

# LABOUR MARKET POLICIES

Armenia

## Disclaimer

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# Introduction

The European Training Foundation (ETF) supports the EU Neighbourhood and Central Asia countries and the services of the European Commission with and monitoring of human capital and socio-economic developments. The overall objectives of the ETF work in the area of Active Labour Market Policies (ALMPs), labour market transitions and skills development are the following:

- Knowledge and tailored policy advice on setting-up or adapting ALMPs, work-based learning and career guidance and counselling in partner countries
- Inputs to EU programming and EU interventions (project design, formulation and content monitoring) and to bilateral and regional policy dialogue
- Monitoring of employment and labour market policy developments and work-based learning and career guidance and counselling trends
- Policy buy-in on the role and effectiveness of ALMPs in supporting the adaptation to socio-economic changes.

This report assists the delivery of a targeted advice on policy responses in the areas of education, re/upskilling and employability in Armenia. It also contributes to the ETF monitoring function in the area of ALMPs and Public Employment Services' (PES) implementation measures.

The report is an outcome of a pilot exercise of labour market policies' (LMPs) evidence collection launched by the ETF in four Eastern Partnership countries in 2022 – Armenia, Azerbaijan, Georgia and the Republic of Moldova, with the objective of the establishing a regular evidence collection mechanism and contributing to the ETF's innovative labour market policies database.

The ETF would like to thank the author – Ms Susanna Karapetyan – for her commitment to this comprehensive overview, as well as express its gratitude to the stakeholders from Armenia contributing to the consultation process and providing valuable insights. Special appreciation is to be expressed to the team of the Ministry of Labour and Social Affairs under the lead of the Deputy Minister, Mr Ruben Sargsyan and his Advisor, Ms Victoria Aydinyan. The report also benefited from a valuable input of the ETF experts – Cristiana Burzio, Cristina Mereuta, Eva Jansova and Mirca Badescu. Elena Venera Ionita supported the implementation of the study.

Iwona Ganko coordinated the process of evidence collection and supervised the preparation of this report.

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# METHODOLOGY

The study has applied the following methodology:

1. Desk Review, conducted to:
  - a. Study the relevant legal and policy documents;
  - b. Map the availability of relevant information and data to develop the note on Rapid Assessment of Data Availability
  - c. Map existing labour market measures in Armenia and gather evidence on how the ALMPs are adjusted to offset labour market challenges, including negative effects of the shocks on the most vulnerable groups;
  - d. Gather relevant data to update the existing set of data tables with comparable (i.e. following standards and definitions) and up-to date labour market policies statistics (LMPS);
2. Qualitative data collection was conducted to supplement the information gathered on ALPMs through the desk review and provide ALMPs comprehensive assessment to the extent possible. The qualitative data collection allowed to look at practical implementation, organizational and case management elements from “inside”, find out what are the pre-conditions and measures likely to boost readiness of the Unified Social Service of the Republic of Armenia (USS) to address challenges related to youth and adult employment.

To this end the following has been carried out:

- a. **Key Informants Interviews (KII)** with Deputy Minister of Labour and Social Affairs; Head of Labour and Employment Department; Deputy Head of USS (supervising the Employment and Labour Force Development Department), Heads of Employment Programs Coordination and Workforce Potential Development and Professional Orientation Divisions; Head of the Professional Orientation and Competences Development Centre, Head of National Center for Vocational Education and Training Development – in total 7 interviews
- b. Two round table discussions with USS regional offices’ representatives – Yerevan (7 offices) and selected regional offices’ representatives (5 representatives from 3 regional offices).

Triangulation of quantitative administrative and qualitative data is done in the attempt to conduct an assessment of the adequacy and effectiveness of employment measures and their innovation aspects related to activation programmes’ delivery e.g., job search assistance and counselling, skills development, stakeholder cooperation, etc., to mitigate inactivity, support transitions from informality, unemployment or at-risk employment.

# CONTEXT

Armenia is a small landlocked, upper middle-income country (with per capita GDP reaching 4,266 USD in 2020<sup>1</sup> and 4,670 in 2021<sup>2</sup>) with population of 2 963.3 thousand people<sup>2</sup> and with a challenging geo-political and socio-economic environment.

Largescale demographic transformation: ageing population paired with the gradual shrinking of population shape the social protection and labour market priorities and development directions of Armenia. Since 2000 the population of Armenia has declined from 3.2 million to 2.96 million<sup>3</sup> in 2021. Main factors resulting in such decline are decreased fertility rate and largescale outmigration (see Box 1).

## Box 1. Remarks on Fertility and Migration Trend in Armenia

**The fertility rate** has declined from 2.62 in 1990 to 1.31 in 2000 and showed some improvements starting mid 2000-s and reached to 1.656 in 2020.

**Largescale outmigration:** Historically, due to various reasons, active migration processes were typical for Armenia. Late pre- and post-independence period the migration processes in Armenia experts conditionally classify as follows:

- Destabilisation stage (1988-1991): factors affecting this stage are devastating earthquake of 1988, Nagorno Karabakh conflict and refugees' inflow;
- Mass outflow (1992-1994) stage: resulted in by the economic collapse, widespread unemployment, was and other domestic issues - according to expert estimates 1 out of 5 residents left the country irreversibly;
- Outflow rate reduction and stabilization stage (1995-2001): conditional to improved social and economic situation and weakened impact of emergency factors;
- Return to evolutionary developments stage (2002-2007).

There are no up-to date comprehensive estimates as to whether the most recent, i.e. the 4th stage of the migration developments is currently in progress or how deep are the new developments, if any.

However, according to the Migration Snapshot of the Republic of Armenia Reports for 2016 and 2017, 12.3% of the population aged 15 and over surveyed were involved in interstate/international migration processes in 2017-2018; the persons who left the country and have not returned as of the moment of the survey also make a large share: 67.7%.

