, reproduction of labor resources, the volume and structure of material resources consumption.<sup>14</sup> References to the types of age-sex structure classification and the evaluation of the aging process were made by Sundberg G., Rosset E., et al.<sup>15</sup>

<sup>13</sup> The population's age-sex composition is the ratio of the number of men to women, and the distribution of age groups. Three age groups are usually distinguished: up to 15 years old (pre-working age), 15-64 years old (working age), and 65 and older (post-working age or retirement age).

<sup>14</sup> Avetisyan Kh. Geography of the population and settlements of Soviet Armenia. Yerevan, 1987, "Science" publication, pp. 198, 45.

<sup>15</sup> Medkov V. M., Demographics. Moscow, 2003, Publication: "Infra-M", pp 60-61.

During 2001–2022, in the Tumanyan enlarged community, an increase was recorded in the share of men in total population. In 2001, 47.9% of the population was male, in 2011 it was 48.1%, and 49.0% in 2022.<sup>16</sup> In the Amasia enlarged community, it is 47.8%, 46.3%, and 46.0% respectively. This means that in the Tumanyan enlarged community for the aforementioned period an increase in the male population was recorded in the age–sex ratio, and the opposite happened in Amasia, where a decrease in the male ratio was recorded. This phenomenon is primarily due to the fact that a large number of people from the Amasia enlarged community travel abroad for seasonal work.



*Chart 2. The Amasia enlarged community population’s age–sex structure*

As for the rate of natural increase in the enlarged communities, which is defined by the birth rate minus the death rate of a particular population, over a particular time period, since 2018 it shows decreasing tendencies, and only after 2020 certain stability has been observed. As shown in Chart 3, until 2019, the birth rate has exceeded the death rate in the Amasia enlarged community. It is a quite positive indicator because the population of the

<sup>16</sup> The age–sex structure of the Tumanyan enlarged community, <https://www.armstat.am/file/doc/162.pdf>, <https://www.armstat.am/99482548.pdf>, <http://lori.mtad.am/38444.pdf>, 05.09.2022.

Amasia community was somewhat protected from the aging risk, however during 2019-2021 we observe the opposite tendency: the number of deaths exceeds the number of births. This was partly the result of the increased death rates during the COVID-19 pandemic. The same picture is in the Tumanyan enlarged community.

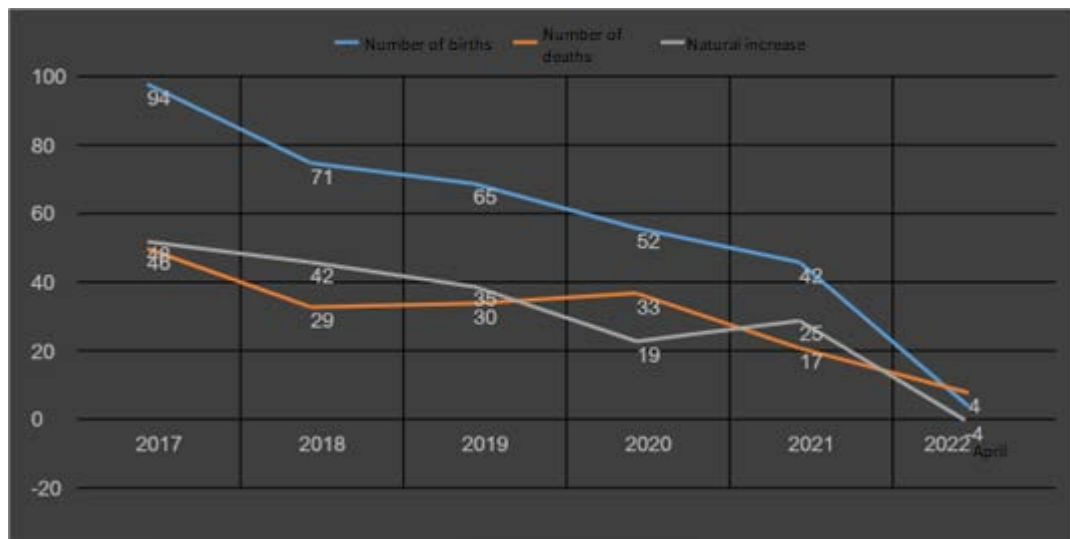


Chart 3. The natural increase rate of the Amasia enlarged community

From the ethnic social surveys carried out in the Amasia enlarged community, we found out that the number of deaths exceeds the number of births.<sup>17</sup> Although, in several rural settlements the death-birth ratio was either equal or the birth rate was higher.<sup>18</sup> In the Dsegh village of the Tumanyan enlarged community, the number of deaths in 2020 exceeded the number of births, which was related to the COVID-19 pandemic. A decline in birth rates was also recorded in Tumanyan city. 40 births and 52 deaths were registered in 2018 in the Tumanyan enlarged community.<sup>19</sup> Compared with the data from 1990, in 2020 in the Amasia enlarged community the birth rate decreased 6.3 times, the same amount of decrease was recorded in the Arpi community, and 7.5 times in Tumanyan. The death rates have increased 2.5,

<sup>17</sup> Harutyunyan Gh., Boyajyan A., Vardanyan N. The socio-economic and demographic situation of the Amasia enlarged community, FESM. Transcript 1, Gyumri, 2022, p. 3.

<sup>18</sup> Harutyunyan Gh., Boyajyan A., Vardanyan N. The socio-economic and demographic situation of the Amasia enlarged community, FESM. Transcript 4, Gyumri, 2022, p. 2.

<sup>19</sup> Population's social composition armstat.am 38444.pdf, p. 7.



3.2, and 3.5 times respectively. The natural increase rates are more than 10 times lower. The drastic decrease tendencies in these rates over the past 5 years are very alarming. They are not only connected with migration and birth rate decline, but also with the negative impacts of community unification. However, this claim requires further study and confirmation.

Respondents believe that the decrease in population is caused by the emigration of young people of marriageable age, mainly to the Russian Federation, to the town of Vanadzor, and to the capital, Yerevan. In addition, most young people, especially those with higher education, do not desire to engage in agricultural work, particularly in animal husbandry, even though it is less labor-intensive than farming. For example, the cattlemen of the Amasia enlarged community are two brothers from Gyumri. One of them, who claims to have been the village cattleman for 5 years, says that he had to move from the city to the village as he didn't have a job in Gyumri. To not borrow money from other people, the two brothers had to come to Alvar and work as cattlemen.<sup>20</sup>

Most of the residents of the Tumanyan enlarged community remember the Soviet years with nostalgia when the community's two small industrial enterprises were still operating. During the Soviet years, there was an operating production enterprise of roofing tiles in the Chkalov village, and local raw materials were used to produce the tiles. During the same period, the only refractory brick manufacturing industry operated in Tumanyan city, where according to the locals, more than 2000 people worked.<sup>21</sup>

From the analysis of the data presented in Table 6, we can see that in the enlarged communities for the presented period of time there is a trend of population aging. During 2001-2022 the percentage of people under 17 years old in the Tumanyan and Amasia enlarged communities has decreased by 2.

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<sup>20</sup> Harutyunyan Gh., Boyajyan A., Vardanyan N. The socio-economic and demographic situation of the Amasia enlarged community, FESM. Transcript 1, Gyumri, 2022, p. 4.

<sup>21</sup> Harutyunyan Gh., Boyajyan A., Vardanyan N. The socioeconomic and demographic situation of the Amasia enlarged community, FESM. Transcript 7, Gyumri, 2022, p. 9.

The retirement age population rates in the Tumanyan community only had a slight increase, and in Amasia the increase rate was 1.7. According to the demographic aging index of the population, in 2020 all communities of the target region were considered aging, and in that sense, Tumanyan is the most vulnerable community, where the ratio of people older than 65 is 16.3% of the whole population.

