



Rural Non-Farm Economy Project
ETFG, Central Avenue, Chatham Maritime, Kent ME4 4TB, United Kingdom
Tel: +44 (0)1634 880088; Fax: +44 (0)1634 883706 Email: b.j.oakenfull@greenwich.ac.uk
WWW: <http://www.nri.org/work/rnfl-transition.htm>

Development of non-farm activities in the Armenian village

Hranusch Kharatyan

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*Hranusch Kharatyan*¹

INTRODUCTION

The present study aims to identify different kinds of rural non-farm activity, types of economic initiatives and ideas, factors underlying the adoption or non-adoption of these varied activities as well as income and labor inputs for these activities. At the level of the rural household, we sought to identify the key obstacles, positive factors, and possible avenues of future non-farm activity development in Armenian villages through meetings and discussions with the rural population of Armenia.

EXECUTIVE SUMMARY

Political and social-economic changes during the last decade have dramatically changed both social structure of the population of Armenia (huge emigration, refugee influx, economic collapse) and traditional directions of economy.

In case of the village the most important, principal change was the privatization of land, livestock and rural machinery, which resulted formation of rural ownership.

The privatization process took place parallel to blockade imposed to Armenia by Azerbaijan and Turkey, Georgia-Abkhazian conflict, which reduced frequency of contacts with Russia, money inflation. So, a newly formed stratum of land owners immediately lost contacts with outside markets and possibility of financial infestations. Land cultivation became too difficult. First, the lands are divided, in pieces. One family can have a land in different parts of the village, sometimes up to the 20 or even 40 (as in Lchen village of Syunik⁹) km far from house. A small piece of land is owned as a homestead, another piece is considered to be a irrigated land with good quality, third piece- is without irrigation, fourth piece is either too far or salted, etc, etc.¹⁰ This fact makes difficult and sometimes impossible the land cultivation, especially when there is a lack of machinery and petrol is expensive.

Serious difficulties occurred also for cattle-breeding. Pastures are far from the village sometimes by approximately 10-12 km and often the livestock is back from pasture tired and with little milk. Summer alpine pastures are currently unavailable for many people. Previously livestock was taken to those pastures for three-four months by *Sovkhozes' menas* and livestock left in the village had to be satisfied with dry grass. Mainly farmers owning a lot of livestock intensively use pastures. The formation of

¹ Dr Kharatyan is affiliated to the Armenian Center for Ethnological Studies "Hazarashen".

⁹ H. Kharatyan, materials of ethnological field-work, 1999

¹⁰ M. Gabrielyan, Contemporary Rural Population of the Republic of Armenia, 2001: there are even cases when a family got 3, 7 sometimes up to 9 land pieces

Agricultural product market is very hard. In fact, organizations or industries storing agricultural product have faced noticeable problems during the past decade. Storing factories were closed; wine and cognac production was significantly decreased. It led to meaninglessness of grape and some other fruit/vegetable production. These lands were partly dried due to the lack of irrigation and fruit trees were partly cut by villagers making the land for wheat. Till nowadays the concept of “Agricultural product market” is understood as selling the product to someone from city. Taking into consideration general crises of the country, huge unemployment and inability to pay of urban population it is clear that the selling cost of agricultural product is not that different from its row cost (it is sold very cheap especially by mediate-vendors). This makes almost meaningless the work/efforts and inputs of a villager. Difficulties of agricultural work and sale of products, as well as absence of investments pushed many villagers to limit their activities up to the level of primary everyday needs.

Emigration started and continuing during the economic crises takes significant part of workable human resources. Villages are also affected. Lack of male labor is especially noticed: due to the absence of men majority of women limits the land cultivation to the cultivation of homestead land. Being unable to use pastures situated far from the village women do not continue cattle-breeding anymore, or decrease number of livestock to 1-2 animals.

Refugee-populated villages can hardly survive because of many reasons. Most refugees lived in cities and they were not used to agricultural work. Economic infrastructure of refugee-populated villages is very often owned by people from the neighboring local-populated village. The highest emigration rate is recorded in refugee-populated villages.

Even in the condition of such ineffectiveness the main and very often the only survival mean for a household in an Armenian village is the agriculture. Hardly formed group of “village businessmen” mainly consists of the representatives of previous and recent nomenclature. During the past decade the industrial facilities (buildings, production technologies, spaces, animal-farms etc.) of the villages were centralized/privatized by previous and present nomenclature who actually continued to lead the economic development directions of the villages. As a result rural population who didn't have network of social relations was not used to the “entrepreneurial culture.”

In Armenia shifted to the market economy step-by-step the legislation of new economic relations is formed. Projects are implemented by international organizations, banks of mutual-assistance are opened etc, but in fact the majority of rural population is either unaware of new legal or actual opportunities or has distrust towards them, as far as in the villages mainly representatives of “nomenklatura” get credits or participate in the projects. The later are more risk-takers, experienced and informed. Thus, the psychology that new opportunities are for people with power/influence is deepened.

Majority of people in three studied villages perceives the term “business” as “trade,” and “trade” is first of all understood as a shop. Many tried to open shops, but few survived in the hard competition in the villages unable to pay. The shop and “trade”

problem in general becomes sharply difficult in a money absence situation: shops/stores avoid barter and villagers who don't have in cash money lend goods.

In the studied villages after sales the next type of activity are "services" (restaurant, bar, car services, etc), some productions (mill, bakery, furniture production, cheese workshop etc), and some manifestations of crafts and applied art. In all cases those activities were based on local resources and their realization was planned only for the village itself and, in the best case in the level of neighboring settlements.

None of the villages studied had a household where income was mainly based in non-farm activities. In most cases non-farm income was an additional source to the agricultural income, bringing to a household some cash money. Only in few cases it comprised 60-70 percents of household income. In most cases it non-farm income was 10-40 percent of general household income.

Generally the village problem in Armenia is closely connected to the city problem and country blockade in many things. Villager's product does not have a serious consumer in the city as there is mass poverty in the city and people are unable to pay and then due to the high emigration rate in the country in general. Second, the blockade imposed by Azerbaijan and Turkey and road and transportation difficulties with Russia sharply reduce framework of economic projects, practically limiting it up to the capacity of local market. Third big problem is absence of large finances. In case of big funding it could be possible to expand the network of elaborative enterprises so that the products could go out to "large market" by air transportation, which would encourage fantasy of local businessmen.

SAMPLING

Three villages were selected: one in each of three sampled marzes¹ of Armenia: Hayanist village in Ararat marz, Shamiram village in Aragatsotn marz, Verishen village in Syunik marz. Ararat is one of the most densely rural populated marzes of Armenia. The area of the marz is 2096 square km (7% of the territory of RA). 88703 hectares is agricultural land from which 29961tr ha or 33,7% is land for cultivation. 8.2% of the general population of RA lives in this marz, and generally the rural population is two times more than the urban one. In 2000 the size of the marz's production was 5,6% in the total GDP, while in agricultural sphere it reached 12,7%, 1,6% in retail sales, and 2,8% in services.

The area of Aragatsotn marz consist of 9,3% of the total territory of the Republic, which is 2753 square km. The population of the marz comprise 4,4% of the population of RA. Rural population exceeds the urban one three times. Agricultural land of the marz is 138716 ha, from which 56230 ha is cultivation soil (about 40,5%). In the year of 2000 marz had only 1,3% of input to the GDP of the Republic. In agriculture it was 6.1%, 1,0% in retail turnover, and 1,1 % in services.

Syunik marz is the southern part of the Republic. The territory of the marz is 4506 square km (15,1% of the territory of RA). 4,3% of general population of Armenia lives in this region, and urban population is 3,5 times more of rural inhabitants. Marz

¹ Administrative divisions of Armenia

has 192183 ha of agricultural land, 48356 ha of which (only 25,1%) is for cultivation. Marz had 7,3% in the National GDP for 2000. In agriculture it was 12,4%, 1,2 in retail turnover and 1,7 in services.

Why have the above marzes and villages been selected?

Ararat is the closest marz to Yerevan. There are at minimum three factors to chose it:

1. Marz is close to the capital city, there are better village roads in this marz, the villages of the marz are in comparatively better conditions than the others, some branches of Yerevan-based industries were acting here in the past, the population of the marz is active enough;
2. The marz was already chosen for the quantitative part of the survey and it would be interesting to understand whether there is any important peculiarity found as a result of two different methods applied for the survey;
3. Rural population of the marz is comparatively wealthier than the rest of the rural population of the Republic; it is assumed that their opportunities and motivations of involvement in non-farm activities is higher;
4. Marz is in a lower altitude from the sea level

The reasons for selection of Haianist village of Ararat marz:

1. Haianist is situated on the crossroads; it is close to former regional center Masis and Ejmiatsin as well as not far from Yerevan. So, geographical position of the village is very suitable for non-farm activities;
2. Refugees from Azerbaijan, formerly urban Armenians, mainly populate the village. This fact itself assumes willingness to be involved in non-farm activity. Generally there are 18 refugee-populated villages in Masis sub-region of Ararat marz;
3. The emigration activity of the village is higher compared with neighboring local-populated villages;
4. The study of the villages is an attempt to understand the level of involvement in non-farm activities among the refugee and local population, their comparative types and opportunities

In order to understand better the peculiarities of the refugee-populated Haianist village, some research has been done in the village Hovtashat, situated in 1 km distance from Haianist and populated mainly by locals (the number of refugee families in this village is about 130).

Shamiram Village of Aragatsotn Marz

The village is mainly Yezidee² populated. This fact was the main reason for selection of the village in order to compare the level of involvement, types and opportunities of non-farm activities among Armenian and non-Armenian (Yezidee- in this case) population of the Republic. The peasants of this village in their majority are involved in pasturing. The village is situated in the distance of 60km from Yerevan, 40 km from recent center of marz- Ashtarak and 15 km far from Talin- former regional center. It is close to main road.

² One of the ethnic minorities of Armenia with Kurdish origin

Yezedees have very stratified social life. They are divided into three main strata: *Pir*, *Sheikh and Miridi*. Respondents were chosen from all strata.