Source: ARMSTAT, The Demographic Handbook of Armenia, 2010 (p. 55) and 2021 (p. 69); Research Report on [Financial Literacy for Migrants: Mapping and Needs Assessment](#), p. 19 and 24

According to UN DESA population prospects 2019 predictions, the population of Armenia by 2050 will decline to 2.8 million.<sup>4</sup>

Labour migration and remittances: Though emigration motives have shifted over time, the lack of decent jobs and high unemployment has always been and remain a key driving factor. According to the 2020 Integrated Living Conditions Survey (ILCS), 9.6% of households reported having members involved in internal and external migration over the period 2015-2020; among these members 68.9% were involved in external migration, of which the overwhelming majority - 72.1% were involved in migration flows with the Russian Federation<sup>5</sup>.

The largest group of Armenian population involved in migration processes is that of migrant workers: in 2015-2020, according to the Social Snapshot and Poverty in Armenia 2021 report, 56.6% of departed and 21.3% of returned migrants cited work as the main motive for their recent migration<sup>6</sup>.

The direct consequence of labour migration is personal remittances received from abroad. Despite the declining trend in the share of personal remittances received from abroad in GDP and in per capita household income – in 2020 they declined to 10.5% and 5.9% accordingly compared to 18% and 10% respectively in 2010. Note that the remittances received demonstrated declining trend since 2013

<sup>1</sup> The WB, [Per Capita GDP by Countries and Economies](#)

<sup>2</sup> ARMSTAT, The Demographic Handbook of Armenia, 2021, [p. 38](#)

<sup>3</sup> *ibid*

<sup>4</sup> UN DESA, [World Population Prospects](#), 2019

<sup>5</sup> ARMSTAT, Social Snapshot and Poverty in Armenia, 2021, [p. 23](#)

<sup>6</sup> *ibid*

conditional to 2008 global financial crisis and the Russian crisis in 2014-15: Armenia was hit hard, which led to sharp reversals not only in growth but also in remittances received from abroad (large share – about 60% according to Central Bank of Armenia estimates<sup>7</sup> - comes from Russia). Definitely, Armenian labour migrants, and their families have experienced economic losses due to the COVID-19 outbreak

Armenia faced downside economic risks from the COVID-19 crisis, among them risks reflecting country's exposure to remittances resulting from international labour migration, and impact of movement restrictions to control the spread of COVID-19.

Despite the essential decline of remittances, they still play an important social and economic role performing as an important income diversification and poverty reduction strategy (see Annex, Figure 5).

The direct consequence of labour migration is the reduced supply pressure on domestic labour market and remittances as an important source of income and spending power for thousands of households. On the other hand, the labour migration always puts the country at risk of human capital loss. However, the heavy concentration of labour migration to one country remains a major source of vulnerability in the current crisis.

**Economic context:** Armenia's post-independence economy growth path has a number of peculiarities, such as low diversification by sectors and by regions (resulting in serious obstacles for the economic and social development of country), essential shift in the structure of GDP from industry to services sector, large informal sector and labour migration (with the concentration to one country - Russian Federation), etc. These features make the country vulnerable to both internally and externally induced shocks, resulting in much worse macroeconomic performance under any crisis compared to neighbouring countries. For example, as a result of the 2008 global financial crisis (which interrupted the country's pre-crisis double digit growth and the economy remained sluggish until 2017) the GDP in Armenia shrunk by 14.4%, while in Georgia by 3.9%, in Moldova by 6.5%<sup>8</sup>. Although after the decline in 2009, the economy started recovering, it never reached the pre-2008-2009 crisis level.

Although the 2017-2019 economic performance positioned the Armenian economy into a relatively better situation, still the economy was too vulnerable to withstand the economic effects of the pandemic due to significant reliance on remittances for income generation, dependence on a limited range of trade partners, limited access to international transport routes. The state of emergency, restrictions on the freedom of movement and lockdown in March 2020, compounded by a decline in domestic consumption, domestic investment, tourism and related business, foreign direct investment and remittance inflows<sup>9</sup> resulted in 7.4% negative GDP growth rate for 2020 (Annex, Figure 6)<sup>10</sup>. Though Armenia's economy recovered in 2021, according to the World Economic Outlook for 2022, the economic growth of Armenia is projected to slow down to about 1.5% in 2022<sup>11</sup>.

Labour market snapshot: Labour market is a key factor influencing the overall economic efficiency, moreover, the dynamic and flexible labour market may facilitate the opening of more productive jobs and hence, result in higher employment -to population ratio. On the other hand, favourable investment and doing business environment is critical for companies/firms to be established, to grow and expand for job creation. Evidently, in Armenia the economic growth, even in the years with double digit GDP growth, has not created enough jobs (see Annex, Figure 6). Between 2007 and 2020 the real GDP growth rate on average comprised 3.1% annually, while the employment growth rate - only 0.2%.

Lack of productive jobs paired with challenges regarding the inclusive access to jobs and large informality (these are factors that have been a matter of concern in Armenia since 1990-s) aggravate

<sup>7</sup> A. Ghazaryan, COVID-19 and its impact on migration: [the case of Armenia](#), 2020

<sup>8</sup> IMF [World Economic Outlook, October 2010](#), p. 103/84

<sup>9</sup> IMF, Executive Board Concludes [Second Review Under Armenia's Stand-By Arrangement](#) and Augments Access to Address the Impact of COVID-19

<sup>10</sup> Note that the registered decline in GDP is the result of twin shocks (COVID -19 pandemic and the September 2020 armed conflict in Nagorno-Karabakh/Artsakh) Armenia experienced in 2020.

<sup>11</sup> IMF, The [World Economic Outlook](#), 2022, p. 40

the impact of any shock, including the COVID-19 pandemic, on labour market and household livelihoods.

In 2020 only 55% of working age population was in the labour force (either employed or unemployed), the remaining 45% or about two out of five individuals were inactive. A particular concern is the inactivity rate of women - 50.6% compared to 30.7% of men (see Annex, Figure 7)12.

The high unemployment and low activity rates resulted in a low employment rate in 2020 – 45.4% of working age (15+) population (or 47.8% of population aged 15- 74). As shown in Table 1, while the difference of labour force participation rate across urban and rural areas comparatively is not that large, in rural areas the employment rate is much higher and the unemployment rate is essentially lower - this is mainly due to engagement of rural population in stallholder subsistence farming.