*Table 6*

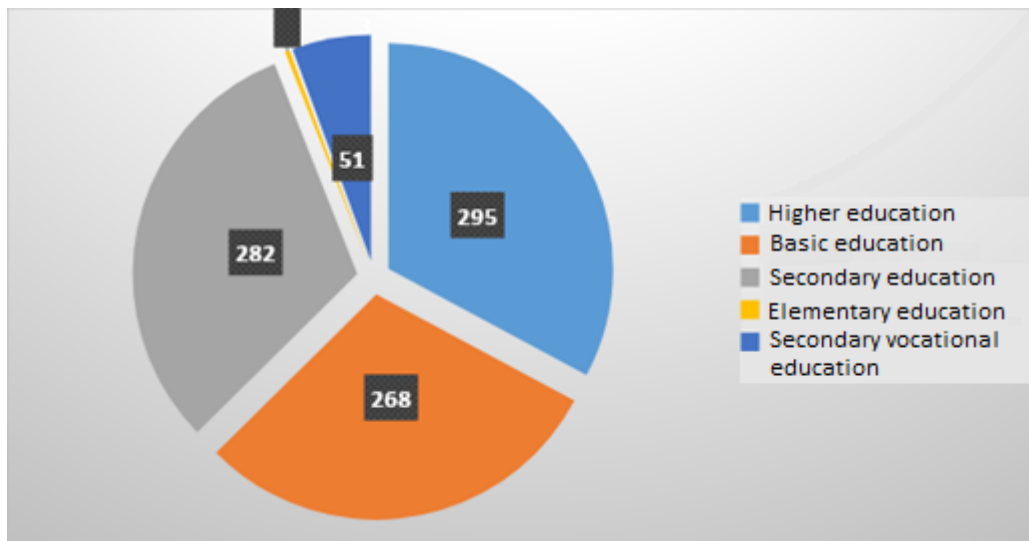
**Population age structure dynamics %**

<b>Enlarged communities</b>	<b>Under 17 years old</b>	<b>18-63 years old</b>	<b>Older than 63</b>
Tumanyan	31.5	53.1	15.4
2001			
2011	22.4	63.1	14.5
2020	16.3	67.4	16.3
Amasia	34.5	58.0	7.5
2001			
2011	25.7	64.8	9.5
2021	17.8	69.5	12.7

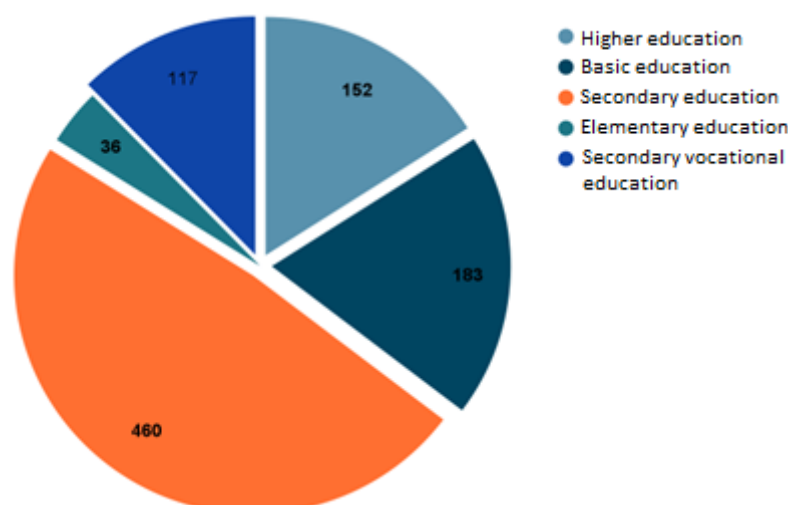
### 1.3 Analysis of the socio-educational situation of the communities

In this section, we will present the educational levels of the Amasia community population. As seen in Chart 4, it is quite diverse. There is a large number of people not only with higher education but also with general

primary and secondary education. Chart 5 shows the educational level of the Tumanyan community population.



*Chart 4. General educational levels of the Amasia community. May, 2022.*



*Chart 5. General educational levels of the Tumanyan community. September 2022*

The problem of education is quite serious in small rural settlements of the enlarged communities. In the Alvar village of the Amasia enlarged community, there are no favorable conditions for the education of children. Once children reach school age, the parents usually send some of them to study in Gyumri. Just to note, a part of the village residents works in Gyumri,

and another part, generally consisting of active working-age men (25-29 years old) travel abroad for seasonal work. Despite a high percentage of immigration and emigration, residents of the community continue to keep apartments in the community and haven't sold them. According to the respondents, first to seventh-graders study together, which is unacceptable.<sup>22</sup> It is impossible to provide quality education under such conditions. The relevant bodies should give a solution to this problem so that the educational standards are equal to the big villages. Besides the education sphere, there are serious issues in the sphere of occupation as well. Some of the villagers are engaged in agriculture, and the number of people engaged in agricultural activities exceeds the number of people engaged in non-agricultural activities. In 2017, in the total number of employed people, the number of agricultural workers was 75.9%. In 2021, the number of people engaged in agriculture decreased to 65.8%. In 2017, the number of non-agricultural workers was 24.1%. By 2021, this indicator increased to 34.2%. Based on this data, we can state that in recent years there is a decreasing tendency in the number of people engaged in agriculture. Compared to 2017, in 2021, that number was reduced by 39.4%, which is quite high and may indicate negative tendencies.<sup>23</sup> Along with this phenomenon, from the data presented in Table 6, it is noticeable that during the period between 2001-2020 the ratio of working age population (18-63 years old) has grown in both enlarged communities, which later contributed to the increase of the number of individuals traveling abroad for seasonal work. In 2001, the ratio of working age population in the Tumanyan enlarged community was 53.1%, and in 2020 67.7%: The same indicator in the Amasia enlarged community was 58.0% and 69.5% respectively. In 2016, in the Tumanyan enlarged community only 67.5% of working age population was employed,

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<sup>22</sup> Harutyunyan Gh., Boyajyan A., Vardanyan N. The socio-economic and demographic situation of the Amasia enlarged community, FESM. Transcript 1, Gyumri, 2022, p. 5.

<sup>23</sup> Harutyunyan Gh., Boyajyan A., Vardanyan N. The socio-economic and demographic situation of the Amasia enlarged community, FESM. Transcript 1, Gyumri, 2022, p. 8.

and in 2021 it was 63.4%, and the same indicator for individuals traveling abroad for seasonal work was 6.8% and 10.1% respectively<sup>24</sup>. The unemployment rates are quite high in the Tumanyan enlarged community. According to the official data of 2016, it is 776, or 17.1% of working-age people. However, we should mention that a large part of unemployed people travels abroad for seasonal work. According to the statistics, one out of two households in the enlarged community has a seasonal worker abroad.

A part of the working-age population living in the Alvar village of the Amasia enlarged community (mainly women) is engaged in agricultural work. Most of the working-age men travel to Russia for seasonal work. The main reason for choosing to go abroad for seasonal work is the very small income from agricultural work, which doesn't provide the bare minimum of living expenses. The farmers complain that they hand off or sell a liter of milk for 180-190 drams, while in the city markets it's being sold for 350-450 drams. The picture is the same in other rural settlements of the enlarged communities. According to the farmers, that kind of situation causes serious damage to agricultural development. A farmer sells a kilogram of beef to the butcher for 2,000 drams, while in the city it is sold for 3,500-4,000 drams. A farmer pays 10,000 drams to the herdsman to tend to one head of cattle, which is a significant sum of money.<sup>25</sup>

The residents of the Amasia village associate the emigration of the population with the lack of jobs. The surveys have shown that a part of the money earned by those who work abroad is to pay off their agricultural debts. It is important to note that the same situation is present in the rural settlements of other enlarged communities. The situation has become even more complicated last year, as the number of cattle decreased by half due to unfavorable conditions. The number of individuals traveling abroad for seasonal work is especially high in the Ardenis village of the Amasia enlarged

