



the FUTURE ARMENIAN

2022 Government Budget Opinion Survey, Summary Report

The following report has been prepared in December 2021 by Armenia 2041 Foundation. The data and findings presented in the report belong to Armenia 2041 Foundation.

December 2021

the FUTURE
ARMENIAN

Executive Summary

The following report presents the results and main findings of the **2022 State Budget Opinion Survey** conducted between the signatories of the Future Armenian campaign, through Survey Monkey platform and disseminated through emails provided by the signatories. The online survey was open from **December 13, 2021, to December 29, 2021**, available in three languages – **Armenian, English, Russian**. **95%** of the respondents preferred **English** as the primary survey language.

We received **664 responses** to our survey with **67%** Male and **33%** Female gender distribution. Most of the respondents are from Armenia (34%), followed by 3 in 10 from USA (27%), and the rest coming from other countries.

The survey is part of a sequence of surveys aimed at discovering public opinion on the overall situation and key obstacles of Future Armenian's priority fields. The survey results would be used as a baseline for the expert group discussions and other follow-up activities.

For the following survey, the respondents were provided with a summary information and comparison of the 2022 State Budget with the budgets of previous years (see the appendix for the summary information).

The main results of the survey are the following:

- Prior to the survey, **6 in 10** of the respondents (63%) were **not aware of the 2022 State Budget** being discussed.
- Only **the quarter of the respondents** (24%) agree that **2022 Budget corresponds to the current reality and future challenges**.
- **Investing into protecting borders and security** (55%) is of utmost priority.
- **4 in 10** of the respondents (43%) believe in the **positive effect of the 50,000 AMD financial support** per child and **6 in 10** of the respondents (57%) believe that **more money shall be allocated for low-income families**.
- **Defense** shall be the top priority area in the 2022 State Budget, with the second and third priority being **education** and **incentivizing the economy**.
- **6 in 10** (61%) agree that the **government should be actively involved** in the country's economic growth
- About **4 in 10** (36%) agree that **only with foreign aid** will Armenia be able to propel its economy forward