**Table 1. Labour force activity and inactivity rate, %**

	2018	2019	2020		2018	2019	2020
Labour force participation rate (1)	58.9	59.9	58.5	Unemployment rate (3)	19	18.3	18.2
Youth (age 15-29)	48.3	50.1	46.0	Youth (age 15-29)	26.7	25.7	26.5
Men	71.6	71.7	69.3	Men	17.9	17.5	19.1
Youth (age 15-29)	58.7	58.6	54.4	Youth (age 15-29)	23.0	23.6	25.2
Women	47.9	49.6	49.4	Women	20.4	19.3	17.2
Youth (age 15-29)	38.1	41.2	37.1	Youth (age 15-29)	32.3	28.7	28.3
Urban	57.6	59.6	58.4	Urban	24.9	22.6	22.3
Youth (age 15-29)	50.2	52.2	47.5	Youth (age 15-29)	32.9	30.0	29.4
Rural	60.7	60.4	58.6	Rural	11.3	11.4	12.1
Youth (age 15-29)	46.2	46.9	44.0	Youth (age 15-29)	19.0	18.5	22.3
Employment-to-population ratio (2)	47.7	48.9	47.8	Share of population outside the LF (4)	41.1	40.1	41.5
Youth (age 15-29)	35.4	37.2	33.8	Youth (age 15-29)	51.7	49.9	54.0
Men	58.8	59.1	56.1	Men	28.4	28.3	30.7
Youth (age 15-29)	45.2	44.8	40.6	Youth (age 15-29)	41.3	41.4	45.6
Women	38.1	40.1	40.9	Women	52.1	50.4	50.6
Youth (age 15-29)	25.8	29.4	26.6	Youth (age 15-29)	61.9	58.8	62.9
Urban	43.2	46.1	45.4	Urban	42.4	40.4	41.6
Youth (age 15-29)	33.7	36.5	33.5	Youth (age 15-29)	49.8	47.8	52.5
Rural	53.8	53.5	51.5	Rural	39.3	39.6	41.5
Youth (age 15-29)	37.4	38.2	34.2	Youth (age 15-29)	53.0	53.1	56.0

Source: ARMSTAT, Labour Market in Armenia, 2020 (p. 125), 2021, (p. 40, and p. 236)

For the purpose of comparison, the survey data in this table are presented for the population aged 15-74 age range.

(1) Labour force (LF) includes all employed and unemployed population; labour force participation rate is the share of labour force among working age population

(2) Employment-to-population ratio / Employment rate is the share of employed population in the total number of labour resources / working age population

(3) Unemployment rate is the share of unemployed population in the total number of economically active population (employed and unemployed) (4) Share of population outside the labour force is the share of population outside the labour force to the total number of working age population

Hence, Armenia faces persistently high levels of labour market exclusion: high inactivity and high unemployment rates.

<sup>12</sup> ARMSTAT, Labour Market in Armenia, 2021, pp. 27, 58, 87, 119, 198, 163, and 233



**A need to focus on the youth:** Successful transition from school to work is quite challenging for youth in Armenia and results in relatively low employment of youth paired with high unemployment and inactivity. Young people, presumably those with no work experience, are much more likely to be unemployed than are older adults: the unemployment rate in Armenia is falling successively with age comprising 32.3% for 15-24 age group, 21.1% for the 25-34, 18.6% for the 35-44, 15.4% for the 45-54 age groups, etc.<sup>13</sup>

In 2020, a bit more than one quarter (or 26.5%) of youth (age 15-29) was unemployed and more than half (or 54.0%) was out of labour force (see Table 1). The gender and urban/rural ratios for youth reflect the same trends as the total labour resources – women have higher unemployment and inactivity rate compared to men; rural employment to population ratio prevails the same indicator for urban areas; accordingly, the unemployment rate in urban areas is higher than in rural areas, again due to large engagement in agriculture – mainly subsistence.

Among youth aged 15-29 those not in employment, education or training (NEET) comprise a sizable group; one third of youth or 31.1% of youth labour resources (LR)<sup>14</sup> were NEETs in 2020<sup>15</sup>; the gender gap among NEETs is very high - 39.9% of females ages 15-29 were jobless and not looking for work in 2020, compared to only 22.6% of males in the same age group (a gap of 17.3 percentage points)<sup>16</sup>.

Youth transition to work is challenging, despite the higher educational attainment levels of the 15–29 population. There are limited studies on the issue, however the comparatively recent one produced by the ILO in 2014 and 2016 highlights the factors affecting youth school to work transition in Armenia. According to the ILO survey (in 2014 and 2016) findings<sup>17</sup>, the effectiveness and length of transition depends on a range of factors:

- There is a strong correlation between the levels of education and a young person's labour market transition: on average, young people with tertiary education complete the transition from school to a stable/satisfactory job in less than half the time taken by those with secondary education, with an average length of transition of 11.1 and 28.2 months, respectively;
- Only one fifth of youth completed the transition (to stable employment, to satisfactory temporary employment or to satisfactory self-employment); 40% were in transition and 40% had not yet started the transition<sup>18</sup>;
- There is a relationship between the features of youth transition and the features of skills mismatch among young employed people, in the form of overqualification and underqualification;
- Youth labour underutilization is relatively high: in 2014 it was 47.5%, up from 42.3% in 2012 – a challenging issue in terms of productivity and skills development and matching;
- The duration of job search is often very long, adversely affecting young people's opportunities to actively use their skills: more than half (53.2%) of unemployed young had been looking for work for longer than 12 months in 2014, compared with 52.3% in 2012.

**Skills mismatch:** The level of education in Armenia is high among both women and men – 91% of LR in 2020 had at least secondary education, of which 26% had tertiary or higher education, 24% - specialised secondary and 41% - general secondary education<sup>19</sup>. Evidently, education greatly increases participation in the labour force and access to employment among both men and women (70.4% of male

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<sup>13</sup> ARMSTAT, Labour Market in Armenia, 2021, [p. 209](#)

<sup>14</sup> ARMSTAT definition: "Labour resources or working age population are the sum of labour force (both employed and unemployed persons) and population outside the labour force (neither in employment nor in unemployment (not having job and not searching for a job))

Until 2020 the age limits in labour force survey in Armenia were set up 15-75 compared to the legally determined working age range of 16-62 years. Since 2020 no upper age limit is set.