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<sup>24</sup> Population employment in the provinces of Shirak and Lori, [www.armstat.am](http://www.armstat.am)

<sup>25</sup> Harutyunyan Gh., Boyajyan A., Vardanyan N. The socio-economic and demographic situation of the Amasia enlarged community, FESM. Transcript 1, Gyumri 2022, p. 5.

community, the residents of which mainly resettled from the Gandza village of Javakhk in the late 1980s and early 1990s. From the surveys, we found out that most of the young people are planning to migrate to Russia due to the disastrous socio-economic condition of the village. They attribute this situation to community enlargement and local government elections.<sup>26</sup> This kind of situation has led to the further deepening of poverty. In general, according to the data published so far in 2022, there are 172 households receiving family allowances in the community, i.e., about 5% of total households. There are 251 pensioners and 147 individuals with disabilities.<sup>27</sup>

The situation is different in the Bandivan village of the Amasia enlarged community, where the dairy factory has reduced the volume of emigration. Out of the 25 people working in the factory, not everyone is from Bandivan, there are also people from Tsoghamarg and Amasia.<sup>28</sup> The farmers have no issues with selling milk, but they complain about the selling price of beef – the butcher buys the meat for 2,000 drams and sells it in the market for 3,500–4,000 drams, meaning that they make less money than the butcher.

The number of individuals traveling abroad for seasonal work is also high in the village of Berdashen, which has been the center of the Arpi community in the past. The survey showed that 40% of working-age populations travel to Russia for seasonal work. The main source of income for the rural population comes from transfers. Locally produced agricultural products barely suffice to cover even the most basic living expenses. So, if the migrant workers don't send money, the village will be almost empty.<sup>29</sup>

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<sup>26</sup> Harutyunyan Gh., Boyajyan A., Vardanyan N. The socio-economic and demographic situation of the Amasia enlarged community, FESM. Transcript 3, Gyumri, 2022, p. 2.

<sup>27</sup> 2017–2021 5-year development plan of the Amasia community.

<sup>28</sup> Harutyunyan Gh., Boyajyan A., Vardanyan N. The socio-economic and demographic situation of the Amasia enlarged community, FESM. Transcript 4, Gyumri, 2022, p. 3.

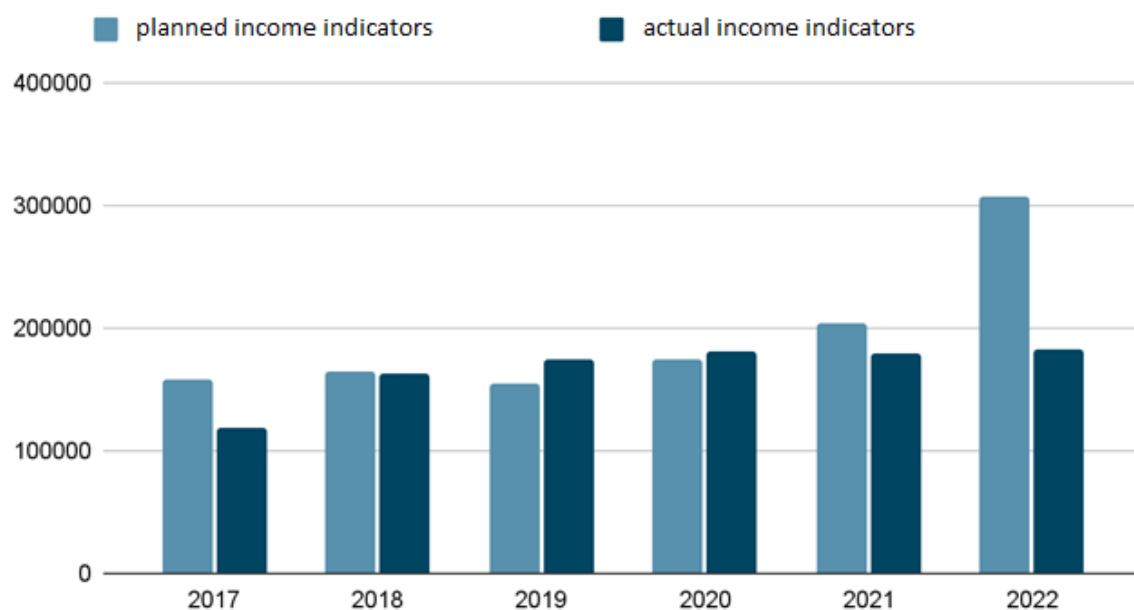
<sup>29</sup> Harutyunyan Gh., Boyajyan A., Vardanyan N. The socio-economic and demographic situation of the Amasia enlarged community, FESM. Transcript 5, Gyumri, 2022, p. 3.

## CHAPTER 2: RESULTS OF BUDGET STUDY OF THE AMASIA AND TUMANYAN COMMUNITIES

### 2.1. Analysis of expenditure and income indicators of the community budgets

Let's study the dynamics of the overall indicators of planned and actual income of the Amasia and Tumanyan community budgets during 2017-2022.

#### Amasia community

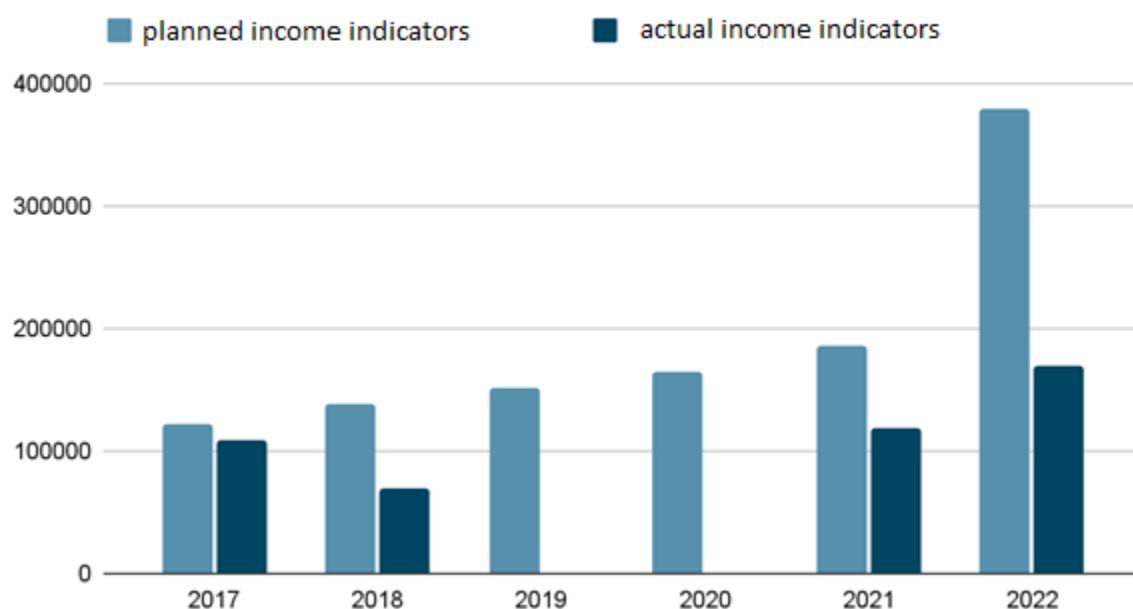


*Chart 6. Dynamics of the overall indicators of planned and actual income of the Amasia community budget*

As seen in Chart 6, in 2017, in the Amasia enlarged community, 75.09% income section of the planned budget was fulfilled. In 2018, it constituted 99.01%, 113.3% in 2019, and 103.8% in 2020, but in 2021 it was 87.77%. A high-performance increase was reported in 2018 and 2019, although unlike in the previous two years, in 2021 the indicators reflecting the income section of the community budget were incomplete and the dynamics declined. As for

2022, according to the statistical data, until September the performance of the income sector of the budget was 59.41%.<sup>30</sup>

### Tumanyan community



*Chart 7. Dynamics of the overall indicators of planned and actual income of the Tumanyan community budget<sup>31</sup>*

Chart 7 shows the budget income indicators and their yearly performance in the Tumanyan community of the Lori province. According to the data, during the 3 quarters of 2022, the performance of the planned income indicator was 44.6%. Compared with the performance in the Amasia community during the same period, we can notice that the indicator is relatively low, because, in the ongoing year before the start of the 4th quarter, the performance of the income sector was close to 50%.