Verishen village of Syunik Marz. Selection Reason

1. The region and Verishen village are also included into the non-farm activities' quantitative research process.
2. The population of the marz with the urban origin is three times the rural population, which provides better opportunities for non-farm activities.
3. Although the population of the marz comprise only 4,3% of general population of the republic and urban population is three and a half times the rural, in the year of 2000 this marz as it is already mentioned above, has produced 12,4% of total agricultural product of the republic. In the industrial GDP it has 7,3%.
4. Verishen is close to Goris (1 km. distance). Some part of the village population used to work in the service field and in different industrial-manufacturing enterprises of Goris.
5. The village is land-hungry which leads towards more active non-farm and agricultural activities.

Research Methodology and Respondents

The field research was conducted by three ethnologists (H. Kharatyan, H. Pikichyan, G. Shagoyan) by means of the pre-prepared questionnaires, in-depth, family, and group interviews, focus groups study, as well as discussions and observations method.

The interviews were conducted:

1. With people (employers and employees) working in the non-farm occupations (commerce, teaching, public health, driving, etc.), entrepreneurs (mill, cheese-dairy, furniture making, etc.), craftsmen (smith, stone-layer, constructor), applied arts (sculpture, wood carving, etc.), service delivery (restaurant, gasoline station, waiter, hair-dresser), post-office, electricity distribution station, pharmacy and medial cabinets staff.
2. In the families of non-farm workers.
3. With the village municipal government staff and administration heads.
4. With farmers to reveal their level of interests and opportunities.
5. In the migrants' families whose subsistence depends on the income received from the migrant's employment in the new country of residence (mainly Russia).

There were 39 active interviews conducted, including 13 interviews in Hayanist, 3 interviews in the neighboring Hovtashat, 8 interviews in Shamiram, 15 interviews in Verishen. There were three focus groups, one in each of the villages.

The respondents represent the following general picture.

The main structure of respondents in Hayanist:

1. Administration head that was born in the nearest Hovtashat village and currently lives there.
2. Deputy administration head – a refugee from Azerbaijan – and private proprietor at the same time, runs a shop.
3. Teacher, who is a refugee. Her education is Food College. Her husband is in Russia. The cow and dairy products and the yield garnered from the homestead garden are the only source of the family's income. The agricultural products are enough to satisfy the needs of the family. The salary of a teacher is 7000 drams.
4. School principal, whose major source of living is the forage sale received from 2000 m of homestead garden. His salary is 8000 USD.
5. Businessman with high technical education. Graduate of the Politechnical Institute Cybernetics Department, was born in Hovtashat. He is building the sport and repairs, and other services complex in the village.
6. Driver #1, a refugee whose son is in Russia. He lives with his wife and his mother. Driving is the major source of income in their family; some share is contributed by the homestead garden.
7. Driver #2, a refugee, whose two daughters are in Russia. Another daughter is the Deputy Head of Hayanist. Cattle-breeding and commercial activity (they run a shop) comprise the main income of the family.
8. Salesperson in the Pharmacy – a refugee with higher education. Her husband is in Russia, and she lives with her in-laws and three children.
9. A tailor with relevant professional education – a refugee. Major source of income is knitting.
10. Director of the Mill who lives in Yerevan.
11. Members of the second driver's family
12. Relatives of the second driver
13. Members of the teacher's family

In order to understand the characteristics of Hayanist village, the structure of the respondents in Hovtashat village is the following:

14. Family engaged in cement and forage trade (three brothers)
15. A craftsmen's family engaged in wood carving and simple furniture making
16. Director of the furniture making plant

The respondents of Shamiram village:

1. Deputy Administration Head, a man 50 years old, the family belongs to the caste of Sheikhs.
2. Administrative assistant of the local government, 40 years old woman who lives in the neighboring village.
3. Cleaner. 40-year old woman, divorced, lives with her brother's family; she has three children. From the caste of Sheikhs.
4. 52 year old man, a Sheikh. Retired teacher, he has 6 daughters and 2 sons. All his children are married and live in Russia: sons in Novosibirsk, daughters in different cities of Russia. None of his children has higher education. At this moment, this man has a small stall and engaged in small-scale commerce.
5. Male, 60 years old, utility specialist. He belongs to the Mirids' caste, has 14 children, all children live in Russia.

6. Male, 55 years old, belongs to Mirids. Two of his sons are in Russia. He is the brother of the first man.
7. Female, about 50 years old. Schoolteacher who lives with her husband and children in her husband's parents' house. Belongs to the Sheih's caste.
8. Male, 36 years old, lives with his wife and three children. His main occupation is farming and agriculture.

The interviews in Verishen village of Syunik marz were held with the following respondents:

1. Village administration head
2. Secretary of the village administration
3. Stone carver's family (4 members). (The researchers lived in this house during the research)
4. Stone-carver, sculptor, male, 40 years old
5. Craftsman, busy with wood carving, 42 years old
6. Shop holder, 40 years old man (former village administration head). This man has higher education.
7. Shop owners, a father and a son. The father is 64 years old, with higher education.
8. Salesperson, 35 years old from Goris.
9. Cheese-dairy Director
10. 32 years old man who runs bar restaurant
11. Owner of the disco-bar
12. Physician, 45 years old
13. Barber, 19 years old
14. Farmer
15. Operator

General Information

The territory of the Republic of Armenia is 29 743 square km. The longest area from North up to the South is 360km, from East to West- 200 km. The republic is bordered with Georgia in the North, Azerbaijan in the East, with Turkey in the West and Southwest and Iran in South. The RA has economic relations by land-roads in the North with Georgia only and through Georgian roads with other countries. On the South Armenia has a road with Iran.

The Republic of Armenia is mountainous country. 39% of its rural population lives up to the 1300 meters above the sea level, 26%- 1301-1700 meters above and 35% is above the sea by 1701meters and higher (up to 2100m).

Rural settlements of the republic are mainly compact; i.e. houses in the villages are close to each other and are separated from each other mainly with small yards, gardens and small village-roads. Since 1970s large, often two-floored, with large rooms (in average 25-30 sq. m.) houses are built or rebuilt. It was also popular to have a 40-60 sq. m. room, and sometimes even larger. These kinds of houses usually have 4-5 rooms. Older houses have 2-3 rooms only. Usually shettles is either attached to the house or in the yard. As a rule it is planned for 2-3 caws and about 10 sheep, although shettles built for 7-10 caws are met as well. The land near the home usually exceeds about 1000 sq. meters, but there are some cases less than that.

The Principles of Land Ownership and Organization of Agricultural Activities

According to Law the privatization of land, gardens, livestock and agricultural machines took place in 1991. Due to the soil size of the republic, recently the useful agricultural land consists of 1391,4 thousand hectares. According to the data of National Statistical Agency of Armenia 460,1 thousand hectares of land is privatized as of January 1, 2001. From this 354,5 thousand ha is cultivating land, 67,3 – for grass growing for livestock. Each farm has got 1,4 ha of land in average, from which- 1.07 is cultivating land³. The land, livestock and machines were privatized based on several principles:

1. The population of the villages got the land, livestock and machinery that was under the authority of Sovkhoz (Soviet Farm) and still functioning Kolkhozes (Collective farm) at that time. Those lands were unequal and therefore peasants got different unequal pieces of land;
 2. The priority right on the land ownership was given to some already formed cooperative organizations. Yet those already existing Cooperatives have been quickly dismissed after the land privatization and today the land is mainly owned by households and cultivated by them. For example, there were only 319.3 thousand farms and 373 collective farms in 1997 against 148.3 thousand farms and 24.204 collective farms in 1991⁴. Families that are not able to cultivate land themselves (absence of labor or finances) prefer to give it for a rent to someone else- getting a part of crops. This kind of agreement usually is oral and thus doesn't have a legal power;
 3. The priority right concerning the machinery was given to those people who were using the machinery at the moment (tractors, combine-machine drivers etc);
 4. Land and livestock were divided based on the principle of joint ownership of all household members. So, all members of a household were the owners of both land and livestock;
1. Passport-registration process of land started only this year, in 2001. For registering the right of land ownership a household should apply to Cadastral department. After the estimation by the department only the landowner will be proved/registered and getting a passport can sell the land. This process is still in a "seed" condition.
 2. For social justice lands at the moment of privatization were estimated based on their productivity (irrigated and dry soils, lands situated far and near from the village, pastures, salted soils etc). For the same reason households were offered to participate in lottery for privatization. As a result households got lands with different productivity, different size, situated in different parts of the village, with different distance;
 3. Apart from the privatized land some pieces were kept as a reserve. Those are so-called "state fund lands." In 1997 with formation of regional administrations- Marzpetarans, the right of supervision on those lands was given to Marzpetarans.

³ Main Direction of Development of the Agricultural branch of RA in 2002, data of the Ministry of Agriculture of RA

⁴ M. Gabrielyan, Contemporary Rural Population of Armenia, Yerevan 2001, page 36

4. In some extraordinary cases some villages that didn't have land before (in Soviet times) were left without land at all. For example, Torfavan village in Vardenis region of Gegharkunik Marz. Population of the village was formerly involved in torfe mining from the mines situated near the village. Today, when the torf mining is actually stopped, status of the population is unknown: are they workers? Or peasants? The same is the case of Azatamut settlement in Ijevan region. As a settlement Azatamut was formed around a Bentonit factory. Since the shut down of the factory population is unemployed and without land. A part of them legally or illegally cultivates the land of neighboring Ditavan village, the rest is over-using environment (for example- illegal cutting of the forest).
5. Taxes are collected not based on income, but size of the land owned. The taxes for the pastures are collected based on the actual number of livestock pastured. In general tax-collection is done by 40%.

The earthquake of 1988, refugee influx from Azerbaijan started in the same year, the armed conflict with Azerbaijan and resulted collapse of border-line infrastructure and internally displacement of some villagers (IDPs)⁵ from the border-line area, continues blockade imposed to Armenia by Turkey and Azerbaijan, energy crisis, economic reforms started after the independence of Armenia, that resulted the privatization of land, livestock and part of the agricultural machinery caused sharp social-economic changes in Armenian village.