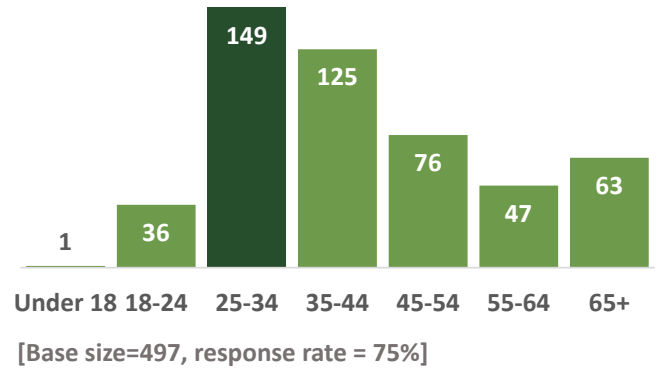
Key Demographics of Respondents

34 000+ emails sent

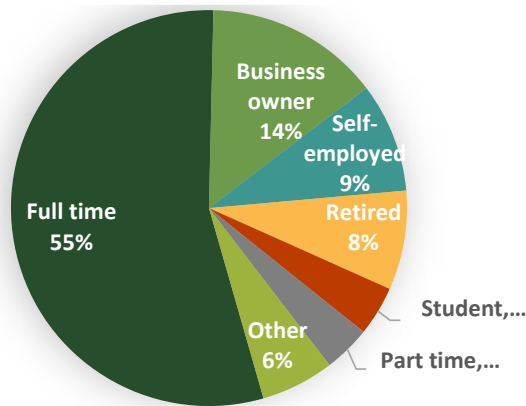
664 responses received

2% response rate

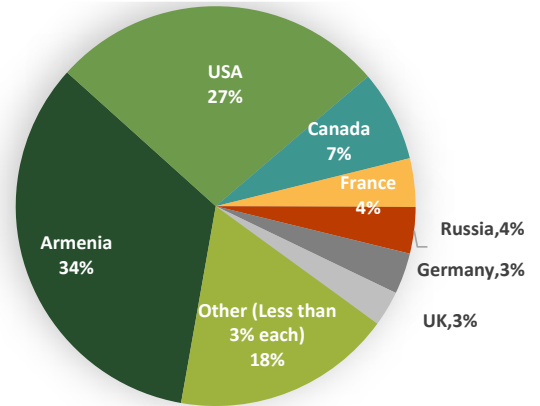
Age Distribution



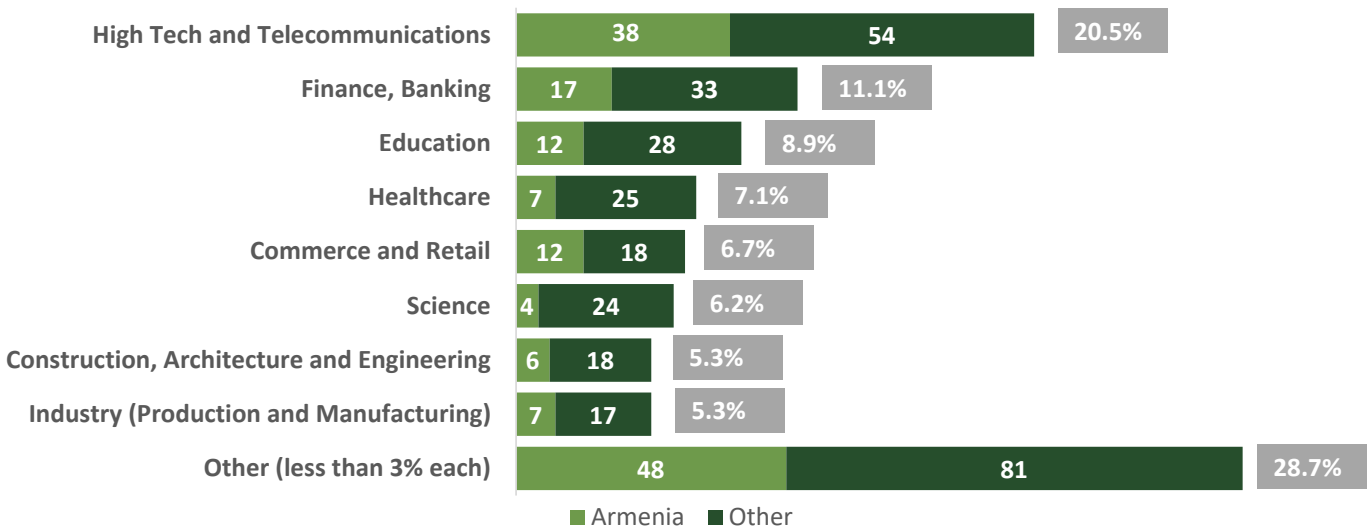
Level of Employment



Country Distribution



Main area of expertise

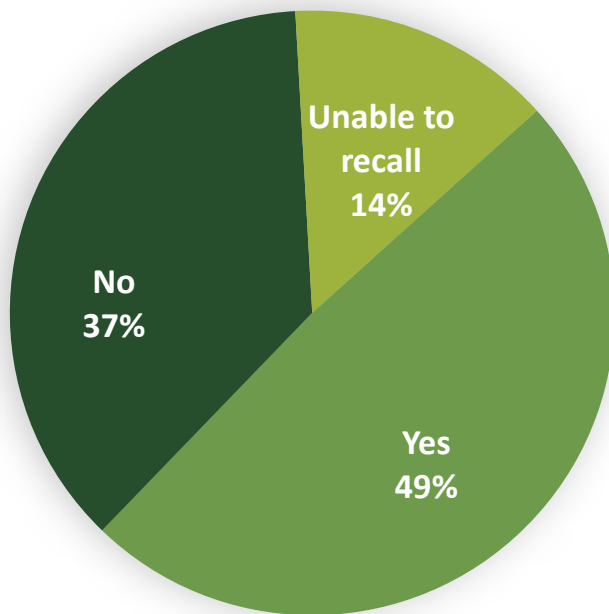


Other (less than 3% each), also includes Public Administration (2.2%), Civil Society (1.5%), Tourism and Hospitality (1.5%), Agriculture and Agrobusiness (1.3%) and Culture and Heritage Preservation (0.9%).

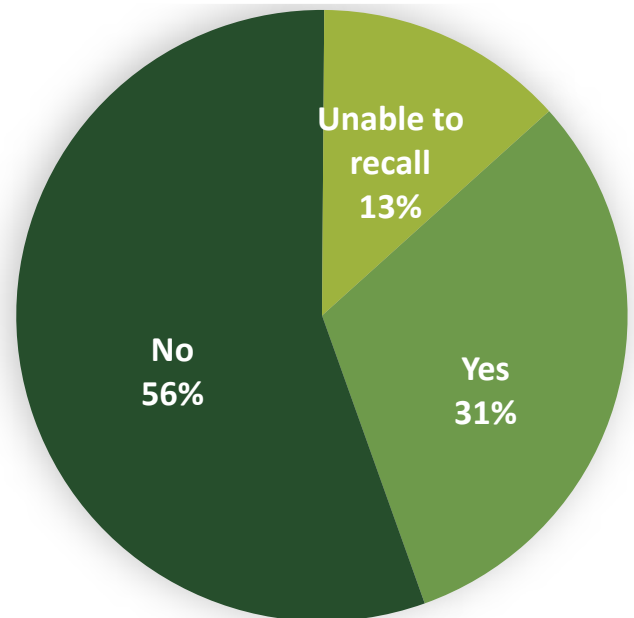
6 in 10 of the respondents were not aware of the 2022 State Budget being discussed

Q: Prior to this survey, were you aware that the draft 2022 State Budget was presented and discussed in the National Assembly in the Fall of 2021?