Looking at the Amasia community budget entries starting from 2017, we can state that 2017 had the lowest income streams, after which we observe a

<sup>30</sup> <https://amasia.am/Pages/NewBudget/in/Result.aspx>

<sup>31</sup> <https://tumanyancity.am/Pages/NewBudget/InPlan/List.aspx>

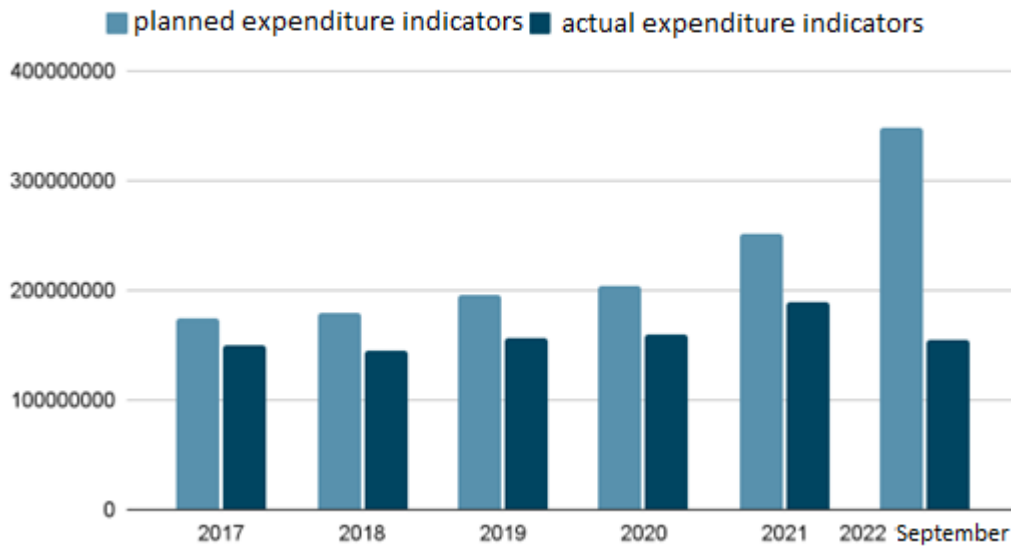


steady increase and a decline was recorded only in 2021. By separately studying the administrative and funding sectors of the income, we shall note that 98,2% of the decline in the income flow of the budget's fund sector was recorded in 2018, which was mainly due to a decrease in the level of official grants. In 2021, the incomes of the budget's fund sector were equal to 5,717,840 drams, while in 2020 it was 9,410,870 drams. We have the opposite picture when it comes to the administrative sector. Compared to 2020, the indicator has increased to some extent, constituting 173,651,892 drams, while in 2020 it was 171,044,668 drams, that is, it increased by about 2%. In 2021, in the Tumanyan community, fund sector incomes constituted 249,272 drams, and the administrative was 118,503,627 drams. It turns out that in the ongoing year, the Tumanyan community budget entries had the following distribution – fund sector: 45.12%, administrative sector: 44.53%.

Now let's review the expenditure sector of the budget and consider the dynamics of its indicators by year.

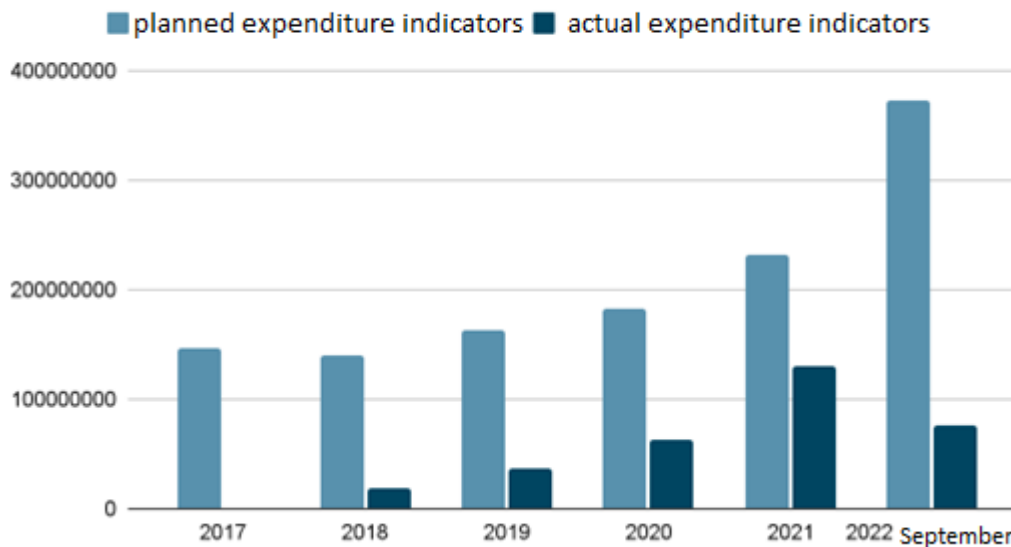
In 2017, an expenditure equivalent to 149,913,607 drams was made in the Amasia community. In 2018 it decreased by 3.8%, becoming 144,132,729 drams, which is due to the absence of spending on the Amasia municipality, general public service, construction and repair of multi-apartment buildings, road transport, libraries, and water supply. Compared to 2018, in 2019, the expenses in the budget increased by 8.1% (155,863,580 drams). This growth continued in 2020 as well, constituting 159,688,651 drams (an increase of 10.7%). In 2021, expenses increased, even more, recording an 18% increase compared to 2020.

## Amasia community



*Chart 8 . Dynamics of planned and actual expenditure indicators of the Amasia community budget, 2017-2022*

## Tumanyan community



*Chart 9. Dynamics of planned and actual expenditure indicators of the Tumanyan community budget, 2017-2022 <sup>32</sup>*

<sup>32</sup> Source: <https://tumanyancity.am/Pages/NewBudget/Out/result.aspx>

In 2017, in the Tumanyan community due to pending enlargement processes, there was an underperformance of the expenditure sector of the budget (-146,097,267 drams), meaning that compared to the plan, the actual indicators were 0.42%. We can say that this shows the initial negative impact of the enlargement process. Moving on to subsequent years, we can state that according to the data there has been a registered performance increase, such as in 2018 (12.78%), 2019 (22.98%), and 2020 (34.72%). The growth rate increased year by year. The results were quite high in 2021, the actual part of the community expenditure budget compared to the planned part was completed by 56.02%. As of September 2022, the indicator is 20.21%. For the same period, the indicator in the Amasia community constitutes 43.65%. The indicators suggest that in the budget processes of the Tumanyan community, particularly in terms of their performance, there is a need for an in-depth analysis of the package of actions implemented so far to identify the deeply-rooted problems.

In 2017, in the Amasia community, 87.3% of the planned expenditure sector of the budget was fulfilled, 73.8% in 2018, 78.07% in 2019, 74.68% in 2020, and 76.55% in 2021. According to the statistical data, it turns out that the expenditure sector of the budget in this community had fluctuating dynamics compared to the plan.