During the next ten years traditional economic directions of Armenia were collapsed. A noticeable part of the population that was not psychologically prepared for on-going system changes and was out of new economic processes had emigrated from the country. Structure, sex-age composition, somehow even cultural portrait of the republic's population in general, and rural population in particular was significantly changed. New economic system gave a new content and meaning to such terms as "employee," "unemployed," "employment." Very soon a narrow group of people owning the economic mechanisms was formed against quantitative majority of the population away from that mechanisms.⁶ Difference between the income of 20% of the population with highest income and those 20% with the lowest is 32,2 times more, which obviously proves sharp polarization of the society⁷. Even counting based on decreased data (\$13 per capita) more than a half of the population of Armenia is below the poverty line. The following table represents the actual picture of rural poverty:⁸

	<i>up to 1300 meters above the sea level</i>	<i>1300-1700 meters</i>	<i>1701 and higher</i>	<i>Total</i>
Poor	42.35	54.93	57.99	50.76
Of which- Poorest	16.37	24.86	28.28	22.56

⁵ Project of Priority Problems of Border-line and Highly-mountainous settlements, Yerevan, 1999

⁶ Tadevosyan A., Picture of the Social Stratification and Poverty Formation in Armenia in 1991-1997, Yerevan, 1998, Kharatyan H. Poverty and Democracy in Armenia, Yerevan- 2000, Stories about Poverty (Editor- H. Kharatyan), Yerevan 2001

⁷ Social Picture of the Republic of Armenia and Poverty, National Statistical Service of RA, Yerevan, 2001, page 13

⁸ Ibid, page 46

Thus it is obvious that the quantitative majority of the rural population of Armenia is poor, which naturally decreased level of their economic activeness.

Employment in the Armenian Village

In Armenia land and main livestock (except some of still existing collective farms) was considered as a state ownership till 1991. So, except homestead land and some 1-2 livestock people involved in agricultural work were state employees and were getting a salary in cash. In 1991 the agro reform took place in Armenia, as a result of which land and livestock was privatized to villagers. Theoretically is believed that whole rural population of the Republic of Armenia is owner and “employed.” In fact all rural population available at the moment of privatization participated in the land and livestock privatization except some previously urban refugee that didn’t consider they could be able to handle the agricultural work and voluntarily rejected the land ownership. Even though some part of the villagers are actual unemployed. Refugee immigrated in 1992 didn’t get land ownership as well. They were “late” from the land privatization. IDPs (Internally Displaced People) whose land is in the territories controlled by Azerbaijanees also don’t have the land ownership. Even a noticeable part of landowners due to different reasons cultivates lands either partially or doesn’t cultivate it at all. Thus, there is a significant number of actual unemployed in the villages. The most important reasons for this reality are:

- 1) Privatization took place right before money inflation and villagers that had bank savings lost those savings and consequently lost the opportunity to make money investments in just privatized land.
- 2) No credits were offered to newly formed landowners.
- 3) Some villages as the studied Verishen had a scarce land which could hardly produce food needed for family subsistence. The issue is especially hard in mountainous and pre-mountainous villages, where mainly wheat and potatoes grow. First of all there is a lack of wheat in the villages with land scarcity and it doesn’t become a market product: villagers have to buy bread and they don’t have product to sell for buying bread and there is a money shortage.
- 4) The pumping irrigation system was totally distorted during the energy crisis. In many places pipelines were stolen. This fact had a hard effect on agriculture (gardens were dried, some cultivating and even homestead lands were left without water). From 284 thousand hectares of irrigating soil of the republic 56 thousand is not irrigated and 13 thousand is already considered to be out of irrigating soils. In some cases even when the irrigation system functions, a noticeable part of farms does not use irrigation water due to the lack of money.
- 5) Hidden and legal mass woodcutting started in Armenia significantly decreased size of the forests. This fact leads to lack of water sources sometimes even in July¹¹.
- 6) The amount of agricultural machinery is not enough. The existing machinery is too old.
- 7) Diesel for machines, seeds, land cultivating organic and inorganic materials etc is expensive for villagers. From those azoth is used: 30-35 000 tones for a year, calcium and phosphorous are not used at all.¹²

¹¹ H. Kharatyan, Usage of Natural resources in Armenia, Report on the survey conducted for the World Bank, 2000

- 8) Toxic chemicals often have expired date of usage and significant part of villagers doesn't have financial means for getting them.
- 9) Due to the continues emigration size of the labor force is decreased. The number of elderly couples and lonely elders is quite high in the villages. There are also many families left without men because of high seasonal migration rate and the land situated especially far from the house is cultivated mainly by men. Traditionally mainly elderly and women were dealing with cultivation of the homestead land in Armenia as theoretically it was considered to be somehow "secondary" (although sometimes it had a significant input in the household budget). Today this tradition remains in many places although sometimes the only income source of a household is homestead land, part of which products is either sold or bartered. The cultivation of previously collective and now private land as well as grass-cutting and bringing crops home is mainly men's responsibility. Families whose men are absent both temporarily or permanently more often don't cultivate these lands and as a rule are more affected by poverty. In traditional Armenian culture outside/far works are those of men and inside/close works considered to be women responsibility, especially when outside works have an organizational necessity. Usually men have been involved in organizational activities and in the villages they still continue to be involved (husband, son).
- 10) Absence of economic connections with neighboring countries (Turkey and Azerbaijan), poverty in Georgia and limited road opportunities are limiting export opportunities. In addition agricultural products imported to Armenia (wheat flower, eggs, milk powder, meat etc) sometimes push out the local product from the internal market.
- 11) During the privatization information was spread that immediately after cattle privatization heavy taxes should be made on livestock both money and in kind. A part of the villagers being afraid of those whispers either rejected the cattle or took only one cow. The fact that households didn't have shettles available for keeping the livestock also affected this phenomenon. In some villages livestock of Sovkhozoes and Kolkhozoes was mainly privatized by mayors, heads of Sovkhozoes or by already formed cooperative organizations. Many of those later killed animals and sold the meat. In today's Armenia only few household are involved in large pasturing (more than 30 cows etc), the number of 2-3 cows' owners prevails, but yet there are a lot of families without any livestock.
- 12) Pastures are far from the village sometimes by approximately 10-12 km and often the livestock is back from pasture tired and with little milk. Summer alpine pastures are currently unavailable for many people. Previously livestock was taken to those pastures for three-four months by *Sovkhozoes' menas* and livestock left in the village had to be satisfied with dry grass. Mainly farmers owning a lot of livestock intensively use pastures.
- 13) Due to those and some other problems (social policy of the Government, not funding of agriculture etc) a part of privatized fruit-gardens is death and part of the cultivating land staying uncultivated step by step became a pasture. There is a

¹² Main Direction of Development of the Agricultural branch of RA in 2002, data of the Ministry of Agriculture of RA

general degradation process of cultivated land¹³. Parallel to this there is a process of refusing some part personal land ownership mainly for getting out of land taxes and in some cases for becoming a social beneficiary by becoming free from an ownership.

- 14) The formation of Agricultural product market is very hard. In fact, organizations or industries storing agricultural product have faced noticeable problems during the past decade. Storing factories were closed; wine and cognac production was significantly decreased. It led to meaninglessness of grape and some other fruit/vegetable production. These lands were partly dried due to the lack of irrigation and fruit trees were partly cut by villagers making the land for wheat. Till nowadays the concept of “Agricultural product market” is understood as selling the product to someone from city. Taking into consideration general crises of the country, huge unemployment and inability to pay of urban population it is clear that the selling cost of agricultural product is not that different from its row cost (it is sold very cheap especially by mediate-vendors). This makes almost meaningless the work/efforts and inputs of a villager.
- 15) Difficulties of agricultural work and sale of products, as well as absence of investments pushed many villagers to limit their activities up to the level of primary everyday needs. The expression “Not the land was given to villager but the villager was given to the land” was formed at this period of time which symbolizes suffer and not productive work of rural population.

Thus, significant part of villagers is a land owner, but actually unemployed as far as sometimes is obviously impossible and sometimes meaningless to do serious investments in agriculture. The phenomenon has another complicated consequence too: the majority of rural population does not pay taxes for owned but not cultivated land. It should be also mentioned that this fact is also caused by absence of cash money among the villagers: cash money comes to the villagers either as a “family benefit/pension” or as a bonus from an emigrated relative. As a rule this sum is quickly spent on electricity bills and on debts from village food-shops (borrowed cigarettes and food, especially bread). This phenomenon is observed less in Ararat marz, where agricultural products are consumed especially in Yerevan and particularly by some companies (such as Cognac factory, Tomato factory etc). Yet, the majority of rural population of Armenia doesn't have this opportunity. Some attempts to collect in-kind taxes had been done, but due to sale difficulties tax-collectors and village mayors didn't continue this exercise. Many local authorities (Giughapetaran, Marzpetaran) are ready to collect taxes as wheat, but the wheat crop in many cases is not enough for villagers themselves. Practice of in-kind collection of land taxes is partially continued in Verishen village where military camp is situated and village mayor sells potato and some part of beans collected to the soldiers. It seems that the non-productivity of agricultural work should lead to the development of non-farm activities.

¹³ Materials of the Conference on Soils in Central European Countries, New Independent States, Central Asian Countries and in Mongolia, Prague-Czech Republic, 26-29 August 2000 /Armenia, pg 8-15/.