Armenia



Other countries



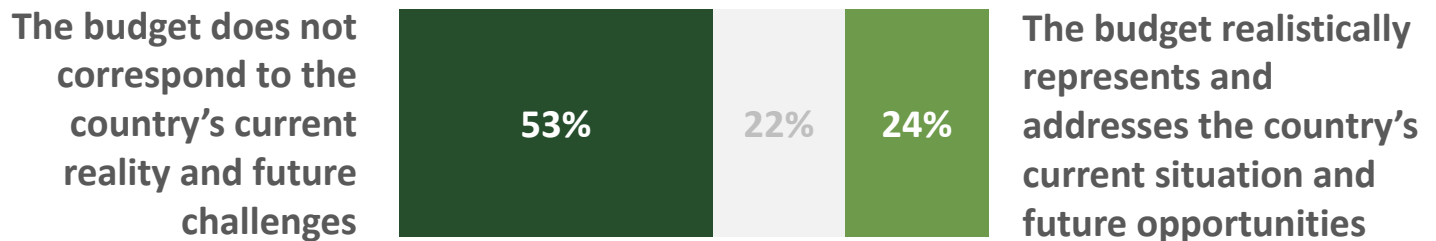
[Base size=664, response rate = 100%]

- Prior to the survey, most of the respondents (63%) were not aware of the happenstance on 2022 RA Budget
- The picture was different between the respondents from **Armenia and other countries**. While **half of the respondents in Armenia** were aware (49%) of the developments of 2022 State Budget, about **7 in 10** respondents from other countries (69%) have not heard or were unable to recall.

Only 2 in 10 think that 2022 Budget corresponds to the current reality and future challenges

Q: We would like to know your views on the State Budget. Which of the following statements is closer to your views?

All respondents



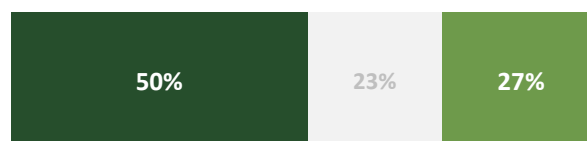
[Base size=481, response rate = 72 %]

- Over half of the respondents (53%) think that the 2022 Budget does not address the current reality and future challenges of Armenia
- Only a quarter of the respondents (24%) agreed with the 2022 Budget's validity to address the challenges and consider the current reality of Armenia.
- 22% of the respondents remained neutral towards the two statements, preferring the option in between