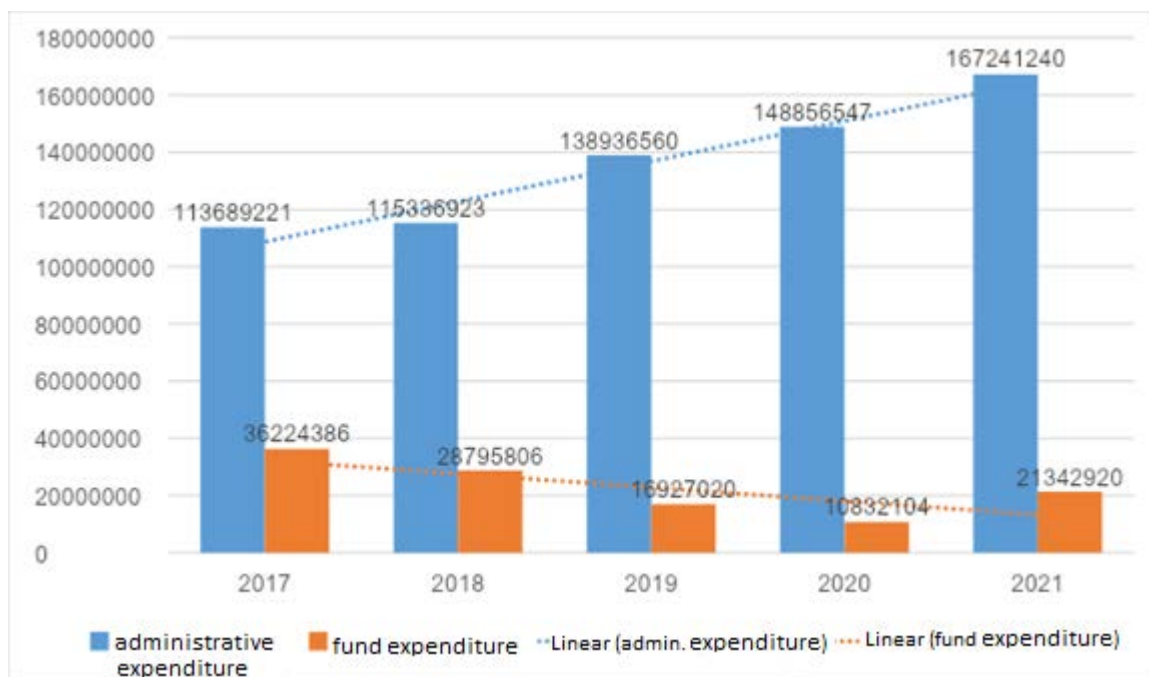


Chart 10. Dynamics of the administrative and fund expenditures of the Amasia community budget, 2017–2021<sup>33</sup>

According to Chart 11, starting from 2017, administrative spending has dominated the total expenditures, and fund spending had a smaller share. Over the years, the share of fund spending in total expenditures has decreased, although overall budget spending has been continuously increasing. If in 2017 the administrative spending of the Amasia community budget was 113,689,221 drams, in 2021 it increased to 167,241,240 drams. That is, the administrative expenses have increased by about 47% over 4 years. The decline in fund expenditure is mainly due to various circumstances. One of the reasons is that during 2020–2021 the amount of money allocated to external lighting in the community (construction of buildings and structures, materials, and tools) constituted a very small part of the budget. No money was allocated for external lighting from the fund budget (the allocation was from the administrative sector), which explains the decline in fund expenditures.

<sup>33</sup> Source: <https://amasia.am/Pages/NewBudget/Out/result.aspx>

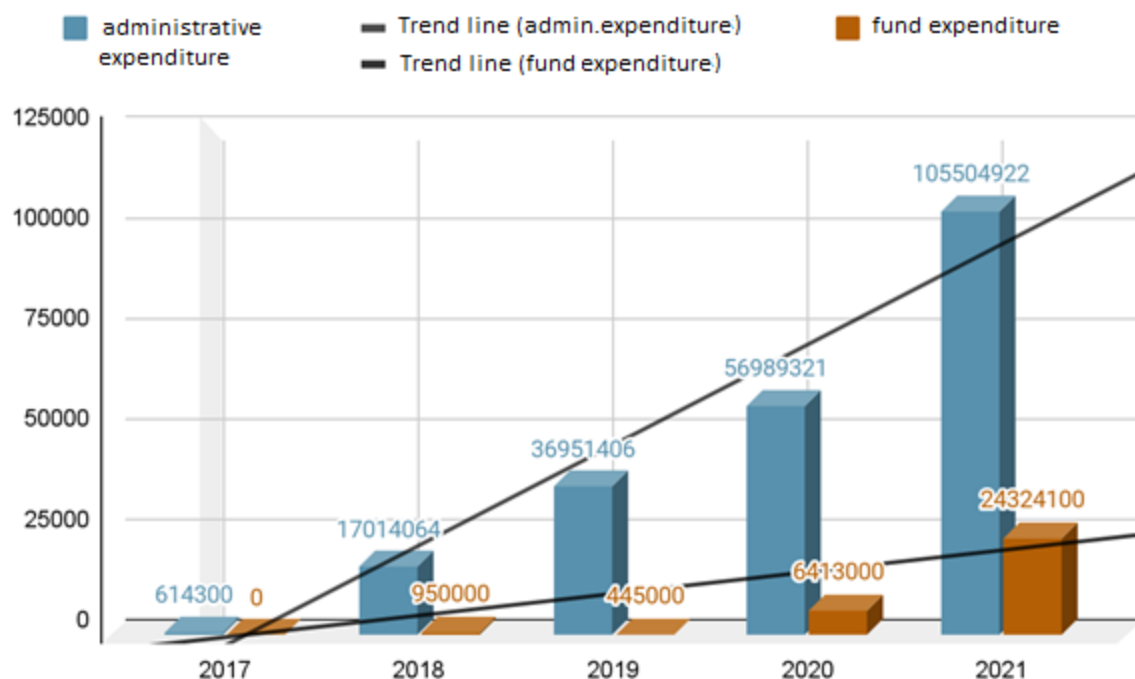


Chart 11. Dynamics of the administrative and fund expenditures of the Amasia community budget, 2017–2021

According to the data presented in Chart 11, since 2017, administrative spending had a dominant role in total expenditures. The fund spending had a lower share despite the fact that over the years their share in the total expenditure has significantly increased. If in 2017 the administrative spending of the Tumanyan community budget constituted 614,300 drams, then in 2021 this number has increased to 105,504,922 drams, meaning that in 4 years the administrative spending has increased by approximately 71%. The increase in fund spending is due to various points.

Nevertheless, considering only the actual annual income and expenditure indicators from the above statistical data, we can conclude that from 2017 in both Amasia and Tumanyan communities the income share of the budget has quite increased. The fact that the enlarged community consists of a number of settlements has played a significant role. As a result, the performance-oriented works in every settlement affected the enlarged community indicators.

Despite the fact that in the two communities, both the incomes and expenses spent on solving the community problems and project implementation have increased compared to the previous years, the fluctuations of the above statistical indicators show that the main goal of the enlargement which was the improvement of the life quality in communities has not been implemented in a stable way. There is a need to implement new capital programs and projects in the enlarged communities, which will allow for better use of the community potential and increase the level of effectiveness of the operations.

## *2.2. Continuous monitoring of the enlargement process of the Tumanyan and Amasia communities with the use of quantitative methodology*

It is quite difficult to comprehensively evaluate and analyze the results of the administrative-territorial reforms that took place in the Republic of Armenia, as the changes taking place cannot be considered positive or negative in absolute terms. In some aspects, the enlargement process has resulted in a positive, and in other cases, negative impact. It mainly depends on the socio-economic and a number of other factors specific to the given community or area.

In this regard, within the framework of the research, an enlargement process resultative analysis was carried out, using the quantitative monitoring methodology, and with the implementation of social surveys among the population in the Amasia and Tumanyan enlarged communities.