NON-FARM ACTIVITIES IN ARMENIAN VILLAGE

Although the non-farm activities have the oldest tradition in Armenian village, except some artisan work (wood-master, smith, stone-master, carpet-maker, constructors etc) these kinds of activities became comparatively independent mainly in the Soviet period, especially in 1970s, when branches of city industries were launched there. They had different directions- textile, shoe making, car-service, conservation, cement, carpet-making etc. In some villages sometimes up to 200 people were working in those places in addition with the number of schools and kindergarten employees and teachers, employees in primary health care and cultural institutions (dance teachers, painting teachers etc) in other words- village intelligentsia. There was some quantity of service workers as well, i.e. vendors, people working in services as cafeteria, restaurants etc, hairdressers, dressmakers. ***It should be mentioned that the above-mentioned employment places were organized by Government only.*** Some specialists with older tradition of construction and artisan experience were mainly working in emigration at that time, especially doing seasonal work in Russia. ***In case of working in Armenia they worked partly legal: those kinds of private activity were not registered and no income tax was collected.*** A separate group is administrative employees. During the Soviet times apart from those kinds of activities some members of almost all rural families were dealing with agricultural works, many of them were keeping one- two cows, and almost everybody had homestead land. Products got from homestead were mainly consumed by the family itself except Ararat valley where it was sold in city markets. ***The income generated from selling of products from homestead land was not taxed. It is very important point as far as for contemporary villager is hard to be reconciled with the idea of paying taxes.*** But even though salary was considered being the main income source of people engaged in above-mentioned activities. Those people and very often their family members did not participate in the agricultural activities of Collective Farms and Soviet Farms.

The situation was dramatically changed after the independence of Armenia, when land reform was accepted and most of the land resources were privatized. Today's Armenian village differs from the village of 10 years ago very much. It differs first of all qualitatively: today all or almost all villagers are landowners. In this sense some dramatic changes took place in Armenian village. We will list some of them:

1. Most of the industries of Armenia were shut down due to the social-economic crisis started in 1992. Consequently their branches were closed as well. In the situation of mass unemployment in Armenia land cultivation and pasturing became main income source for the rural population. Even in the cases when employment places have been kept (i.e teachers, primary-health care sector workers) their salaries are so low (average monthly salary is about 20 USD) that it can not be a significant income mean for the family. Today only elderly, physically disabled and few businessmen are not involved or are involved very little in farm activities. Even some individual members of businessmen's families, whose main source of income is entrepreneurial, are still somehow involved in non-farm activities. Thus the "workers' and public servants' strata" was noticeably decreased in the village, but there isn't a still clearly formed businessmen stratum.

2. The villager suddenly faced the fact that he should organize his own farm himself. He should find the market's consumption products himself, to organize the products' consumption as well as the land treatment etc. Most of the villagers were not familiar with those types of activities. Especially taking into consideration the blockade of Armenia imposed by Turkey and Azerbaijan and actual absence of connection with external consumption markets (agricultural markets of Iran and Georgia are self-satisfying). The feeling of being lost of the first years became inertia and opinion is formed among the villagers that they would not be able to organize consumption of their products. The mediating institutions for consumption organization are not well established yet.
3. One of the qualitative changes of Armenian village was the settlement of refugee in previously Azerbaijanee populated villages, especially in Gegharkunik, Vayots Dzor and Ararat marzes. The refugee settlement in the villages led to the situation, that the majority of formerly urban refugee with no experience in agriculture could not be involved in the still weak but newly forming market. Their majority did not become villagers. Most of them did not become a "rural." As our researches prove the process of their socialization is lower than the one of locals.¹⁴ In this situation mainly inhabitants of neighboring local villages started to demonstrate activeness in most of the refugee-villages. They were familiar with economic and social infrastructure. Step-by-step filling the possible fields of economic entrepreneurship they actually "pushed out" refugees from that sphere as we would see on the case of Hainaist village of Ararat marz.
4. The *permanent or temporary* emigration caused by political, military and social-economic factor involved a significant size of rural population. As we will see, discussing the material of three studied villages, young and educated people with comparatively active adaptation mechanisms have left the Armenian villages. Noticeable part of the villages became "older," lost a significant part of its human resources. Migration affect the issue under the discussion at least in two ways:
 - Number of people able to demonstrate business activeness is decreased;
 - People working in other countries sent remittances back home to their relatives in the villages, and later, getting a "survival chance" become more passive participants in the economic life of the country. This phenomenon is observed in all three villages studied.
5. Part of the urban population of Armenia chose the agriculture as kind of self-employment after the industrial collapse. Thus, in urban settlements of Armenia about 10% of self-employed is engaged with "agriculture, forestry, hunting and fish hunting",¹⁵. Taking into consideration comparatively low involvement of individuals in the above-mentioned three directions, it is clear that those people are dealing with mainly agricultural activities.

¹⁴ Poverty of Vulnerable Groups in Armenia, Yerevan 1999

¹⁵ Social Picture of the Republic of Armenia and Poverty, National Statistical Service of RA, Yerevan, 2001, page 40

6. During the past decade the industrial facilities (buildings, production technologies, spaces, animal-farms etc.) of the villages were centralized/privatized by previous and present “nomenklatura” (officers) who actually continued to lead the economic development directions of the villages. As a result rural population who didn’t have network of social relations was not used to the “entrepreneurial culture.”
7. In Armenia shifted to the market economy step-by-step the legislation of new economic relations is formed. Projects are implemented by international organizations, banks of mutual-assistance are opened etc, but in fact the majority of rural population is either unaware of new legal or actual opportunities or has distrust towards them, as far as in the villages mainly representatives of “nomenklatura” get credits or participate in the projects. The later are more risk-takers, experienced and informed. Thus, the psychology that new opportunities are for people with power/influence is deepened.
8. Majority of people in three studied villages perceives the term “business” as “trade,” and “trade” is first of all understood as a shop. Many tried to open shops, but few survived in the hard competition in the villages unable to pay. The shop and “trade” problem in general becomes sharply difficult in a money absence situation: shops/stores avoid barter and villagers who don’t have in cash money lend goods. Most of the shops keep 3-4 years old long lists of people who have lend goods. Most frequently debts are paid at the end of summer and beginning of autumn when there is an opportunity to sell the crop, or when family benefits/pensions are received in case when there is a pensioner in the household. As shop owners testify a significant part of their financial means is always in a passive condition. Due to the strong kinship relations and the fact of living in a small community, condition of tradesmen in the villages is worsening as relatives tend not to pay debts or don’t pay them for years. This way seven people bankrupt in Verishen village since 1993. Their investments in shops were \$2000-4000: until now they didn’t get back part of debts. In the same way artisans and owners of food-producing places supply their relatives with food and so on either free of charge or with a very low price.

TYPES OF NON-FARM ACTIVITIES IN THE VILLAGE

Generally non-farm activities in Armenian village and particularly in three studied villages can be categorized into the following groups (they are categorized according to the level of “prestige” that they have in perception of the society):

- Industrial enterprise (bread bakery, mill, furniture-making factory/there is one in Hovtashen village- neighboring settlement of studied Hayanist/,Cheese producing factory /in Verishen/ etc)
- Tradesmen/vendor (especially shops and small kiosks-booths) in all villages
- Services (restaurant, petrol-station, cart repairing services, hairdresser’s, shoemaker etc) in Verishen and Hayanist
- Transport services: owners of trucks are doing transportation
- Contractual work in a state institution or local government, so-called state-budget work (teachers, medical services, administration, electric station, post-office, worker, cleaner etc) in all villages

- Artisan or apply-arts works (constructors, dress-maker, carpet-maker, wood and stone carving, video operator (for weddings and parties...)etc) in Hayanist, Verishen
- Contractual work in for a private employer (vendor in a shop, waiter/waitress, driver, baker, worker etc) in Verishen and Hayanist
- Occasional, daily workers: to dig a pit, to move a burden etc in all villages

Industrial, service and trade entrepreneurship are considered to be more profitable and prestigious. State-budget and contractual works are considered as the most honorable. In all three studied villages individual businessmen are mainly men while administrative and state-budget employees and partially those who work on a contract-basis for an individual employer are women. Mainly men are involved in the spheres of hand-making/artisan work, applied arts and occasional job as a worker. It is evident that women have a middle place in farm and non-farm social strata, which in general is typical for the classical model of Armenian social stratification: women are rarely met in the highest and lowest levels of the society (not taking into consideration marginalized). Among the newly forming class of Armenian owners women have a very small, practically unseen part: even land although it is a household ownership, usually is registered on the name of a male head of the household (if there is a man).

Now we will consider the discussed issues on the example of the three villages that have been studied during the research.

General Description of Hayanist Village:

Hayanist village is situated at a crossroads of major highways in the valley of Ararat. The roads are in good shape in the village. Traditionally, the population cultivates vegetables (tomato, pepper, egg-plants, cucumber). However, the essential part of the soil in the village is salinated and is not suitable for farming.

In Soviet times, the village had been populated by Azerbaijanians, who exchanged their houses with Armenian refugees leaving Azerbaijani cities during Karabakh movement. In 1997-1998, the population was 3250 people from 930 households. All people were refugees, except for a family that has been traditionally living in the village. The refugees fled from Azerbaijan - Baku, Mingechar, Shamkhor, Min Bashir and other regions. Approximately 80 % of them were from urban areas. At that period, peasants made up about 20-30 % of the village population. In 1992-1993, the migration of the population from the village increased drastically due to deteriorating socio-economic crisis in Armenia. People were migrating particularly to the southern regions of Russia. First emigrants were young people with relatively good entrepreneurial skills and good ability to adapt to changing environment. After getting a job, they used to take their families with them. Thus, in addition to other reasons, business potential of the village diminished mechanically due to the high migration rate. At the same time, there was a manifested influx of the urban population to the village. These were bankrupt civilians from Yerevan, who had sold their apartments to settle in Hayanist through 1994 to 1997, with the hope to subsist themselves from one's own homestead garden. The number of such households is around 40.

As a result of migration, there remained 1900 people - about 450 families - in the village. Old and middle age adults comprised majority in these 450 families that stayed in the village.