Armenia



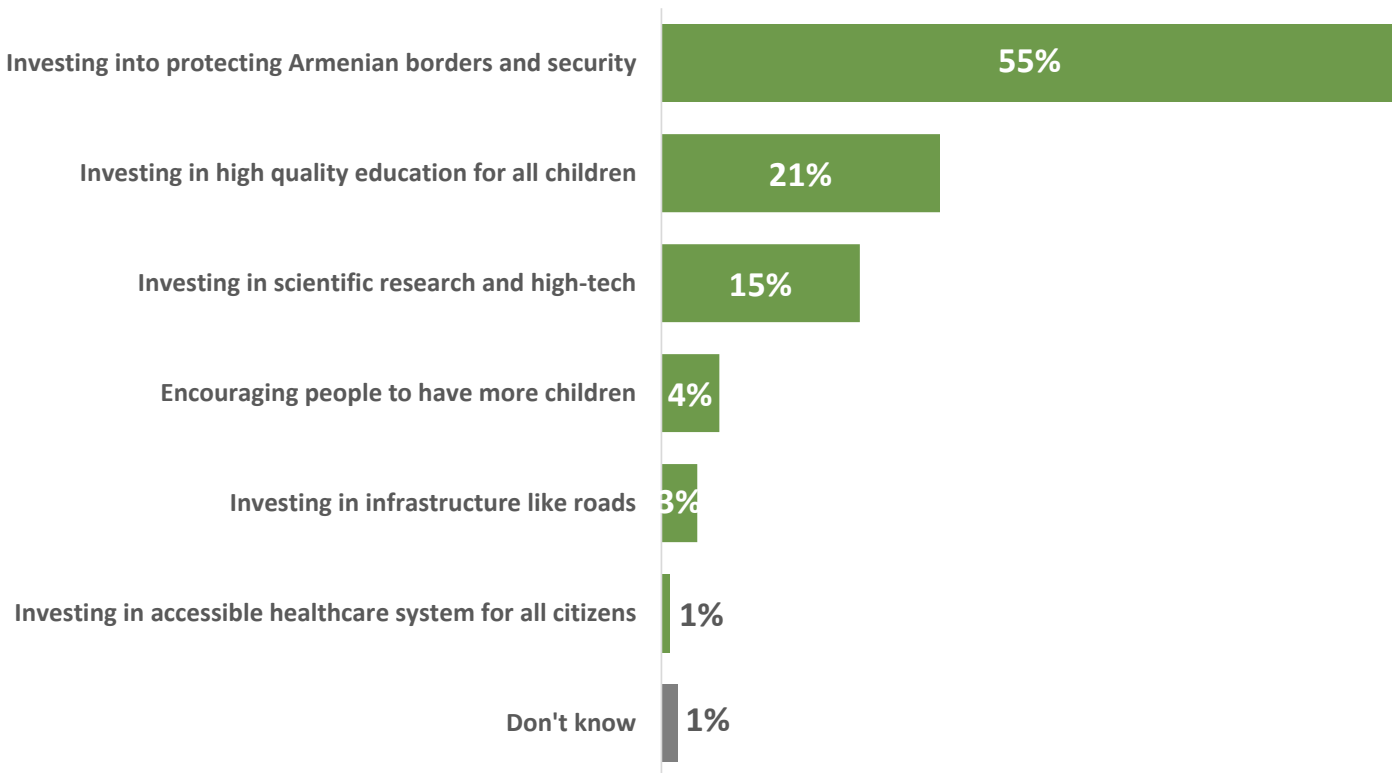
Other countries



- For respondents in Armenia, the outlook on 2022 State Budget was slightly keener towards the budget's not corresponding to the reality and future challenges (59%) as compared to respondents from other countries (50%).
- 27% of respondents from other countries think that 2022 State Budget has a realistic representation of the country's current situation and future opportunities as compared to the 19% from Armenia.

Investing into protecting borders and security is of utmost priority

Q: What would you say is of highest priority for securing Armenia's future?



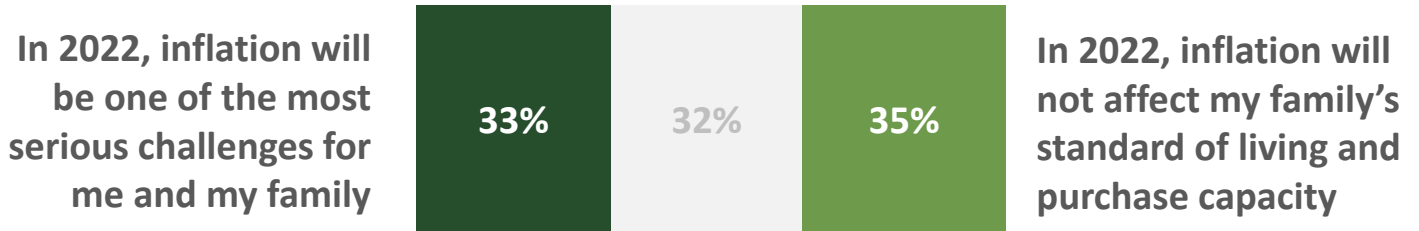
[Base size=481, response rate = 72 %]

- Investing into **protecting Armenian borders and security** is considered to be the single most important issue for the Government to tackle in its 2022 Budget, with **more than half of respondents (55%)** naming it as the **highest priority issue**. When asked to select one issue, more respondents selected that issue than all other areas.
- Views of respondents from Armenia and other countries are similar
- The top 3 priority investment areas are: Armenian borders and security (55%), high quality education for all children (21%), and investment in scientific research and high tech (15%).

On 2022 inflation, there is **no prevailing opinion** on what inflation means to the respondents

Q: We would like to know your views on the 2022 Inflation. Which of the following statements is closer to your views?

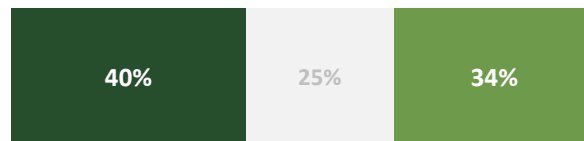
All respondents



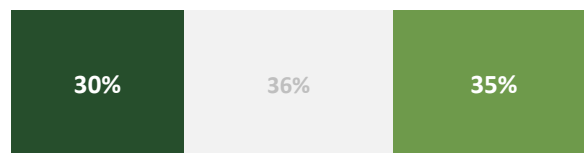
[Base size=481, response rate = 72 %]

➤ The views on 2022 inflation are equally distributed between all the respondents.