<sup>15</sup> Ibid, [p. 233](#); see also Call-out 3.

<sup>16</sup> Ibid, [p. 242](#)

<sup>17</sup> ETF, [Youth Transition to Work in Armenia](#), 2019, p. 38

<sup>18</sup> The ILO uses three main stages of transition: completed transition; in transition; and transition not yet started

<sup>19</sup> ARMSTAT, Labour Market in Armenia, 2021, [p. 51](#)

and 78.4% of female LR with higher education were in employment in 2020, while only 11.6% of male and 4.7% of female LR with general secondary and lower education were in employment<sup>20</sup>).

While discussing the issues relating to youth transition to the labour market, one of the main challenges contributing to vulnerability among young people is the mismatch between skills and qualifications (education) and labour demand.

The ETF has developed indicators to measure the incidence, extent and nature of the mismatch in selected partner countries<sup>21</sup>. The evidence from these countries shows a high incidence of mismatch; in most countries it is higher (14%–36%) for tertiary graduates than for secondary school graduates (7%–14%). This suggests that education systems face many challenges in responding to changing demands for skills, as well as it also may suggest that many higher-skilled graduates have to accept positions below their level of formal qualifications. High unemployment levels and limited opportunities on the labour market force medium and especially higher-educated individuals to accept such positions.

The above said may be true for Armenia as well: based on its 2016 survey results, the ILO estimates that overqualification affects 19.6% of young workers, and underqualification 10.1%<sup>22</sup>. According to ARMSTAT skills mismatch data published in 2017 for primary (main) employment, in 25016 the share of overqualification ranged from 16.6% to 17.5% but was more accentuated in urban areas (20.7%)<sup>23</sup>. As the methodology behind the LFS has been revised since 2018, the last available data on skills mismatch are for 2017 - the share of overqualification was 18.1%, again with accent in urban areas (21.6%)<sup>24</sup>.

Hence, despite the high level of educational achievement, skills mismatches (both overqualification and underqualification) is a challenge for the country from two perspectives:

- The unemployment in Armenia is considered to be a structural problem due to factors like skills mismatches, lack of labour demand, etc. Also, the risk of long-term unemployment is high – in 2020 the majority of unemployed (49.3%) were searching for a job for more than one year, furthermore, the long spells of unemployment may well explain the relatively high share of discouraged people among those outside of LR – 19% in 2020.<sup>25</sup>
- The job creation and particularly quality and inclusive job creation is a fundamental challenge for Armenia. Considering that 27% of the population in 2020 was considered poor. the Gini coefficient (36.3% in 2020)<sup>26</sup> indicated deep polarisation of population in terms of income distribution - skills mismatches and skills gaps are aggravating the situation further.

## POLICY FRAMEWORK

The above-described challenges require a comprehensive national policy agenda for workforce development aimed at introducing and/or applying measures fostering employment and skills development, as well as reskilling and upskilling to reduce the gap between skills supplied and demanded, and promote efforts addressing the significant labour market gaps and low levels of female and youth labour market participation. To ensure tangible outcomes it is critical to complement country's employment-friendly macroeconomic framework by labour market policies that include commitment to reducing informality, supporting active labour market policies, etc, as well as are aligned with goals of the [Armenia Development Strategy](#) (ADS) 2014–2025 and the [Government 2021-2026 Program](#).

The following section attempts to brief on the basic features of labour market policies, including regulatory and legislative framework, institutional setup for policymaking, implementation and coordination.

<sup>20</sup> Ibid, calculated based on data reflected in [p. 51](#) and [p. 130](#)

<sup>21</sup> ETF, [Skills mismatch measurement in ETF partner countries](#), 2019

<sup>22</sup> ETF, [Youth Transition to Work in Armenia](#), 2019, p. 38

<sup>23</sup> ARMSTAT, Labour Market in Armenia, 2017, [p. 75](#)

<sup>24</sup> ARMSTAT, Labour Market in Armenia, 2018, [p. 98](#)

<sup>25</sup> ARMSTAT, Labour Market in Armenia, 2021, [p. 104](#)

<sup>26</sup> ARMSTAT, Social Snapshot and Poverty in Armenia, 2021, p. [29 and 37](#)

The RA [Law on Employment](#) defines the aim of state employment policy as follows: the employment policy and the ALMPs aim at creating conditions to ensure sustainable employment through state regulation of the economy and social protection of the population. With the adoption of the new Law on Employment in 2014, the implementation of the passive labour market measures (provision of unemployment benefit) were abolished in Armenia since then the state employment policies in Armenia are being implemented exceptionally through active labour market programs: a comprehensive and manifold legal framework is developed for regulating the design, administration, delivery, and monitoring of the provision of labour market policies and programs (see Figure 1).

**Figure 1. Labour Market Legal and Policy Framework**



Source: Developed by the author.

The Ministry of Labour and Social Affairs (MoLSA) is the principal government institution responsible for employment policy in Armenia. Until April 2021 regulatory functions in the sphere of employment were delegated to the State Employment Agency (SEA), an agency within the MoLSA structure. As of April 2021, according to the amendments to the [Law on Social Assistance](#) (March 2020) the [Unified Social Services](#) (USS) were established and functioning unifying all four bodies of social protection in Armenia: social security service, medical and social examination, state employment offices, regional social assistance agencies and community social assistance departments (while the first three agencies were affiliated with the MoLSA, the regional and community social assistance agencies and departments were under the Marzpetaran subordination)<sup>27</sup>. The institutional setup of employment services is described in Figure 2:

<sup>27</sup> The aim of establishing the USS is to improve the administration of integrated social services provision, enhance the provision of more targeted and comprehensive assessment of the social needs of the population, contribute to the improvement of social work and increase program efficiency.