Among major causes of migration from the village, in addition to the general problems endemic to Armenia, were: past urban origin of the majority of the population followed by people's failure to adapt to the agricultural work and the salination of the soil. Before 1992-1993, majority of the refugee population in Hayanist village used to work in the manufactures and service delivery field, and construction works. When these enterprises collapsed or were shut down, these people lost their "urban occupations," still not having learned how to organize farming. Moreover, majority of refugees in Hayanist village refused to participate in the privatization of the land and the livestock which took place in 1991. Others, having received the privatized land, later waived from it in order not to pay land tax. From the focus group. "Most of us did not participate in the privatization in 1991. At that time we all worked in Yerevan-Masis and did not want to cultivate land. We voluntarily waived from the privatized land and live-stock." /Only 1 out of 16 villagers participating in the focus group received the land during the privatization process. /

The old people mainly cultivate the land; those who had lived in villages and had been familiar with agricultural work before having moved to the urban centers in Azerbaijan. Such is the case of the only farmer in the village who was able to succeed due to several reasons: He could take a credit, he used a truck-machine and had a very active daughter with higher education in the field of agriculture (at the moment she is a vice-mayor of the village). Exemption from the interview: Farmer - livestock breeder. Refugee, father of Satenik, 65-year old man. The family lives in the end of the village in a private house with good accommodations. The house was built on the loan. There are 5 rooms. The roads are terrible at that end of the village, and rain turns them into a messy thing. Their family arrived to the village in 1988. "When had just came, we had nothing. Those who fled from Getashen (Azerbaijani village) failed to exchange houses, and hence we were homeless. We got a credit to build a house. Then, the currency devaluated, and the credit cost us very cheap. I worked as a driver and could earn something driving the car to transport cargos. My wife was busy cultivating the land, and I was breeding cattle. My daughter was organizing her own commercial business. In Armenia, it is very difficult to raise the livestock, but still we could survive producing dairy. However, the imported milk powder significantly decreased the market for the dairy products and led to sales reduction. One litre of milk costs 80 drams, which is not the cost of its production. Besides, our family has rural origin; therefore we are more prone to farming. All other refugees living in this village were from urban areas and have no skills in agriculture."

While these former peasants again found themselves settling in the rural area, other urban refugees failed to adjust to the agricultural activity. Noticeable part of the houses has been sold or is currently put for sale. Over past five years the market price of the real estate decreased substantially. The apartments that could have been sold for 5000 dollars five - six years ago today are difficult to sell even for 3000 dollars.

The remaining part of the population, which stayed in the village, is currently *mainly* busy cultivating their homestead gardens. All people generally work on it. About 80 % of the villagers are engaged in cattle breeding. Usually, each household has one-two neat cattle, mainly cows. Several households have five-six cows; one household (*the above-mentioned farmer*) breeds bull-calves for meat, the number of which, in the villagers' words, exceeds fifty. In the opinion of the farmer who owns the bull-

calves, “good cattle-breeder will not tell the number of his cattle.” Working on the privatized and state land, peasants mainly plant forage, while the homestead garden is used for vegetable cultivation - tomato, eggplants, pepper, and cucumber. There has been no special discussion on what kind of vegetables to grow: traditional species of the area continue to be cultivated. Fruit trees are few. The primary source of income for the households is considered to be cattle breeding (production of the dairy for sale) and the revenue received from the vegetable sale. Few people sell their products in the market. Usually, the harvest is taken at night to Yerevan to be sold off to the middlemen traders early in the morning. The conventional opinion is that “ the middle-men buy the crop in such low prices, that they virtually rob the peasants.” As a rule, the villagers dispose their garden yield to the intermediate traders at approximately 50 % of the accepted market price. The dairy products are usually sold “in retail.” Once or twice a week women used to go to Masis, Echmiadzin and Yerevan burdened with staffed heavy backs with different products. They sell cheese, milk and yoghurt in glass jars going from home to home and knocking doors.

Majority of Hayanist population is not familiar with “the language of the land.” As compared to the neighbouring Hovtashat village, the farmers in Hayanist produce less output. In addition to other factors, the low level of productivity is also accounted for by the soil salination problem. Hovtashat village is not faced with this problem. In Hayanist, land cultivation, the sale of the harvest as well as dairy and meat products are women’s prerogative. The common opinion is that such a small-scale trade is not honorable for men. On the contrary, in Hovtashat both men and women are equally engaged into the work, be so trade or cultivation of the land. As it turns out, women earn domestic income, and women are in disposition of the domestic budget in Hayanist. Notwithstanding that family budget is usually disposed by women in Hovtashat too, women in the refugee environment are traditionally considered to have more authority and powerful role.

The average social situation of the village, in the words of the administration head “is average as compared to other Armenian high mountainous villages, but generally the population lives very difficult life.”

Separate households in the village possess about 100 cars and five lorries. The latter are extensively used during harvest season taking the crop to the middlemen traders in the city. Most of the cars are used only episodically, as the gasoline is expensive. Often the car holders use their cars several times a year only.

The crossroads location of Hayanist village in Ararat marz is especially convenient for different service delivering enterprises.

There are following sited here:

- Grocery shop-stall
- The special “Sport, Repair and Services Complex” is now constructed (see the picture)
- Car repair service
- Restaurant-sauna
- Pharmacy
- Agricultural chemicals stall

All above-described sites are owned by the population of Hovtashat village that is situated 1 km. far from Hayanist. All the owners are men. The employees are mainly from Hayanist, women. The restaurant staff is from Yerevan. It must be mentioned that the head of Hayanist administration is also from Hovtashat. He has been in charge in the village since 1988 when the refugees starting settling in the village. Created “subordinate” condition of refugee population of Hayanist village since their settling there became a benefit for businessmen of neighboring Hovtashat. As the mayor of Nayanist was from Hovtashat, businessmen from Hovtashat very soon take a lead in Haynist

Anyway, the above-mentioned sites work in a very low level. As an employee of the grocery shop-stall says: “So many people have recently emigrated that there are no buyers anymore, we hardly pay taxes...” According to the woman vendor of *agricultural chemicals stall*: “The shop has been founded three years ago. The sales gradually diminish, as people’s purchasing capacity is very low. The shop holder is from the nearby Hovtashat village. Consumers are from Artashat, Masis and Ararat villages. The shop is relatively a profitable business due to its crossroads location and more or less heavy traffic. The monthly salary is 30000 drams. The major source of income of the family is first the invalidity pension of the mother-in-law, then the homestead garden, while the woman’s salary ranks last in importance. The shop is located on the highway crossroads. After leaving Azerbaijan, her husband founded the shoe-making workshop, which worked well at the outset, and then it was closed. Initially, they exported shoes even to Russia. However, cheap foreign goods “killed the business.” People are discouraged and do not plan to start new business. The family has only homestead garden where they cultivate potatoes and vegetables. For sale they have only potato - some 1000 kg. Her mother-in-law mainly works in the garden, while others are helping. They have no livestock. The family has no other relatives in the village.”

Restaurant- sauna located in the same crossroad also have a few visitors, though prices are low. Our research group paid \$18 for a lunch there. Hayanist inhabitants have not been here at all. According to them only people with income form regional centers visit the restaurant: people working in the court or legal system, tax-collectors, some businessmen, comparatively high officials of Marzpetaran (regional administration).

Although people generally are passive and poor, location of Hayanist is so advantageous that some still have hopes to develop filed of services.

Excerpt from an interview: A male with higher education (engineer technologist). His wife is teacher; the spouses have three children. They live in a convenient stone house with seven rooms. He lives in the neighboring Hovtashat village, but he builds the sport, repair and service complex in Hayanist, which is convenient for its crossroads location. Here people can come from the neighboring villages. It will have two swimming pools, a shower, cloakroom, toilet, room for rest, cafeteria, and a separate facility for repairing different appliances, cleaning cloths, internet connection. The local government does not create obstacles, but it is difficult to cope with the changing legal environment. Since laws are constantly changing, people are always faced with the necessity to prepare new documents and licenses. The business started in 1993, but there was always lack of funding. The revenue obtained from farming and other activity is invested into this construction. “Other activity” refers to the dairy

farm he founded in Vardenis together with several friends. He was born in Vardenis. They produce cheese and cooperate with “Ashtarak kat” ice cream company. He own 1 hectare of grape, which dries off due to irrigation problems. They also cultivate tomato in the homestead garden. This year they planted American seeds, which in effect yielded about 70 kg. of output per 1 sq. m. He sold 5 tons of tomato last year. All family works on the homestead garden: the husband, the wife, and the kids. Decision-making regarding seeds selection, and irrigation and sales are carried out by the spouses together. If the year were good for harvest, then the spouses would deliver the goods to the market themselves. If not, then they would prefer selling the harvest on the spot. In this case, “going to the market” means that they will go to Yerevan and sell their goods to middle-men traders. It is hard to find a place for sale in the market. The family has no live-stock. The wife also breeds hen, and have always-fresh eggs.

He thinks that the most important reason for people’s failures and misfortune in Armenia is the lack of experience and financial resources, disappointment of people and high migration rates.

Besides, there are four shops (grocery) in the village, two stalls (grocery), and several manufacturing and service enterprises, which operated under different ministries in the past. These enterprises are Soviet-time remnants, and their administration has been formed under Soviet legacy influence.

This enterprises are:

- The Masis district transportation enterprise (buses) currently works at a low capacity and has several minibuses to serve several villages of the district. At the moment the study was conducted the manager was on leave abroad. The enterprise is currently being privatized.
- Ferro-concrete constructions mechanical workshop (non-operational for several years).
- Artesian watershed rehabilitation enterprise (Currently it employs 25 people, twelve being from Hayanist village).
- Mill (already privatized) (see the picture)

The owners and managers of the above-mentioned sites are *men* from Yerevan.

- There are three gasoline stations in the village, owners are from Hovtashat.

Thus, all above-mentioned sites with non-farm direction are headed by alien people. To the question why aren’t villagers themselves actively involved there were standard answers as: “The train is gone. Those who could do something already did. Others can do nothing. Now it is clear who the masters are. Will they ever allow other people to take over? “

“The masters here are local people. Who would allow refugees more power?”

“Our youth have left, and we cannot be new-style workers... No, it would be better if there were a factory/plant where we could work for certain hours and come home. We better do this. Masters should have someone to back up them, while we have no supporters behind us.”