Armenia



Other countries

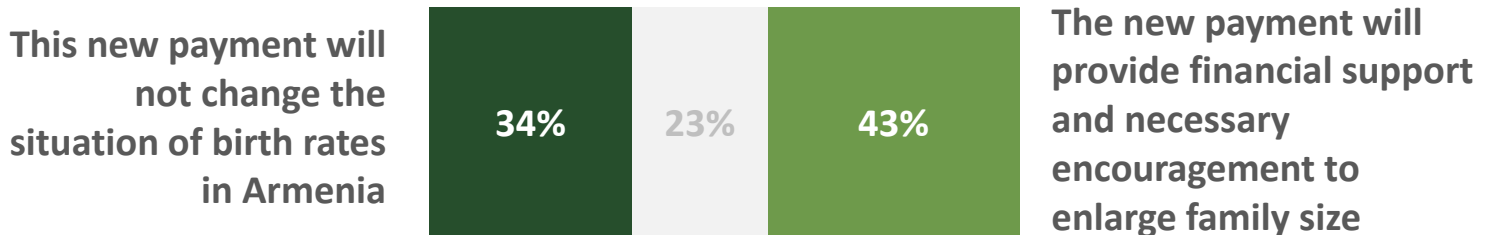


- 3 in 10 of both respondents from Armenia and other countries think that the inflation will not affect their and their family's standard of living.
- 40% and 30% of respondents respectively from Armenia and other countries think that the inflation will be among the most serious challenges for them and their family.

4 in 10 of the respondents believe in the positive effect of the 50,000 AMD financial support per child

Q: Starting in 2022, the Government proposes to pay monthly 50,000 AMD financial support per child to families with three children and above until they reach the age of 6. Which of the following statements is closer to your views?

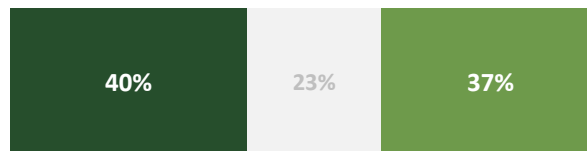
All respondents



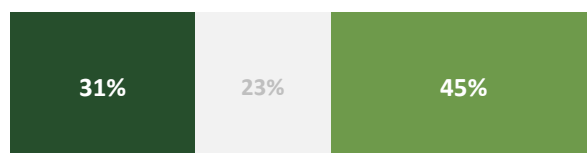
[Base size=481, response rate = 72 %]

➤ 4 in 10 of the respondents believe that the new payment will provide enough financial support to encourage family enlargement.

Armenia



Other countries



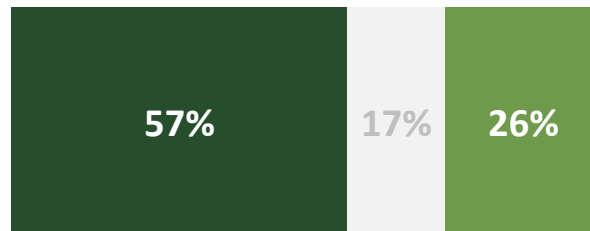
- Respondents in Armenia presented balanced views on whether the financial incentive is sufficient to grow Armenian families - **37%** said it would be a **good incentive**, while a slightly higher number (**40%**) said it would **not be enough to encourage family enlargement (-3 percentage points)**
- **The situation is different in the Diaspora** - many more people think that it would be a good incentive (+14 percentage points)

6 in 10 believe the proposed child incentive should go to low-income families only

Q: Starting in 2022, the Government proposes to pay monthly 50,000 AMD financial support per child to families with three children and above until they reach the age of 6. Which of the following statements is closer to your views?

All respondents

More money should be allocated to low-income families compared to well-off families.



Equal allocation of monthly 50 000 AMD for third child across the population is a good example of equality and social justice.

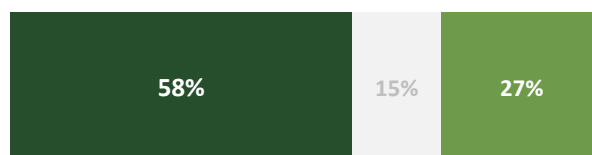
[Base size=481, response rate = 72 %]

- About 6 in 10 of the respondents believe that more money shall be allocated to low-income families, instead of 50,000 AMD equal allocation.
- Only a quarter of respondents think that the monthly payment needs to be paid out to all, irrespective of the level of income

Armenia



Other countries



- Responses for both categories are equally proportionate.