Figure 2. The Institutional Setup of USS

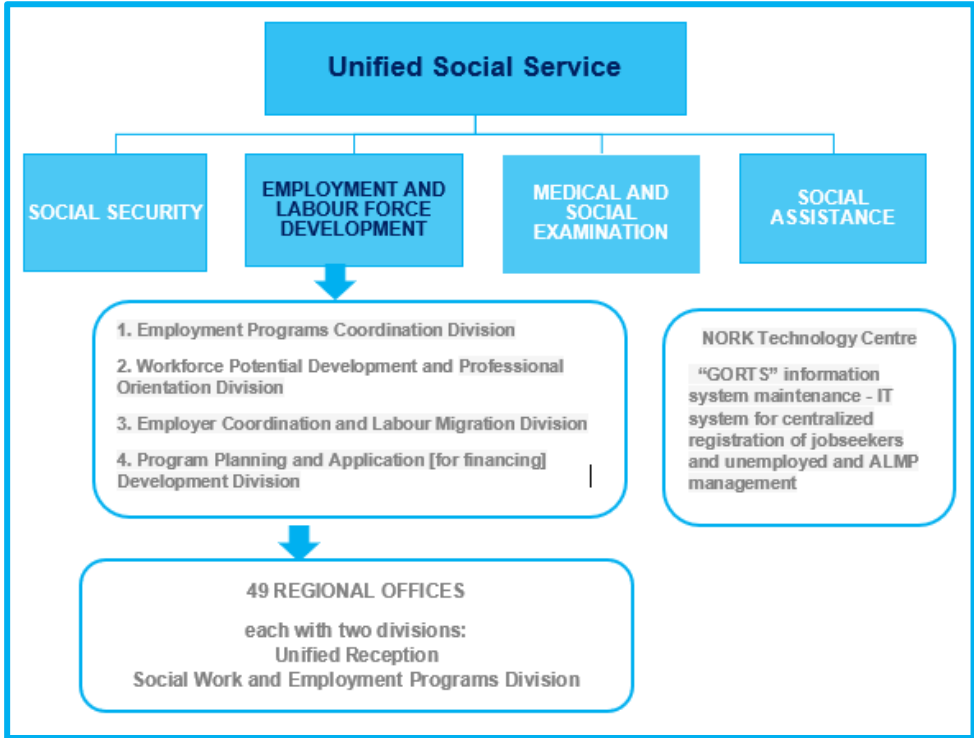


Figure source: Developed by the author,

To assure participatory and coordinated decision-making while developing the national and territorial programs the MoLSA has initiated the setup of reconciliation committees. In reconciliation committees equally are represented the representatives of trade unions, organizations representing the interests of employers, NGOs, local self-government bodies, as well as representatives of the MoLSA and USS (as employment service provider).

## LABOUR MARKET POLICIES

This section presents an overview of the current active labour market policies (ALMPs) with a focus on the crisis and post-crisis context to the extent possible.

The first Law on Employment in Armenia was adopted in 1991<sup>28</sup> and the State Employment Service was established in 1992. The employment policy was mainly concentrated on passive measures such as provision of unemployment benefits.

Starting from early 2000-s, as country’s socio-economic development priorities had changed, resulting in a respective change in labour market challenges and priorities, special importance was given to labour market policies aimed at improving employment and reducing the rate of unemployment with a specific focus on structural unemployment. Starting 2014 the country moved away from reliance on passive policies (the unemployment benefit was abolished) and shifted towards ALMPs.

The structure of labour market public expenditure is represented in Table 2. It shows the dramatic shift from passive to active policy measures. After abolishing the unemployment benefit provision in 2014, the expenses on ALMPs are prevailing, making up almost 0.05% of GDP by 2016, then declining to 0.03%; the 2018 is outlier, as the Government of RA in 2018 suspended almost all active programs due

<sup>28</sup> The Law on Employment since then was revised and readopted three times – in 1996, 2005 and the current Las was adopted in December 2013.

to prevailing opinion that active programs have to be revised to better respond to labour market challenges.

**Table 2. Labour market public expenditure in 1995–2021, as % in GDP**

	1995	2001	2016	2018	2019	2020	2021
Active programs	0	0.03	0.05	0.01	0.03	0.03	0.02
Passive programs	0.13	0.03	0	0	0	0	0
Total Expenditure	0.13	0.06	0.05	0.01	0.03	0.03	0.02

Source: Ministry of Finance; [State Budget Reports](#) for relevant years

The state employment programmes in Armenia are financed from the state budget of the RA, however, financing from other sources is not prohibited as well.

The general framework for employment policy is set out in the Law on Employment, according to which employment policy is being implemented in line with [Employment Regulation Annual Program](#).

The USS and its regional centres work only with and provide services to the registered jobseekers/unemployed. The total number of registered jobseekers in 2018-2021 varied around 85-86 thousand; the share of registered unemployed in total number of registered jobseekers varies between 67%-73%. Note that only about one fourth of total unemployed (based on the LFS) are registered in USS.

No special outreach mechanisms<sup>29</sup> is in place to motivate the jobseekers/unemployed to register with USS regional offices. Another important aspect to consider is that the profile of unemployed defined based on LFS does not necessarily represent the main groups of registered unemployed (see Annex, Figure 8).

The services provided and ALMPs currently implemented in Armenia following the EUROSTAT guidelines and definitions, can be classified as such, as of 2021 (see Table 3):

**Table 3. Labour Market Services and Active Measures Defined by the Employment Regulation Annual Program in Armenia**

	Sequence of client service provision
<b>I. Labour market client services</b>	<ul style="list-style-type: none"> <li>• Registration</li> <li>• Counselling</li> <li>• Needs assessment</li> <li>• Provision of information on professions demanded in labour market, as well as on available vacancies, salaries</li> <li>• Development of an individual program and identification of measures/ALMPs that fit the best to the beneficiary's needs, preferences and skills/qualifications</li> <li>• Enrolment in program</li> </ul>
<b>II. Active labour market measures (ALMPs)</b>	<b>ALMP name</b>
Training (LMMTR)	1. Vocational training for unemployed, jobseekers soon to face economic dismissal, as well as for jobseekers who have up to six months left to serve their sentence

<sup>29</sup> Except, probably, job fairs that can be mentioned as a type of outreach channel, as anyone who is interested in finding a job or changing jobs or getting information about state programs can attend the job fair and get useful information