Some people tried to do a small commerce but as far as their activities were not legally registered they were forbidden. Refugees themselves think that their activities

were prohibited in order not to have a competition. To the question why they didn't try to legally register their activities, main answer was: "Laws are changed daily, you cannot follow them. Tax-office comes, shows a Law, and immediately gets fine and leaves. We can neither follow nor does somebody tell us about changes. Even if they would we cannot understand as Laws are in Armenian." (majority of refugees are Russian-speakers).

Anyway, some refugees also have some success in non-farm activities. The population of Hayanist village owns:

- Shop, which belongs to the village administration deputy head, a refugee woman 35 years old. Her mother works in the shop as a salesperson. The variety of goods offered in the shop - meat, milk products and vegetables - are produced by this young woman's father, the latter is the only big cattle-breeding farmer in the village. Other goods - soft and alcohol beverages, sugar, pasta, and others are delivered from Yerevan (see excerpts from interviews below).

Satenik Tokhyan, 32 years old, has graduated from the Agricultural Academy. She is the Deputy Head of the village administration and runs her own shop. She lives with her parents; her father is the largest cattle breeder in the village. "I received two loans, 300 and 400 USD respectively, under the UMCOR program which offers loans to women. We bought potato seeds and live-stock. Then I bought this shop in the auction, again using the loan. My mother, former teacher, currently works in the shop. Only we currently live in the village from my family, while my sisters are in Russia. We took a great risk taking a loan, but we worked hard. My mother would take bottles of yoghurt to Yerevan for sale. She was the first woman in the village engaged in this type of work. Now we trade in our own shop and have 6 employees. We breed bull-calves for meat. When we just started we had no cowshed at all, and now we have 4 cows and 15 bull-calves. We cultivate land. 90% of the output goes for sale, while 10 % is sufficient to cover the needs of the family. My mother and father dispose our domestic income, but they don't undertake anything without consulting me." To the question how she decided to take a credit and the others didn't risk, Satenik answered that she was always sure that in case of loose of credit her relatives in Russia would close the debt. Otherwise she would not take the credit.

- A Shop, the owner of which is from Hayanist. He is also the salesperson at the same time. Basically it is the same variety of goods offered in the shop.
- Two stalls owned by the people from Hayanist. Main goods are coffee, sugar, pasta, sweets, vodka, and hygiene items.

In general, it can be resumed that there is the same variety of goods delivered to the shops basically with the same prices. It must be noted that the shops sell the agricultural products, which are produced in the village. The reason is that many families where there are old people are unable to cultivate land. Majority of goods is bought from shops on money sent by migrant relatives working outside the country. Generally the trade in this village is considered to be more active than in the neighboring villages.

Some refugees are dealing with crafts but are not officially registered. As an example: Male, 40 years old, tailor. He possesses all the necessary equipment. He works with one of the plants in Yerevan, receives orders and hands in the ready goods.

Farming: they breed no cattle; the housewife is busy cultivating only their homestead garden. The major source of income is knitting.

Small-scale, not regular activity:

1. There are 3-4 drivers in Hayanist who are seasonally hired for the transportation of the harvest to the market. 5000 drams are paid per day for the transportation rent, 3000 drams are paid for the fuel and 2000 drams is the driver's income.

Obviously, there is no community life and "community feeling" generated among the local population. Armenian refugees from different districts of Azerbaijan who represent diverse socio-cultural background failed to adapt either to the Armenian socio-cultural environment or rural lifestyle. Moreover, the entrepreneurs from the neighboring Hovtashat village, who quickly seized the ownership over the infrastructure in Hayanist, also contributed to this "nihilist" attitude.

Thus, Hayanist village of Ararat marz illustrates that:

- Majority of refugees are not used to agricultural work;
- Land has bad quality, land and pastures are far from the village;
- Absence of finances does not give the opportunity to make investments;
- Emigration "has taken" main labor force and "business potential;"
- Economic infrastructure of refugee-populated villages is owned by neighboring local-populated village and people from Yerevan;
- Villagers are in "subordinate" condition comparing with locals: their "projects" assume not development but survival;
- People are not psychologically prepared for a private-individual entrepreneurship and continue to dream about paid employment places.

Aragatsotn Marz Shamiram Village

Shamiram is populated by Yezids. Geographically it is close to several cities such as Ashtarak, Talin, Yerevan. It is 45 km. far from Yerevan and 1 km far from the main highway. Highways are in normal condition and asphalt. The buildings are large, stone-made. These are frequently two-story buildings with lots of rooms. However, there have been no houses built in the village over the last ten years.

In Armenia, Yezids mainly live in the regions of Aragatsotn, Kotayk, Armavir, and their traditional occupation is cattle-breeding and partially land cultivation. They are ethnically endogamous, their social structure is very defensive and divided into three main castes: Pirs, Sheikhs and Mirids. Their moral codes of conduct and traditions severely prohibit marriages between people belonging to different castes. In Eastern Armenia, they settled in 1915 escaping from Turkey together with Western Armenians during the genocide.

The population of Shamiram village is 1513 people and 425 households. The number of families is formal, since the children frequently live with their parents although they are legally considered to be a separate family. According to the data provided by the local government, about 40% of the population went to Russia either temporarily for different reasons or for permanent residence. Almost all families have migrants,

but the old people remained in the village. There are several houses that are completely locked /seven houses were counted/.

The administration head was on leave in Russia when this survey was conducted. He visited his children living in Russia. As we were informed by the villagers the he should have returned home on October 5 /We went to Shamiram on September 5, but the administration head was still absent./ The villagers belong to the Pirs caste. Data available prove that the only law of the village is the will of mayor. Villagers perceive it as natural and see it as a mean to protect ethnic peculiarity.

There were three people who have graduated from higher institutions. Others who had education left for Russia. It is worth mentioning that Yezids generally have noticeably low quest for higher education. During two consecutive years the Yerevan State University has allocated places out of competition especially for Yezids, but there were no applicants.

All other neighboring villages are Armenian.

Privatized agricultural land is almost not cultivated /on 20 % only/. Cultivated is mainly forage: sainfoin, alfalfa. Certain part of the population waivers from landownership to escape from taxes. They generally cultivate their own homestead garden and plant vegetables - potato, eggplants, pepper, peas, tomato, and verdure. There are several of species of fruit trees in gardens: apple-tree, pear-tree, cheery, and plum tree. In contradiction from Hayanist here the yield from the homestead garden is not for sale and it usually covers the needs of the family. Traditionally Yezidi's have been involved mainly in the trade of livestock and livestock products (sheep, cheese, meat etc).

Yezidi's are traditionally busy cattle breeding. The livestock has significantly reduced though. In Soviet times, the sheep livestock in Shamiram was about 20000 /together with sovkhos cattle/. Now, as evidence suggests, sheep livestock is now about 3000. In many families, cow has replaced the sheep, as the sheepskin has no market and there is low demand for the sheep milk and cheese. On the one hand, reduction of cattle-breeding and agriculture is accounted for by the migration of young people - main workforce - from the village. On the other hand, there are high taxes on pasture and agricultural land, lack of water and inability to pay for the cost of irrigation water.

Excerpts from the interviews: 1. A man whose brothers have settled in Russia, they have no intention to come back. "This year we gave up land and garden, there is no water and everything is drying. The school in the village is in poor shape and there is no teacher. Staff doesn't come to work because they are not paid. Probably I will also go to Russia for the sake of my children's education. There are few children in schools; otherwise parents would do everything to pay to teachers themselves. "

2. A man, 53 years old. "It is good the land has been privatized, as we all were able to receive a lot of land for ownership. But we don't need it, because of the poor irrigation problems. People would cultivate their land if they had water, but people lost hope. We planted 50 hectare of corn, but we failed to get even 50 kg. There was no water, the drought has spoiled the crop...the peasants are forced to plant trees...but it won't work...everything is in vain... There is one option to work up sheepskin here. There is a family here if we visit them, we will see about 200-300 kg. of spoilt wool, which they don't want to throw away. Some two years ago I tried. One of my

relatives in Ararat worked on the wool processing industry. He used to send a car here, and I helped to collect the wool. The plant is not functioning, and no one gathers wool from the population. The people would benefit if someone came to take wool from the population at 700 drams/kg. Now there are several carpet makers, who use this opportunity and want to buy wool at 100 drams/per kg. How can we sell it at such a cheap price, if it is not even the cost of cutting?"

It is an ancient tradition in Shamiram to take sheep to highland Alpien pastures in summer. Very few people climb there nowadays, "some ten people maybe," as the village water distribution person admitted. The pastures are cheap, they cost 1000 dram for grazing the cattle /about 2 USD/. In summer, the cattle are grazed by the herdsman who is paid 1000 drams per one cow monthly. When the villagers were interviewed about their inclination to non-farm activities people were generally uniform that the major occupation of the peasant should be agriculture and cattle breeding. To the question whether someone from the villagers working in Russia might want to set up their business in the village, it was answered, "imagine that no, because things go worse and worse here, without any prospects towards betterment. We are not talking about Shamiram, but about Armenia in the whole."

The income of villagers partially consists of the sheep, yogurt and cheese trade. This is a retail trade; every family sells their own products. As a rule, it is men who sell the sheep; women sell yogurt and cheese. Most frequently the stuff is taken to Yerevan and Ashtarak; most people have their constant consumers and take goods to their houses. The local food is exchanged with other food and cloths. However, the villagers do not leave the village in order to exchange goods, rather waiting for other traders to come. The major source of living for the local population appears to be the money earned by the people working in Germany and Russia. More than 30% of the population own cars. However, the transport is not used for earning money. They even use public transportation for taking the products to the city. The bus from Yerevan arrives at the village three times a day. The gasoline is thought to be expensive, while taking money from the villagers for some service is a shame. "If someone needs a car, he will come to ask us for help, he will buy the gasoline and we will take him wherever necessary. But we won't take money, it is bad."

The domestic income is disposed equally by a husband and a wife. "Husband is the head of the family, but money is with wife."