Defense shall be the focus area in the 2022 State Budget

Q: What should be the focus area of the 2022 budget? Please, prioritize up to 3 options from the list below.

Area	Priority 1	Priority 2	Priority 3	Total Responses
Defense	63%	12%	17%	479
Social Welfare and Support	2%	7%	10%	
Education	16%	35%	21%	
Incentivizing the Economy	8%	18%	21%	
Environment	1%	1%	4%	
Healthcare	2%	7%	11%	
Public Governance	2%	4%	8%	
Diaspora Engagement	3%	8%	19%	
Improvement				

[Base size=481, response rate = 72 %]

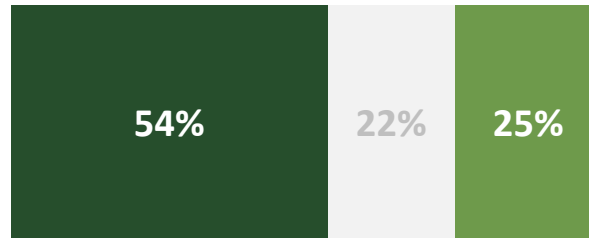
- **6 in 10** of the respondents (63%) think **defense** is of utmost priority.
- **Education (35%)** is the second priority area for the 2022 State Budget
- For the third priority, the respondents have chosen **incentivizing the economy (21%)**, however, efforts on **improving the diaspora engagement** is also highlighted among the priorities (**19%**)

5 in 10 of the respondents believe that budget allocation on security and defense are more crucial than on education and social welfare

Q: Suppose the choice of budget allocation was between defense, security on one side and education, social welfare on the other. Which of the following statements is closer to your views?

All respondents

Security and defense should be the priority areas for the Budget allocations in 2022

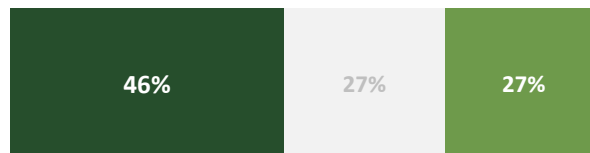


The Budget should focus on promoting and encouraging healthy, educated and skilled citizens for the economy of the future

[Base size=481, response rate = 72 %]

- Over 5 in 10 of the respondents (54%) believe that the priority shall be put on security and defense more than the encouragement of healthy, educated and skilled citizens (25%).

Armenia



Other countries

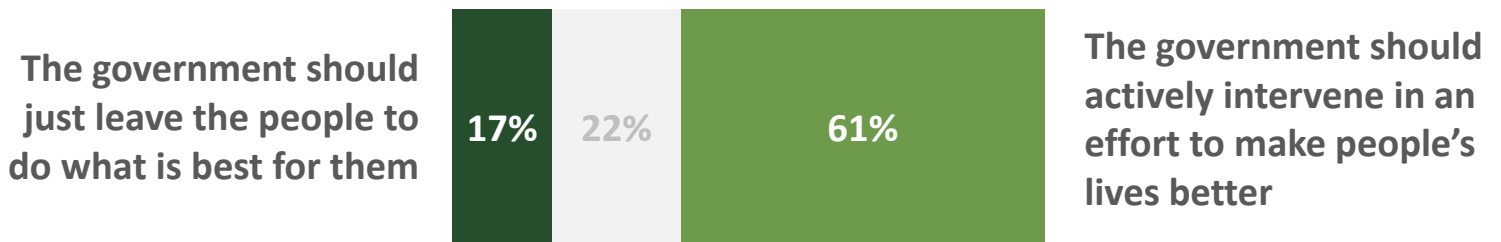


- 6 in 10 of the respondents from other countries (58%) and about 5 in 10 of the respondents from Armenia (46%) are keen towards security and defense as priority of 2022 State Budget.
- 3 in 10 of the respondents from both categories highlighted that encouragement of healthy, educated and skilled citizens shall be of higher priority in State Budget relative to security and defense.

6 in 10 agree that the government should be actively involved In the country's economic growth

Q: We would like to know your views on the government's involvement in the country's economic growth. Which of the following statements is closer to your views?