	2. Vocational training at employer's premises for young mothers uncompetitive in the labour market and not having required skills and qualifications
Employment incentives (LMMEI)	3. Provision of support to the unemployed to gain professional work experience in the acquired profession
	4. Provision of lump-sum compensation to the employer for hiring a person non-competitive in the labour market
	5. Provision of partial wage compensation to the employer in case of hiring a person uncompetitive in the labour market, persons returning from places of detention, persons with disabilities, as well as those with the status of "child with disabilities" and provision of monetary assistance to the person with disability to gain a foothold
Supported employment and rehabilitation (LMMSE)	6. Provision of assistance to the unemployed to move to another place with the purpose of accepting suitable job (mobility program)
	7. Provision of financial assistance to unemployed uncompetitive in labour market to visit employers with the purpose of finding suitable job
	8. Provision of assistance to jobseekers that are on childcare leave to organize the care of child (to hire a nanny) in case they would like to go back to work before the child turns two
Direct job creation (LMMDJ)	9. Provision of assistance to farmers through promoting seasonal employment
	10. Provision of temporary employment of the unemployed through the organization of paid public works
Start-up incentives (LMMSU)	11. Provision of assistance to individuals uncompetitive in labour market to start small business
	12. Providing support to small businesses/small farming, including livestock breeding

Source: USS, Department of Employment and Labour Force Development

Though ALMPs are generally considered as a core part of Armenian Social Protection (SP) system to manage employment related social risks, still during the COVID-19 lockdown and emergency crisis there was no scaling up of ALMPs (see Annex, Table 16 and Box 2): in 2020 the number registered unemployed participating in ALMPs was almost as planned initially. Note that the coverage and funding of ALMPs in Armenia is quite modest: 68% of SP programs fall under the category of non-contributory social assistance, including cash transfers and care provisions, contributory programs make up 23% and ALMPs represent 9%<sup>30</sup>, furthermore, the ALMPs do not fully cover the needs of beneficiaries in case of unemployment; by ALMPs are covered only 3%-4% of registered unemployed.

Before referring to groups of services and ALMPs, note that there are no special operational manuals to manage the ALMPs in Armenia. The program management is guided by the Law on Employment and by Government Decree No. [534-N](#). The latter includes a number of legal acts in the form of 23 annexes which define the procedures of implementation for each ALMP, as well as provide detailed descriptions of general implementation procedures such as registration of jobseekers, counselling and needs assessment, the procedure of assuring the accessibility of information on labour market situation; the procedure and criteria for allocation of the annual state program by regions of Armenia and Yerevan city, by territories and by the groups of jobseekers/unemployed, the procedure on cooperation with

<sup>30</sup> WB, UNICEF, MoLSA, [Core Diagnostic of the Social Protection System in Armenia](#), 2019; p. 78

employers, form and method of providing information on vacancies and new jobs created by employers, as well as on possible job cuts, etc.

## Box 2. Support Programs to Address the COVID-19 Impact in Armenia

Overall, the SP system is neither shock-responsive nor risk-informed. There are no insurance programs as such. The COVID-19 crisis made apparent the existing gaps and the importance of having a shock-responsive SP system.

To prevent a deep economic downturn, as well as to address the economic and social impact of such measures and stimulate the recovery, the government allocated 150 billion AMD (2.4% of 2020 GDP) to finance the socio-economic assistance programs.

The initial distribution of financial means allocated for the support activities is as follows (1):

- 30 billion AMD for business support programs aimed at addressing the liquidity issues,
- 30 billion AMD for social assistance programs,
- 80 billion AMD for economic recovery and long-term development programs,
- 10 billion AMD for the reserve funds to make the necessary redistributions.

In fact, during 2020 was spent only 39 billion AMD (0.6% of 2020 GDP), particularly on social assistance programs was spent 28 billion AMD (1).

In total 22 programs were designed and implemented, out of which 13 programs addressed the social impact of crisis.

The social support programs conditionally can be grouped as such:

- Support programs targeting families where parents lost their jobs within the defined time period through providing lump-sum child benefit - two programs;
- Support programs targeting employees and/or individual entrepreneurs within the defined time period, with some focus on sectors hit hard by crisis - four programs;
- Utility bill subsidies - three programs;
- Programs providing employment opportunity - one program (public work program)
- Support programs targeting by categories, such as pregnant women, students - two programs;
- Support programs for vulnerable families (FB or SB beneficiary families) - one program.

Note that out of four support programs targeting employees and/or individual entrepreneurs none were existing ALMPs. The support programs targeting employees and/or individual entrepreneurs are the following:

- Program 6: Lump-sum Assistance to Laid-off Employees
- Program 8: Lump-sum support to employees and individual entrepreneurs engaged in the most affected sectors of economy
- Program 20: Lump-sum support to employees and individual entrepreneurs engaged in the most affected sectors
- Program 22: Lump-sum Assistance to Employees who lost the job.

The socio-economic consequences of COVID-19 shock disproportionately affect the population and the current experience point out how critical is to develop instruments and entry points (using the existing SP programs) to identify and prioritise the vulnerable.

(1) Source: (1) MoF [Annual Report on 2020 State Budget Performance](#), p. 202 and 203

## 1. Labour Market Services

All jobseekers in Armenia are registered at the regional offices of USS (former SEA offices); “GORTS” (JOB) is the information system maintenance for the centralized registration of jobseekers and unemployed, for employers and vacancies, as well as for ALMP admiration/management.

The RA [Law on Employment](#) defines jobseekers as a person over 16 years of age who, irrespective of having a job (as defined in Article 21 (1) of the RA Law on Employment) has applied to USS (hereafter PES- public employment service provider) to exercise the rights envisaged. As of the end of 2021 there

were 86.4 thousand jobseekers registered in the “GORTS”. The jobseeker is de-registered if she/he applies for de-registration, or finds a job, or refuses to accept the suitable job for the second time, or did not show-up when received an invitation (through mobile phone or e-mail) to visit the regional office to get a suitable job offer, or an offer to get enrolled in ALMP.