Food is stored mainly for the winter. The variety food which practically all families supply for the winter include the following: potato from , 100-500 kg depending on the size of the family, onion (50-200 kg.), gavrma (frozen meat prepared on a special fat), jams (different kinds), juices, vegetable cans (pepper, tomato, egg-plant) usually in 2 or 3 kg. jars. Food winter storage is prepared from the homestead garden yield, although some might buy certain vegetables, e.g. onion. The food is stored for 6 - 7months, which is basically, and sometimes even always, prepared by women.

There are a lot of professional constructors among the local population, though there is no construction done either in this or neighboring villages. There is no tailor, barber or shoemaker in the village.

Non-farm activities.

There is a medical cabinet in the village, but two nurses working here arrive from the nearest Aruch village. There are no health professionals in Shamiram.

Only two of the school teachers are from Shamiram, others come to work from neighboring villages. "In the past all were from our village. Nowadays, all professionals went to Russia because of the low wages here."

Staff of the Village Administration.

Some 5-6 years ago, there were three shop-stalls opened in the village. The trade was poor, two of the stalls were closed with the owners leaving for Russia. *Villagers prefer to buy things in the towns where they sell their products: it is cheaper.* There is only stall now. There are two owners: former teacher and now a pensioner. The variety of goods includes alcohol and soft drinks, coffee, bubble gum, etc. Monthly revenue is 10-15000 drams (appr. 20-30 USD). The goods are brought from Ashtarak wholesale shop every 10 days. He and his wife are also breeding cattle (3 cows).

As an episodic employment operator's work can be mentioned. He is invited to record on video weddings and other parties. The musicians playing in weddings should be mentioned as well. As a rule those are from neighboring Armenian villages. But weddings are rare due to the absence of youth (emigration) and poorization of people. Classical Yezidee wedding is an expensive one and in case when people cannot organize it with all customs they prefer not to do it at all. The wedding style is also changed. Very often parents chose a bride for a son working in Russia and with agreement of her parents and without groom's presence directly take the girl "to give her to the boy."

The answers to the question about preferable activity for Shamiram villagers could be summarized with the following excerpts from interviews:

A male, 46 years old. "It is preferable to have a wool and sheepskin processing enterprise. Skin processing is a good business, but there is few sheep now. The sheepskin business is profitable here, but people must be sure that they will be able to sell their product. Then the live-stock will be increased."

Utility worker. "First there are no young people in the village to work. Others don't pay for the water. Maybe about 38-40% of people pay for the water, others neither pay, nor water it."

Shamiram village shows that:

- Yezidees consider agriculture, especially cattle-breeding (mainly sheep) as one of the peculiarities of their ethnic survival in Armenia;
- Due to emigration the village lost young labor and thus, the tradition of taking livestock to the alpine pastures;
- Due to difficulties with consumption market livestock quantity is decreased;
- Educated and socially active part of Yezidee- sheikhs, is absent due to emigration resulting a passiveness of possible businesses;
- Due to remittances received from family members working in Russia farmwork has decreased, as remittances provide survival possibilities;

- People avoid economic investments because of vague economic perspectives of Armenia (they even avoid paying irrigation bills and pasture taxes).

Verishen, Syunik Region

Verishen village of Syunik region is about 1 km. far from Goris. Verishen is an old village with traditional population. There is a church in the village that dates back 4 c. The village is 1400-1600 high from the sea level (lowland). The number of the registered population is 2500 people according to the village government. According to the same information, about 400 people are on leave from the village as a result of out-migration for temporary or permanent residence. The internal roads are from asphalt but in poor condition. In the homestead garden people cultivate peas, cabbage, potato which is used for the family needs *and only partially for barter or when there is an opportunity for sell*. Until recently *in the same homestead land* some cultivated garlic for sale, but a cheap garlic powder that is being exported from Iran significantly reduced the price of the garlic. Some families wasted away 5-6 packages of garlic. On the privatized land people cultivate wheat, rye and potato. There is little agricultural land in the village, and one share of the land (one land share is allocated for three people) is as follows:

1. irrigated land - 1000 sq. m.
2. not irrigated - 500 sq. m.
3. pastures - 4000 sq. m.
4. homestead garden of different size

During the privatization each family was given a cow.

Everyone realized that a land-starved Verishen could not hope to get much from agriculture, but they don't see other economic resources. Majority of the local population has 1-3 cows, but only seven people in the village are relatively big cattle-breeders and have 10-50 neat cattle live-stock. Winters and summers they are busy with the cattle working in forests. The majority of the farmers hire labor force, but the whole family works on the farm: husband, wife, sons, and daughters-in-law. However, even cattle-breeding doesn't provide normal income: 1 liter of milk is sold for 60-70 drams, i.e. 4 liters of milk is equal to 1 kg. of bread.

Verishen has:

1. Two commercial shops
2. Four trade stalls
3. Two barber's shops in trucks
4. A dispensary (for the population of Verishen and the nearest Aknak villages)
5. The school
6. Kindergarten (not functioning for two years)
7. Musical school
8. Post-office
9. Cheese-dairy
10. Car repair service (the owner lives in Goris, but was born in Verishen)
11. Two bar disco-clubs
12. There was a knitted-goods factory that has been privatized by the former director. The factory is not operating.

13. There were five dentists in the village who were forced to leave for material reasons.

The directors and owners of all the above-mentioned sites are males who are from Verishen. In the non-farm occupations, women work in the school, dispensary, post-office, and cheese-dairy. All people working in non-farm business - directors, owners, employees (their relatives) are more or less busy with farming as well. The only exception is the physician working in the dispensary - a woman who lives in Gori.

The population of Verishen is known in the area as craftsmen - constructors, bricklayers, masons, etc. However, over the recent years the crafts virtually disappeared due to the reduction of construction. Verishen has old and rich experience in non-farm occupations. Some ten years ago, over 200 people in Verishen in addition to being occupied in crafts used to work as workmen and office clerks in Verishen as well as in Goris. These people remained unemployed after the shut down of the factories. During the first years, 5-6 people attempted to start small-scale production of knitted-goods /socks, linen/. The production was soon shut down, as goods were not marketable. They are convinced that once having an outreach to Russian market, they would be able to sell their products. Although they haven't tried to do this yet, but they believe aircraft is a very expensive transportation means. These are the very 6-7 people who are the largest cattle-breeders in the village.

In general, one can assume that people engaged into non-farm work are of three types:

- State budget-funded employees - teachers, health professionals, local government staff
- Craftsmen and other applied crafts occupations
- So-called entrepreneurs

In the first two instances, the importance is attached to one's occupation and professionalism, while in the third case the benefits and opportunities received from administrative work or personal relations are more important. Thus, the cheese-dairy is owned by the former mayor of Goris, a town located 1 km far from the village. His son-in-law is the manager of the cheese-dairy.

The bar-restaurant is located in the former knitted-goods factory building and belongs to the former director. The restaurant is owned by the latter's daughter's son.

One relatively large shops in the village belong to the former administration head. It is located in the Verishen House of Repairs and Other Services, which has been privatized by the former administration head. This man has also a gasoline station.

The most profitable among non-farm activities in Verishen is considered to be commercial shop. They usually trade in cigarettes, coffee, sugar, pasta, ice-cream in summer, beer, soft drinks. They prefer trade for currency but good (potato, wheat) exchange is common too. Wheat is most desirable.

35-year old man, "4 years ago I opened a shop in the first floor of my house. I spent 2000 USD. Our villagers all know each other and are relatives. They would borrow food and other goods without returning debt on time. All goods were lost in debts. I

was forced to close the shop in a year. Even now I have some old debts to be returned.”

As it has been said, the former administration head owns one of the two shops in Verishen. In 1992, being in office, he “privatized” Verishen House of Repairs and Other Services, which is a two-story building with plenty of rooms, facilities and a warehouse. Only three rooms are used now; two rooms are used as a shop and accounting department, the other one is for a warehouse. Sustainability was one of the most difficult issues to be achieved. The goods were initially taken by people in debt, thus withdrawing all currency from the circulation. The shop has been shut down for 2 years. We were able to collect debts with great difficulties. Even now there are debtors, but we are able to take them back (see the picture of book with the debts lists). The purchasing capacity of the population has reduced significantly. Four out of five consumers buy the goods in debt. In summer, during jam making season, only 5-6 people buy two-three kg. of sugar in a day. The salesman working in the shop is from Goris town. This is his last month of service. The monthly salary is 35000 drams /about 64 USD/. The shop owner’s wife will start working in a shop as a salesperson starting from the next month. For 1.5 month he has been engaged into gasoline trade. He plans to provide goods, his wife will work in the shop and his 18-year-old son will be working in the gasoline station. His wife is aware of his affairs and if necessary she is able to take over them alone.

This man privatized the former sovkhos cowsheds. Currently they have 4 cows, but plan to increase the livestock to 50. Currently, his wife is busy with cattle breeding. They also cultivate land, planted potato on 1.5 hectares of land. He thinks that he, his wife and their three children will be able to do this together. If it is necessary they will hire someone. He doesn’t want to work with relatives, because it is always better to hire others.

Owners of commercial shops in Verishen are a father and a son; they are both employers and employees. The father has worked as Russian language and literature teacher for 30 years - all his life. His son graduated from the Polytechnic institute, but never worked as engineer. The family has seven members: teacher and his wife and their son’s family. Their other son is in Russia with his family.

They built the building for the shop investing 2000 USD (their friends helped a lot) (see the picture). Initially they had a small stall in 1992 (see the picture) and invested 60000 drams in it. Then his wife got a loan that enabled to carry out construction of the shop. Formally, the shop is the wife’s property. The father was born in Azerbaijan, that’s why they have no relatives in the village. The initial money to be invested into the store has been earned in Russia by the father and the son. The shop is the primary source of a family’s income. Roughly estimated, the annual income of the family is about 3 mln. Drams (about 5500 USD). They mainly trade in food, sometimes cheap cloths, shoes, and small domestic items. They think that food is more profitable and are not going to sell cloths in the future, as there is no demand for the latter. The goods are delivered from the cheap market on the Armenian and Georgian border in Sadakhlu and from Yerevan wholesale market every 20-25 days. The son is engaged in procurement and accounting issues, his father works in the shop. Frequently, the son may work as a salesman too.