During the research, the basis of the analysis was the sociological surveys conducted in the communities, which gave an idea of the socio-economic situation in the community. It is important to note a key circumstance: as a result of the research, it became clear that the previous years' data about

the settlements which later became a part of the Amasia and Tumanyan enlarged communities are either not available or have not been preserved. The sociological surveys conducted in the communities enabled us to find out whether the current situation is satisfactory for the residents of the community or not. As a result, a number of defects were revealed, meaning that there is a need for large-scale changes to gain people's trust and most importantly, to ensure the balanced and stable development of the existing settlements within the community. In other words, from the point of view of Prospective Development Strategic Programs and community budget development, it is important to prioritize the community issues, which can be identified through face-to-face surveys or group discussions among the residents.

The social polls included about 5.4% of the Amasia community's entire population and 5.7% of the Tumanyan community's population.

During the conducted survey, the general and most important problems faced by the community according to the citizens were identified. The residents were given multiple response choices, meaning that they had the opportunity to note multiple spheres.

23.2% of the survey participants have indicated garbage collection as one of the top priority problems of the Amasia community. The primary answer in the Tumanyan community was unemployment, which was mentioned by 21.9% of the total respondents. In addition to these two issues, the respondents also mentioned transport, road improvement, lighting, etc., as issues faced by the community. The complete list is presented in Table 7. The problem is that the below-mentioned issues existed prior to the community enlargement process, though the enlargement was meant to stimulate the elimination of most of the existing problems.

Chart 7. What are the primary and most important issues faced by the community?

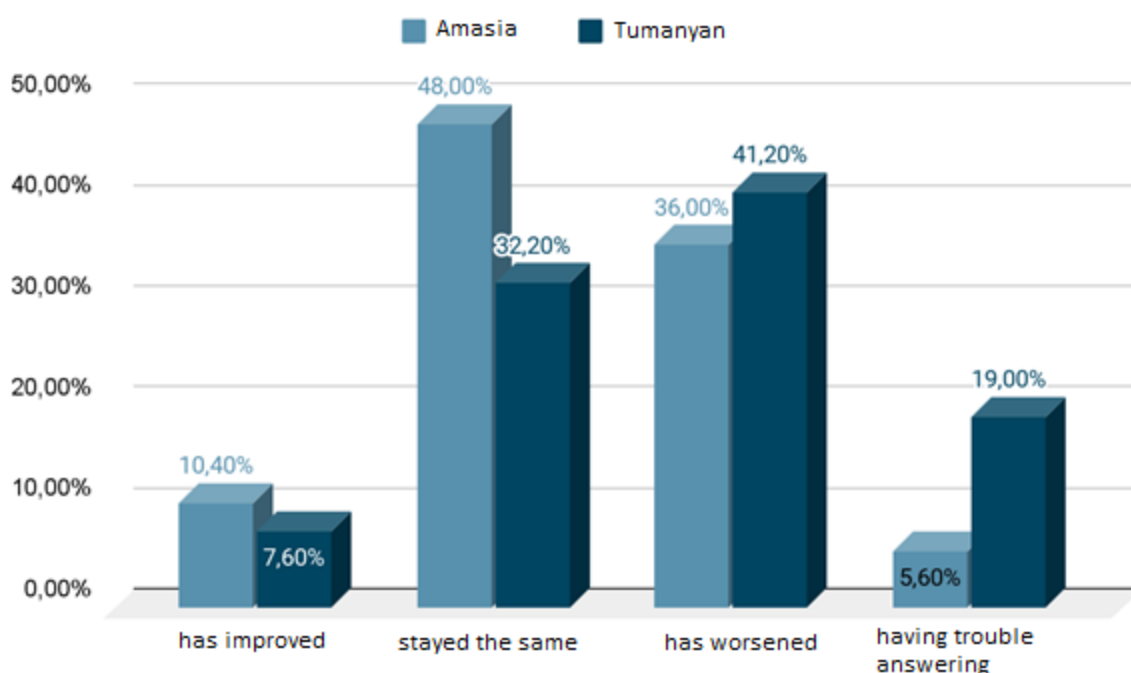
N	Sphere	Responses percentage <i>Amasia community</i>	Responses percentage <i>Tumanyan community</i>
1.	Unemployment	16.8%	21.9%
2.	Garbage collection	23.2%	14.5%
3.	Road improvement	12.1%	9.9%
4.	lighting	5.8%	6.8%
5.	Education	7.2%	3.7%
6.	Migration	11.6%	17.6%
7.	Environment protection	3.1%	2.8%
8.	Social issues	7.9%	11.7%
9.	Youth employment/ culture	4.7%	6.6%
10.	Transport	5.2%	3.8%
11.	Other	2.4 %	0.7%



Taking this into account, most of the community development projects should be directed at eliminating the above-mentioned problems or their level-reduction, which will promote sphere development. The levels of unemployment are particularly high. Necessary steps should be taken in this direction to support the opening of new vacancies in the settlements, which will automatically decrease the residents' emigration levels.

In the course of the research, the survey participants were asked about their satisfaction with the work carried out by the municipality. The evaluation was on a scale of 1 to 4 points, where 1 is "not satisfied at all", 2 is "rather not satisfied", 3 is "rather satisfied" and 4 is "completely satisfied". According to the survey results, the share of the respondents satisfied with the work of the municipality in the Amasia community was 33.8%, and 29.9% in the Tumanyan community. This especially refers to the small settlements within the Amasia and Tumanyan communities, which don't even have representatives in the city council and are ignored in several matters, and their problems remain unsolvable for years.

Next, the respondents answered the question of how the socio-economic situation of their household changed after the enlargement. In the Amasia community, 36% of the respondents stated that their socioeconomic situation has worsened, while 48% stated that it has remained the same, and only 11.4% stated that the household situation has improved. In the Tumanyan community, 41.2% of the total respondents indicated that the situation has worsened, and 7.6% noted that the socio-economic condition of their household has improved. The overall data is presented in Chart 10.

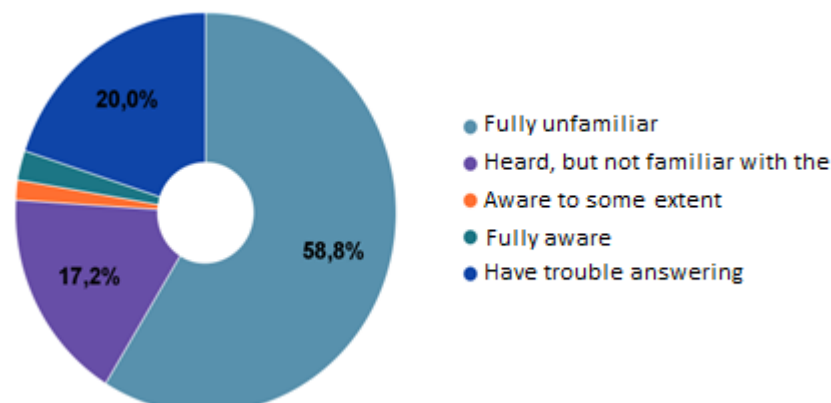


*Chart 10. Characterization of the socio-economic situation*

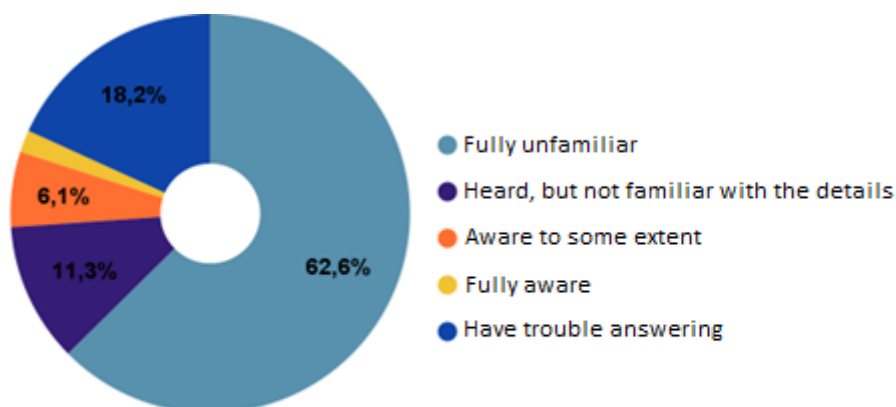
Basically, as a result of the enlargement process implementation, every settlement which is a part of the community should participate in the design and composition of development projects of the community, in identifying the problems of the communities and finding ways to solve them. As mentioned, several settlements do not have representatives in the local self-government authorities of the community (city council members). During face-to-face surveys with the residents, questions were asked regarding the enlarged community development projects and their awareness about them, as well as regarding the levels of their inclusion in these projects, because the purpose of administrative-territorial reforms was to keep the public informed about the processes taking place in the community and to ensure their active participation.