All respondents



[Base size=481, response rate = 72 %]

➤ **6 in 10** of the respondents (**61%**) believe that government should be actively involved in an effort to make people's lives better and the economy stronger

Armenia



Other countries

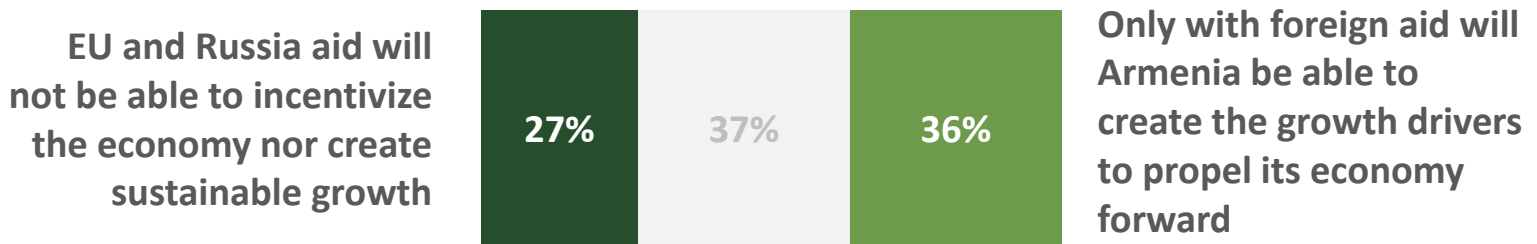


➤ Responses for both categories are equally proportionate.

The views on incentivization of Armenia's economy through the foreign aid are **more or less balanced**

Q: Both the EU and Russia had the announcement in 2021 to provide various types of financial (loans and grants) and economic support to Armenia, €2.6 billion and \$3.2 million, respectively. Which of the following statements is closer to your views?

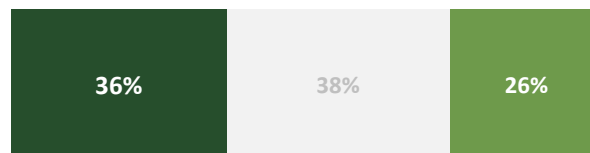
All respondents



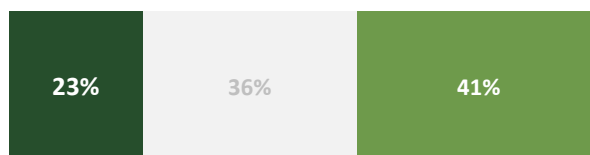
[Base size=481, response rate = 72 %]

- Regarding the foreign aid, about **4 in 10** of the respondents (**37%**) are unable to incline towards any of the statements
- Respondents were more inclined towards foreign aid as the only way that Armenian can create growth drivers to drive its economy forwards (**36%**).

Armenia



Other countries



- Respondents from other countries (**41%**) are more inclined towards the foreign aid's positive effect,
- Whereas respondents from Armenia (**36%**) think that the foreign aid will be unable to incentivize the economy and create sustainable growth

Appendix 1 : Survey Questionnaire [1/4]

Dear The FUTURE ARMENIAN signatory,

We appreciate your ongoing interest and willingness to engage with the Initiative.

The FUTURE ARMENIAN intends to regularly consult its signatories on issues of vital importance for Armenia and Armenians including the 15 Goals, as well as pressing national issues and international topics.

As you may be aware, on December 09 the National Assembly of Armenia approved the draft law on the State Budget for 2022 presented by the Government.

In this short survey, we ask your opinions about important aspects of the government's spending plans for 2022. The results of this survey will be shared on The FUTURE ARMENIAN website and social media.

Thank you!
Initiative Team
♡ 4

For your information, below are some key facts about the Budget 2022.

Table 1. Armenian State Budget Expenditures by Sector 2021-2022

Sector (mln USD)	2021	2022 (planned)	% change
Defense	642	711	11%
Welfare	1,037	1,194	15%
Education	316	397	25%
Agriculture	36	49	35%
Hi-tech	47	87	86%
Healthcare	242	253	4%
RA Government Reserve	8	141	1682%

Table 2. Armenian State Budget Deficit 2021-2022

Aspect Spending (mln USD)	2021	2022 (planned)	% change
Expenditures	3,809	4,506	18.3%
Revenues	3,107	4,006	28.9%
Deficit	703	500	-28.8%

Source: 2022 Explanation of the Budget, The Government of the RA (2021)

♡ 0

* 1.


Prior to this survey, were you aware that the draft 2022 State Budget was presented and discussed in the National Assembly in the Fall of 2021?

♡ 2

- Yes
- No
- Don't remember/unable to recall

Appendix 1: Survey Questionnaire [2/4]


* 2. We would like to know your views on the State Budget. Which of the following statements is closer to your views?

On a scale of 1 to 5, please choose the statement closer to your view, where 1 means you agree completely with the statement on the left and 5 means you agree completely with the statement on the right. And if your views fall somewhere in between, you can choose any number in between.  4

1. 2022 Budget does not correspond to the country's current reality and future challenges

5. 2022 Budget realistically represents and addresses the country's current situation and future opportunities

3

* 3. What would you say is of highest priority for securing Armenia's future? Please select one response only.  6

Investing in high quality education for all children

Investing into protecting Armenian borders and security of the Armenian world

Investing in accessible healthcare system for all citizens


Encouraging people to have more children

Investing in infrastructure like roads

Investing in scientific research and high-tech

Don't know

* 4. We would like to know your views on the 2022 Inflation. Which of the following statements is closer to your views?