They think they are more successful than their counterparts in the village, because they had friends in Yerevan busy with commerce, from whom they could procure goods for the shop. After selling them in the village they returned the initial value of the goods to their friends.

They are discouraged that people buy goods in credit from the shop (shows the book with the lists of debtors). At this moment, people owe to the shop about 4000 USD. But without giving in credit they will lose customers. As a rule, the debt is paid back in 5-7 months. The payments season is autumn when peasants are able to sell their agricultural products. Goods exchange is a popular way of doing commerce. They cultivate their homestead garden: 800 sq.m. They grow peas, potato, carrots, and cabbages. The parents are busy working on the land. The family has no cattle.

The dispensary is a beautiful building, which was built one year ago (see the picture). It was constructed under the World Bank Primary Healthcare projects. The project was implemented on a cost share funding by the administration each building contributing 1000 drams. Although the whole sum was not collected, the construction of the dispensary was completed. The World Bank provided the ambulance car, a "Gazel," though there is no fuel to drive it. There is one physician and five nurses working there. The physician lives in Goris, the nurses are from Verishen, all of them having professional education. To reduce the budget allocated to the dispensary, the staff works part-time. The nurses get 6000-7000 drams (10 -11 USD) of salary per month. The monthly budget of the dispensary is 160000 drams (about 291 USD) that includes salaries, general maintenance of the building, communal payments, and procurement of medical equipment. As the physician acknowledges, this amount is not sufficient to purchase medicine, chemicals and other necessary things. As a stock company, the dispensary could deliver paid services. In fact, this is not possible because of the populations' poor financial situation. One medical consultation formally costs 500 drams (1 USD). However, only one out of five people who applied for medical service is able to pay this money. The doctor says that they cannot compel the patients to pay the charge because otherwise people would escape from visiting the dispensary. Such cases already took place.

The families of nurses are engaged in agriculture. Sometimes the nurses would help them. Usually, the nurses would provide medical assistance to their neighbors and other people (injections, other medical care), though traditional relationships do not allow charging money for the services delivered to the people. In the best, the people give small gifts - chocolate, coffee - to say thank you. This attitude is transferred to the physician approximately the same way. She is Russian, her husband and his relatives live in the village. Her relatives are always anxious to make sure their daughter-in-law behaves according to the accepted norms.

Barber - There are two hairdresser's shops in the village. The barber learned his occupation from his relative taking free lessons. The barber's shop was arranged in a small truck bought by his parents in exchange for sheep. Probably it cost about 300 USD. He lives with his parents and brothers, who are busy with agriculture. The barber does not participate in these works. About 5-6 people visit the barber's shop, mostly men and relatives. Some of these people shave and cut their hair in credit saying that "we would pay later, but most of them don't pay at all." The revenue from the barber's makes up 10% of the family income, but this is cash, which is used for

the payment of electricity and buying soap and so on. "I keep some as a pocket money."

A. M. lives with his family together with the parents. He is busy wood carving for about 10 years. In 1992, he went for Russia, but failed to find job there and returned back. He makes saltcellars, tables, beds, shelves, plates etc. if he gets orders (see the pictures). He uses oak-tree, hazelnut-tree, cherry, and pear-tree. The carving is based on the national Armenian patterns. (See the picture) All is hand-made. It takes 3-4 days to cut one saltcellar. There is a lot of initial material, while the only problems appears to be the customer. The income made over the last year (January-August) was about 500 USD. He is not engaged in agriculture though. His parents work on the land. He gives all he earns to his mother. He thinks that his parents support his family, while he just helps them.

A.M. believes he will have more clients and more work if he had more recognition and people were aware of his work. But he did nothing to promote himself on the market, nor he is aware of exhibitions taking place in Yerevan. He thinks that others should work on such issues, and there is the Ministry of Culture for that.

G. O. is wood and stone carver. He makes domestic items and designs things from stone. He took to sculpture since childhood, afterwards studied in the Yerevan Arts College. Majority of his relatives were jewelers, therefore applied arts is traditional occupation of their family. His mother lives with his family. His sister's family lives in this village too. His first brother lives in the Middle East, his second brother lives in Yerevan. They have land in ownership, but do not cultivate it. His mother and wife are cultivating the homestead garden and take care of the only cow. They used to buy food for the cow themselves.

Majority of the orders is for the preparation of tombstones. Orders are received from Goris, Sisian, neighboring villages, and sometimes even from Yerevan. The clients find G. O. themselves. The customer chooses the type of stone, usually basalt, granite, and rarely tuff. The clients are usually his relatives, and other villagers. He often does work for free ("How can one take money from a relative?") or works cheap: He believes that masters in Yerevan are paid much higher for the same type of work. First, they work with tuff, which is a milder type of stone and easy to carve, then they charge more for their work. Here, in the villagers, people either order work in credit, or pay in food (potato, peas, wheat). For this reason it appears to be difficult to make projections regarding his annual income.

So,

- The village has land scarcity; privatized land cannot even ensure the wheat amount needed for family consumption; irrigated land is even less;
- There are possibilities for cattle-breeding, but there isn't a consumption market;
- Industrial capacity and infrastructure is owned by previous and recent nomenclature;
- The character of traditional kinship and in-village personal contacts does not encourage development of some types of entrepreneurship (most of the services is provided free of charge, on credit or very cheap);

- Due to inability to pay there is no demand for craftsmen work, although the village has many craftsmen.

CONCLUSIONS

- Generally the quantity of villagers involved in non-farm activity is decreased but the quality is changed. In the past those were mainly state employees (administrative, intelligentsia, sphere of the services) and partly illegal masters (constructors etc). Recently individual businessmen are added to those (mainly in the trade and services, partially` construction etc) and only few are engaged with non-farm industrial activities.
- Non-farm activity is not formed as an individual type in the village yet. It is either completed by or goes parallel with farm-activity. As a rule basically one or two members of the family are involved in non-farm activity, and qualitatively farm-activity part is prevails in the size of family income.
- More men are involved in non-farm activities than women
- People involved in non-farm activity mainly work with either their family members or close relatives
- The cases of women engagement in non-farm activities are mainly contractual (there was only one outstanding case: owner of the shop in Haianist village)
- People who previously were and today are involved in administrative activities, who either own production resources or have opportunity to own them as well as their relatives (previous and contemporary Mayors that can privatize space for themselves, past heads of Soviet Farms or enterprises)
- Post vendors, heads of enterprises etc
- Comparatively wealthy- more than poor
- Mainly people with some previous experience got before reforms in non0farm activities
- People with artisan specialty
- More people in the villages near the cities than farther ones
- In the marzes with major urban population that those with rural (Syuink)
- More locals than the refugee (although the majority of formers are previously urban and have more potential for non-farm involvement). The above given observations on Haianist village testify that in refugee-populated village the activeness in economic initiative is encouraged for neighboring locals mainly. This phenomenon is observed throughout all Armenia.
- Armenians are engaged more than Yezids. Ther are less educated people among Yezids and there is lack of non-farm activities' tradition. The idea that a peasant should cultivate the land and take care of livestock prevails among them. This belief comes not from religious or other ideological culture but from the tradition to perceive ethic identity based on economic activity.

Obstacles for Non-Farm Activities

- Lack of experience in non-farm entrepreneurship
- The actual “closeness” of internal market: new people with economic initiative experiment can rarely enter the market

- Psychological factor that the economic initiative is “owned” by administrative employees or those who have contacts with them
- Connections’ Difficulties with external market (blockade, lack of roads...)
- Population unable to pay, and fear caused by it that in case of investment there is a high probability of not succeeding
- Unsatisfactory financial conditions and unawareness of the ways to find finances for starting an activity
- Unawareness on the Donor projects in Armenia
- Unawareness of the laws on Taxes and Customs
- Unawareness of market needs
- The joint life of the relatives is both encouraging and restricting factor in the villages. Relatives often “borrow” services from each other, which are never returned back. This especially harms craftsmen, tradesmen, owners of shops and cafeterias.
- On-going full (whole family) or partial emigration is a serious obstacle. In the first case people in the age of handling the adaptation mechanisms and with specialty leave the villages. Thus, villages loose the most important human resource: people having the capacity, opportunities and fantasy. In the second case families getting some financial aid from the “outside,” become passive in economic initiatives.
- Inner-village social traditions (it is not comfortable the provide a co-villager with paid services)

RECOMMENDATIONS

Specific recommendations for each studied village:

1. For Haynist village at this moment it would be desired to open a working-up (remaking) production, particularly those of tomato and pepper, which would have contractual employment places, and would give an opportunity for the realization of their products;
 2. For Shamiram wool and leather production is reasonable;
 3. A village like Verishen with land scarcity and crafts potential could be a good crafts’ production center, especially in stone and wood-making.
- To provide a practical training on market economy (how to start, where to apply to, what to know etc)
 - To provide consultation on Taxation on Custom Laws
 - To provide information on on-going economic projects in Armenia and to consult on how to use these projects
 - Credits to small and middle businesses
 - Assistance in “new,” “unprotected” people’s entrance to newly forming market and wide public awareness
 - Support to the refugee
 - Involvement of rural population in Yerevan based commercial and industrial businesses
 - Formation of production businesses in the villages with contractual employment places- ensuring a consumption market beforehand. As such can be:
 1. Conservation of the agricultural product, fruit-juices etc, and production of meat, milk-products

2. Wool and leather production
 3. Carpet-making
 4. Wine production
 5. Encouragement of wine production in Ararat marz
 6. Production of fruit-made vodka
 7. In Syunik region- jams from nuts and berries
- Donors could be also interested in the production of cross-stone that have a long-time tradition in Armenia. Armenian craftsmen are very skilled in making those in different types of stone and wood. They have differed sizes: beginning with 20 sm up to 2 meters long.
 - During the last years also wood-making revives. A lot of applied things from wood are made in traditional manner.

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