According to survey results, the majority of the population isn't properly informed about what the community development 5-year project or the annual work plan is. In other words, the awareness about community development projects and community budgets is quite low in both

communities. The majority of survey respondents are completely unfamiliar with the project (in the Amasia community: 58.8%, in the Tumanyan community: 62.6%). Only 2.4% of survey participants from the Amasia community, and 1.8% from the Tumanyan community are fully aware and familiar with the details. This points to the public's low participation levels in solving the community problems by the municipality, despite the fact that the main focus of the community enlargement process initially was to increase the degree of public participation in raising and solving the community issues.



*Chart 11. Awareness of the 5-year development plan of the Amasia enlarged community*

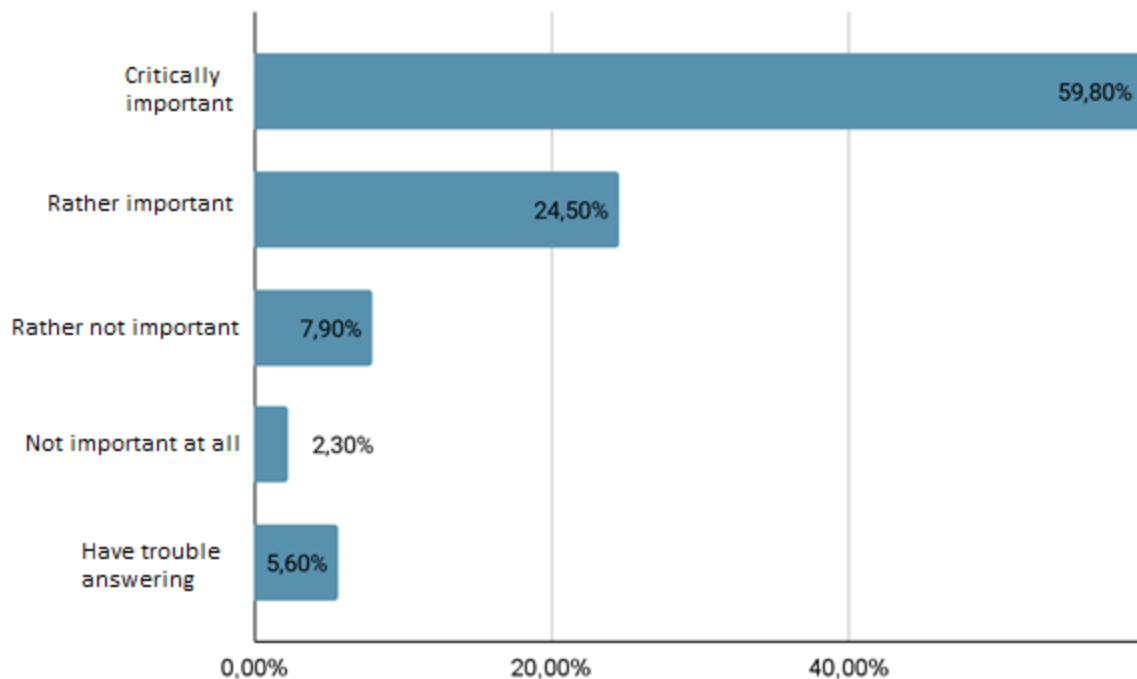


*Chart 12. Awareness of the 5-year development plan of the Tumanyan enlarged community*

Almost similar answers were given to the question of what the annual community work plan (AWP) is. As in the case of the five-year development project of the community, the overwhelming part of the respondents was not aware of the nature and contents of AWP. In this regard, the authorities have an important function to perform, because these are the important community characteristics, about which every resident of the community should have at least some awareness.

We should note that the informed population numbers in this regard are extremely low which makes it impossible to obtain statistically significant data on the community development projects and the annual work plan assessment process with this survey.

During the research, a question about public participation was also raised. In the discussions, the respondents expressed their points of view on the importance of community problem identification and the participation of community residents in the process of compilation of programs aimed at solving them. The results are presented in Chart 13. According to them in both communities, the overwhelming majority of respondents think that public participation is a very important process. The residents have a better understanding of the community problems rather than the city council or even the community head.



*Chart 13. How important is it to ensure the participation of the public in the process of community problem identification and compilation of programs aimed at solving them?*

Directly dependent on the above question and at the same time as an alternative, the residents were asked the following general question: according to them, to what extent the community residents' opinions are taken into consideration by the municipality in the decision-making process related to community management? 40% of the respondents in the Amasia community and more than 53% in the Tumanyan community stated that the residents' opinion in this matter is not taken into account at all.

As it became clear during the research that the level of awareness in both communities is quite low, the residents were also asked whether they would like to participate in the compilation of community development projects, in the development and discussion of ways to solve community problems. In this case, the options "yes" and "no" were used. According to the results of the survey, 56% of respondents from the Amasia community said that they would not, 44% would like to participate in the decision-making process

related to the community, and 63% of respondents from the Tumanyan community said that they would not, and 37% would like to participate. In regard to this question, it is also important to understand the reasons for not wanting to participate, because the answer to the question may reveal deeper issues such as distrust of the processes or indifference. The question was asked as an open question, and any answer given by the respondent was accepted as an option. According to the results of the research, occupation, lack of interest, and desire were the most frequently mentioned reasons.

In the Amasia and Tumanyan communities, as well as in the individual settlements within them, there are a number of infrastructures and institutions which provide most of the community's residents with various jobs. However, the conducted surveys showed, that they are not so satisfied with the working conditions in the sense that the current inflation in the country and price increases of all kinds of goods are a big problem for the residents of the community. As a result, they are unable to meet all of their household members' needs with the number of their fixed salaries. Therefore, actions in this direction should be developed and included in the 5-year community development project.

From the field of ethnic social research that we conducted, it becomes clear that the socioeconomic and demographic situation in the enlarged communities is quite serious. The community enlargement did not have any significant impact on the development of the demographic and socioeconomic situation.

## *Conclusions and proposals*

### *Positive and neutral effects of the community enlargement process in the Amasia and Tumanyan communities according to the research*

- Both local administration bodies and residents of the Amasia and Tumanyan communities register the importance of a row of projects implemented by local and international structures as a result of the community enlargement process. Agricultural equipment purchases and infrastructure improvement assistance events were considered particularly important. They gave the communities the possibility to improve the efficiency of community social-economic projects.
- Research results also demonstrate that the quality of roads between populated areas within communities has relatively improved after community enlargement. Observers state that large-scale road improvement works have taken and are taking place in the Amasia and Tumanyan communities.
- Local administration representatives and residents claim that garbage disposal and electricity supply quality has relatively improved.
- Enlargement of the Amasia and Tumanyan communities has had a particularly positive effect on local and international tourism. In particular, tourism infrastructure development projects were implemented in Amasia and Tumanyan after the enlargement. Both communities have strong potential for the development of tourism, ecotourism, and rural tourism in particular.
- As a result of enlargement, usage of the tourism potential gave the community the possibility to diversify its potential, thus allowing villagers to engage in alternative spheres in parallel to agriculture and animal husbandry.
- According to financial budget analysis, annual income and expense parts of the budget have grown after community enlargement.
- As a result of shortening administrative staff, in proportion to the community budget expenses, compensation funds shrunk from year to year.