On a scale of 1 to 5, please choose the statement closer to your view, where 1 means you agree completely with the statement on the left and 5 means you agree completely with the statement on the right. And if your views fall somewhere in between, you can choose any number in between.  0

1. In 2022, inflation will be one of the most serious challenges for me and my family

5. In 2022, inflation will not affect my family's standard of living and purchase capacity.

3

* 5. Starting in 2022, the Government proposes to pay monthly 50,000 AMD financial support per child to families with three children and above until they reach the age of 6. Which of the following statements is closer to your views?


On a scale of 1 to 5, please choose the statement closer to your view, where 1 means you agree completely with the statement on the left and 5 means you agree completely with the statement on the right. And if your views fall somewhere in between, you can choose any number in between.  0

1. This new payment will not change the situation of birth rates in Armenia

5. To many families, the new payment will provide financial support and necessary encouragement to enlarge their size.

3

* 6. Starting in 2022, the Government proposes to pay monthly 50,000 AMD financial support per child to families with three children and above until they reach the age of 6. Which of the following statements is closer to your views?

On a scale of 1 to 5, please choose the statement closer to your view, where 1 means you agree completely with the statement on the left and 5 means you agree completely with the statement on the right. And if your views fall somewhere in between, you can choose any number in between.  0

1. More money should be allocated to low-income families compared to well-off families.

5. Equal allocation of monthly 50 000 AMD for third child across the population is a good example of equality and social justice.

3

Appendix 1: Survey Questionnaire [3/4]

* 7. What should be the focus area of the 2022 budget? Please, prioritize up to 3 options from the list below. 3

	Select Priority Number
Defense	<input type="text" value="1"/>
Social welfare and support	<input type="text" value="1"/>
Education	<input type="text" value="1"/>
Incentivizing the economy	<input type="text" value="1"/>
Environment	<input type="text" value="1"/>
Healthcare	<input type="text" value="1"/>
Public governance	<input type="text" value="1"/>
Improvement of Diaspora engagement	<input type="text" value="1"/>

* 8. Suppose the choice of budget allocation was **between defense, security on one side and education, social welfare on the other**. Which of the following statements is closer to your views?

On a scale of 1 to 5, please choose the statement closer to your view, where 1 means you agree completely with the statement on the left and 5 means you agree completely with the statement on the right. And if your views fall somewhere in between, you can choose any number in between. 1

1. Security and defense should be the priority areas for the Budget allocations in 2022

5. The Budget should focus on promoting and encouraging healthy, educated and skilled citizens for the economy of the future

3

* 9. We would like to know your views on the **government's involvement in the country's economic growth**. Which of the following statements is closer to your views?

On a scale of 1 to 5, please choose the statement closer to your view, where 1 means you agree completely with the statement on the left and 5 means you agree completely with the statement on the right. And if your views fall somewhere in between, you can choose any number in between. 0

1. The government should just leave the people to do what is best for them

5. The government should actively intervene in an effort to make people's lives better

3

* 10. Both the EU and Russia had the announcement in 2021 to provide various types of financial (loans and grants) and economic support to Armenia, €2.6 billion and \$3.2 million respectively. Which of the following statements is closer to your views?

On a scale of 1 to 5, please choose the statement closer to your view, where 1 means you agree completely with the statement on the left and 5 means you agree completely with the statement on the right. And if your views fall somewhere in between, you can choose any number in between. 2

1. EU and Russia aid announced in the past few months will not be able to incentivize the economy nor create sustainable growth

5. Only with foreign aid will Armenia be able to create the growth drivers to propel its economy forward

3

Appendix 1: Survey Questionnaire [4/4]

In these last questions we would like to learn more about you. 0

11. Which of the following best describes your employment status? 2

Full time employed

Part time employed

Self-employed

Owner of business

Other (please specify)

Student

Retired

Homemaker

12. Job title 4

13. Name of the company where you work 4

14. Please select one of the options that best describes your area of expertise. 0

Agriculture and Agrobusiness

Arts and Humanities

Civil Society

Commerce and Retail

Construction, Architecture and Engineering

Culture and Heritage Preservation

Education

Finance, Banking

Healthcare

High Tech and Telecommunications

Industry (Production and Manufacturing)

Public Administration

Science

Tourism and Hospitality

Other, please specify