- The research results show that the majority of residents think that the community enlargement has not had any significant impact on the change in the demographic conditions of the population of the settlements.
- From the conducted field ethnic social quantitative and qualitative surveys, we found out that the community enlargement did not have any significant impact on the demographic, socio-economic, and positive migration changes of the enlarged communities.
- Starting from 2018, in the Lori province, and the Shirak province starting from 2020, the population's reproduction balance is negative. The connection between the phenomenon of the population's reproduction balance and community enlargement needs further in-depth factorial studies.

#### **Negative effects of the community enlargement process in the Amasia and Tumanyan communities according to the research**

- The analysis of official data demonstrates, that a certain reduction in community population was registered after community enlargement. It can be said, that community enlargement has not increased population growth, failing to implement the provided positions of the community enlargement process.
- According to the survey results, the majority of the community population isn't properly informed about what the community development 5-year project or the annual work plan is. This means that the awareness about community development projects and the community budget is quite low in both communities.
- Based on the surveys conducted among the residents of the Amasia and Tumanyan communities, the most important issues in the community were classified by their importance - unemployment, garbage collection, road improvement, lighting, migration, environment protection, social problems, youth employment provision: Both sociological surveys and focus-group discussions revealed several needs and issues, which were not fully included in the community's development plans, yearly work planning, and community budget, approaching problem-solving a source of a negative public opinion.



- After combining the sociological survey results, it becomes clear, that regardless of the published statistical data and positive indicator trends and progress results, according to the residents' opinion, the assessment of needs and their reflection on the community development projects and budgets is not enough.
- According to surveys, the majority of the residents are confident that after the community reunification their socio-economic situation will not stabilize or develop but on the contrary, will experience a decline.
- As a result of both sociological and focus-group surveys, an important observation was made regarding the sphere of tourism. The steps of the community and other performers aimed at the development of this sphere can increase the number of tourists in the community and provide additional results for community development. In addition, it will be possible to diversify the use of the community's opportunities, that is, not to engage exclusively in farming or animal husbandry. The vast majority of households believe that the community has this potential, it is just necessary to take and implement effective steps in this direction.
- The analysis of the actual annual income and expenditure indicators of the community budget proves that since 2017, the Amasia and Tumanyan community budgets' income share has significantly increased. However, it doesn't indicate that positive trends have been registered at all, which is a positive trend.
- Although in the two communities, both the incomes and the expenses spent on solving community problems and implementing projects have increased compared to the previous years, the fluctuations of the statistical indicators show that the goal of the enlargement process, aimed at increasing the communities' quality of life, has not been implemented stably. There is a need to invest in new capital programs and projects in larger communities that will allow utilizing the community's potential better.

- Analyzing the Tumanyan and Amasia community budgets' income indicators, we can state that high rates of revenue collection were recorded almost every year, although in 2021 in the Amasia community this indicator was somewhat lower than the previous year. However, it is also necessary to mention that this growth was mostly due to the income of the administrative part. The fund share of the budget continued to have low density, recording a negative trend for some years. In particular, the involvement of financial resources from other sources in the fund share was quite low.

*Problems, discovered in this research, unrelated to the enlargement process*

- It was discovered during surveys and fieldwork, that public education is a particularly important issue in the small populated areas in the enlarged communities. There are years when there is no first grade. There are rural populated areas, especially Alvar, Aravet, Ardenis, and other small villages of the enlarged Amasia community, where first to seventh-graders study together. No first grade opening in populated areas is a negative indicator, this can mean that it is threatened by emptying and disappearing in the nearest years.
- According to surveys, the majority of respondents in both communities believe that public participation is an important process. The dominant opinion is that the residents of the populated areas of the community are better informed about the problems, present in the community, than the members of the community council or the community head.
- One of the mentioned serious problems in the enlarged communities was the sale of agricultural produce. Villagers express their dissatisfaction with the price paid for the product, which is almost 2 times less than the price at the market.

## *Proposals*

- Since the performed analyses prove that the population's needs and priorities are only insufficiently implemented in the community budget, we suggest the conduction of a needs assessment by the community with the use of the tools offered by this study or other toolsets. It is proposed to organize periodic discussions, including at the city council meetings, regarding the priority needs, and their reflection in the 5-year development project or the community budget, to make changes and additions to the mentioned documents based on comparisons.
- Considering the decreasing rates of agricultural work in the community, we suggest the inclusion of such project components and toolsets in the annual development plans of the Amasia and Tumanyan communities and their annual work plans and events, the application of which will contribute to the interest of the community population to engage in agricultural work. Examples of such events could be the provision and regular application of local tax and other benefits based on some developed standards to households engaged in agricultural work and the provision of competitive monetary support to innovative agricultural business initiatives from the community budget, etc.
- Taking into account the issues considered a priority by the population, we suggest reviewing the structure of the development projects, annual work plans, and budgets of the Amasia and Tumanyan communities, directing the funds under the jurisdiction of local self-government authorities to the problems identified during the sociological surveys, and to the elimination of the problems within the scope of local self-government authorities, or their level reduce. This will promote the development of the mentioned areas. The expectations are especially high for the existing unemployment rate reduction. The necessary steps should be taken to directly or indirectly stimulate the opening of new jobs in the settlements within the jurisdiction of the local self-government authorities. This will in parallel reduce the emigration of residents to other countries as well as to other urban settlements within Armenia.

- Taking into account one of the important objectives of the enlargement process, that is, ensuring the balanced development of communities and settlements, we suggest identifying and implementing effective mechanisms of the contribution of the 5-year development community project and the community budget through discussions. They will ensure the distribution of funds as equally as possible, and the proportional implementation of projects in all settlements. In particular, define problem-solving and funding allocations per settlement, including the priority and resolution time frame for each settlement in the 5-year community development projects.
- To reduce the negative impacts of the community budget's low density on stable community development, we propose the planning of specific works and measures in the upcoming years' development plans and budgets, which will be directed to increase revenues in the fund share and help to raise financing from alternative sources.
- To emphasize the role of young people in solving the socio-economic problems of the Amasia and Tumanyan communities, we propose to allocate funds from the community budget to promote the development of entrepreneurial skills among young people, and for promoting business initiatives.
- Regarding the sale of agricultural products, we suggest that the local authorities plan and implement practical steps to ensure the efficiency of the process of purchase and sale of products, in particular, to support the creation of points of purchase, and sales promotion initiatives.

- Since the emigration of young people to Yerevan and abroad is considered an important issue in the settlements of both communities, we propose to study and identify the areas with development potential in the settlements within the jurisdiction of the local self-government authority, and to support the development of an environment for investments. In particular, in the communities of Amasia, contributions can be made to the development of homemaking and handicrafts, for example, carpet weaving, woolen fabric production, embroidery, branded dairy, and meat products of the given village. In the enlarged Tumanyan community, the emigration of young people can be mitigated, if wood processing and furniture production enterprises are restored in Dsegh. The roof tile and firebrick production enterprises can be rebooted in the Chkalov village and Tumanyan city. In addition, the Tumanyan enlarged community has great recreational potential, only a small part of which is being utilized. We also suggest the facilitation of capital investments in the following 3 areas of the enlarged community's economy – tourism, animal husbandry, and the building materials industry. The development of these spheres will not only mitigate the emigration of young people but will also enable immigration.
- To increase the population's participation in decision-making processes, we propose to allocate funds from the community budget to invest in participation increase mechanisms using the latest technologies, for example, through the introduction of the possibility of creating and using mobile applications.
- An important observation was made about the tourism sector, based on both social studies and focus-group surveys, according to which, steps taken by the community and other actors to develop this sphere can increase the number of tourists in the community and secure an additional result in community development. Apart from that, it would be beneficial to diversify the possibilities of the community, and to avoid engaging only in agriculture and animal husbandry. Most households find that the community has that potential, simply efficient steps need to be taken in that direction.