The “GORTS” system allows the jobseeker to register online, however, this is considered as pre-registration, as it only makes the list of suitable vacancies (sort of job matching based on the information provided online) and ALMPs available for the jobseeker to study. To get enrolled in ALMP or referred to an employer with the suitable vacancy, the person should step-in in person and go through the procedures defined by relevant regulations.

Once registered, the jobseeker is granted the status of unemployed if she/he satisfies the terms and conditions defined by the Law on Employment i.e. has not reached the age of entitlement to labour pension, is not engaged in any kind of economic activity and is registered with PES to find a job. As of the end of 2021 67.3% of registered jobseekers or 58.2 thousand people were unemployed<sup>31</sup>. All registered jobseekers are provided counselling services and labour market related information (skills and qualifications demanded, vacancies available, etc.).

Once the needs of jobseeker/unemployed are assessed, easy-to-employ<sup>32</sup> jobseekers/unemployed are referred to employers that registered their vacancies in “GORTS”, while for the difficult-to-employ individuals an individual program is being developed to identify the measures that fit the person’s needs, preferences and skills/qualifications the best.

**Table 4. Number of jobseekers who received counselling services**

	2018	2019	2020	2021
Counselling provision, total	154013	177207	156486	69719
by the following issues: Labour and employment legislation	39034	46713	40037	46777
Job orientation / counselling	20200	20384	15803	15292
ALMPs	46213	60941	42452	43470
Change of job	7977	9904	6630	7262
Other	40589	39265	51564	42571

Source: USS, administrative data

Considering the job matching as filling vacancies/jobs with jobseekers whose skills and competencies/qualifications match the employer’s requirements, then the situation is as follows: only 15% -20% of those placed into work are placed through PES mediation (see Annex, Table 17). In 2021, out of 10.1 thousand registered jobseekers placed into work only 20% were placed through PES mediation, the majority of whom (68% of placed into work though PES mediation and 12% of total jobseekers placed into work) were the ALMP beneficiaries.

<sup>31</sup> USS administrative data for 2021

<sup>32</sup> In this context the “easy-to-employ” term is used to refer to those jobseekers/unemployed, who is getting some counselling and information on existing vacancies, further they are either referred to employers (if matched to requirements and/or accept the offer) or continue looking for the job using other than PES channels. “Difficult-to-employ” term is used to refer to those who needs additional interventions, particularly enrolment in ALMPs to increase their employment opportunities. Note that 95% of registered unemployed, according to the definition, are considered “uncompetitive in the labour market”, so they are referred as difficult-to-employ.



While carrying out the job brokering function, the PES works with employers as well to gather information on job openings, to ensure effective placement into work on one hand, on the other hand to provide employers information on labour/skills supply. However, PES data cover only registered employers and presumably a small share of all vacancies. In 2021, for instance, the PES cooperated with about 22 thousand employers of which announced about vacancies only 2.9 thousand (or 13%), the number of announced vacancies was 8.3 thousand<sup>33</sup>. It is obvious that the capacity of matching people with jobs is low in general, and even lower when looking at the rate of matching before enrolling in ALMPs (only 8% of jobseekers). Three main factors result in such situation – PES capacity that needs to be increased, information on supply and demand that needs to be enhanced and supply of skills that either is lacking or mismatches.

**Budget:** it is hard to separate the budget for client services provision from total operating expenses. However, conditionally, the PES staff remuneration can be considered as budget for service provision. In 2021 for PES staff remuneration was allocated 92.9 million AMD (or EUR 207.6 thousand).

## 2. Active labour market measures

### 2.1. Training

The training programs are designed to train or retrain jobseekers. The key target groups are the unemployed, employees at risk of dismissal, as well as young mothers uncompetitive in the labour market and not having required skills and qualifications. The programs are aimed at developing skills demanded in the labour market and support placement into work.

Although both training programs are designed for specific target groups, the selection of program beneficiaries is carried out based on the needs assessment results paired with specifically defined eligibility criteria.

The eligibility criteria defined for unemployed, jobseekers soon to face economic dismissal, jobseekers who will leave the place they serve their sentence in up to six months are as follows:

**Table 5. Main Characteristics of Training Programs**

	Selection criteria	Duration	Compensation
Vocational training for unemployed, jobseekers soon to face economic dismissal, as well as for jobseekers who have up to six months left to serve their sentence	<ul style="list-style-type: none"> <li>▪ Lack of suitable job matching skills and competencies/professional qualifications of the potential beneficiary;</li> <li>▪ The professional qualifications do not match the labour market demand;</li> <li>▪ The potential beneficiary doesn't have professional education and qualifications</li> </ul>	Up to 5 months, except for vocational training courses for people with special educational needs, which are carried out on the basis of an individual curriculum	The stipend equal to 50% of the minimum monthly wage <sup>34</sup> However, the amount of stipend depends on the number of days the beneficiary participated in trainings during the given academic month, so it could vary from month to month.
Vocational training at employer's premises for young mothers uncompetitive in the labour market and not having required skills and qualifications	<ul style="list-style-type: none"> <li>▪ To be under age of 30 and registered at the PES regional office</li> <li>▪ Non-competitive in labour market (see Box 2)</li> <li>▪ Has no profession/qualification</li> </ul>	Up to 6 months	<ul style="list-style-type: none"> <li>▪ The stipend equal to 50% of the minimum monthly wage</li> <li>▪ At workplace the coach is paid a supplement equal to 20% of his/her average monthly wage, but not more than the defined minimum wage</li> </ul>

<sup>33</sup> USS administrative data for 2021

<sup>34</sup> The minimum wage in Armenia is defined by Article 1 of the RA [Law on Minimum Monthly Wage](#); currently the minimum monthly wage is 68,000 AMD (EUR 152)

### Box 3. Definition of Non-competitiveness in Labour Market

According to the procedures defined by the [Government Decree No. 534-N](#), Annex 14, the unemployed is recognised as non-competitive if:

1. Has a status of a person with disability or a child with disability (the status is granted by the USS Medical-social examination Department)
2. The family of the unemployed is a Family or Social Benefit recipient (information is verified based on social assessment database)
3. The unemployed is in 16-30 age group and was unemployed more than 3 months (verified through the SRC personified recordkeeping system)
4. The unemployed is in 31-63 age group and has been unemployed more than 12 months (verified through the SRC personified recordkeeping system)
5. The person has completed compulsory military service and is registered at the USS within 6 months after service completion (verifiable)
6. The person has returned from places of detention or institutions applying coercive medical measures and has been registered at the regional centre within six months of returning (verifiable)
7. The person is registered in out-of-hospital drug services and is in a period of rest (remission) (verifiable)
8. The person is a victim of trafficking (verifiable)
9. The person is a refugee (has a status)
10. The person lives in either border or mountainous/highland areas (based on the Gov Decree defining the list of such settlements)
11. The person has been abroad for at least for 90 consecutive days and has not been able to become employed for six months after returning (verified through RA Border Electronic Governance Information System).
12. The person does not have a profession and has not worked before or has worked for up to a month (first part is self-reported; second part is verified through the SRC personified recordkeeping system)
13. The person has a profession but has not previously worked in his / her profession (qualification) or worked up to one month or within three months after being registered in the regional centre (in the absence of relevant demand) was not able to place him/her at job
14. The person takes care of a child under the age of three or a child with disability
15. The person has a conviction, including serving the sentence in an open correctional facility
16. The person is an orphanage graduate
17. The person was directed to employment service within the social case management.

Source: [Government of the RA Decree No. 534-N, Annex 14](#)

The trainings can be institutional (provided by the selected educational institution, which can be public or private – both can apply according to the procurement procedures defined by the relevant legislation), as well as at the workplace (like in case of young mothers). The latter allow beneficiaries to acquire new skills and professional qualifications required by the labour market, as well as to gain a work experience and become competitive in labour market.

If the number of beneficiaries exceeds the number of persons envisaged by the annual state employment program for that particular region for the given year, the preference for enrolment is given to the previously registered unemployed based on the order of registration.

**Table 6. Number of Training Program Beneficiaries**

	2018	2019	2020	2021
Total number of beneficiaries, people	210	479	726	981
Female	206	441	683	772
16-29 years old	125	213	259	382
Share in total				
Female	0.98	0.92	0.94	0.79
16-29 years old	0.60	0.44	0.36	0.39

Source: USS, Administrative data

Job placement of training program beneficiaries is quite low (see Figure 3). Due to its nature in the short-run the outcome of the program may not be satisfactory, however, due to the human capital accumulation, the long-run effect of the program is expected to be positive and sizeable. The outcome of the program very much depends on the training content - if it is obsolete or useless, then the negative outcome is most likely to take place.

**Program budget:** the budget of pre-programs of this category varies between 50 to 117.5 million AMD (EUR 116.1- 272.9 thousand) depending on the size of program/number of beneficiaries (see Annex, Table 16). The average cost per program beneficiary in 2021 varied between 163.7 – 332.1 thousand AMD (EUR 380-771).

## 2.2. Employment incentives

The ALMPs of this category are based on public-private partnerships and aimed at creating incentives that alter employer and/or worker behaviour regarding private sector employment. In fact, all three programs – support to the unemployed to gain work practice, lump-sum and partial compensation to employer to hire a person non-competitive in the labour market – improve the job matching, as well as develop the labour force/human capital through work practice.

The work practice program targets the first-time labour market entrants: through internship opportunity, the program increases the beneficiaries' competitiveness in the labour market and the chances to get a sustainable employment.

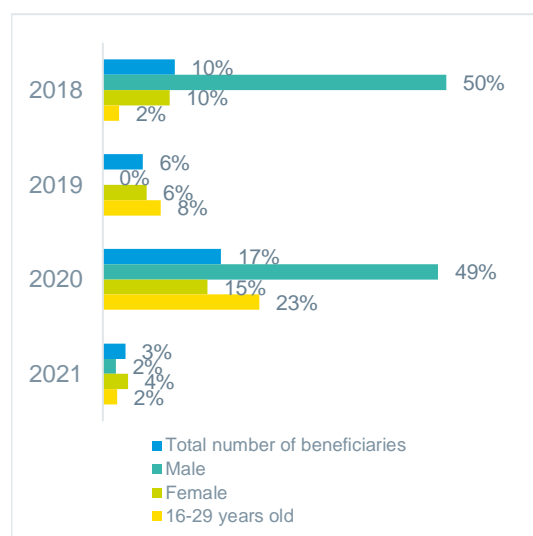
The partial and lump-sum compensation programs also target the unemployed non-competitive in labour market, however the range of non-competitiveness is quite large (see Box 2), while the program size is quite limited. Therefore, additional selection criteria are defined to prioritise the potential beneficiaries (see Table 6).

**Table 7. Main Characteristics of Employment Incentives Programs**

	Selection criteria	Duration	Compensation
Provision of support to the unemployed to gain professional work experience in the acquired profession	<ul style="list-style-type: none"> <li>The person has the most demanded profession in labour market (how to determine the most in-demand)</li> </ul>	Three months	The beneficiary is paid a salary equal to minimum monthly wage <sup>35</sup> . The the employer is reimbursed for paying income tax, stamp payment (the payment to Insurance Foundation of

<sup>35</sup> Defined by Article 1 of the RA [Law on Minimum Monthly Wage](#).

**Figure 3. Job Placement Ratio of Training Program Beneficiaries**



Source: Calculated based on administrative data

	profession: the question is open, as there is no comprehensive information on the demand for professions in the country)		Servicemen) and targeted social payment (the mandatory contribution to the funded pension pillar 1) for beneficiary; The specialist organising the process of work practice at employer's premises is paid monthly salary equal to 50% of minimum monthly wage.
Provision of partial wage compensation to the employer in case of hiring a person uncompetitive in the labour market, persons returning from places of detention, persons with disabilities, as well as those with the status of "child with disabilities" and provision of monetary assistance to the person with disability to gain a foothold	The priority to get enrolled in the program is given if the person is: <ul style="list-style-type: none"> <li>Member of family (FB) or social (SB) benefit recipient family</li> <li>Member of family with two or more children</li> <li>At high risk of labour migration (though no clear definition when the risk is considered to be high)</li> <li>Graduated from the orphanage</li> <li>Referred within the social case management).</li> </ul>	At least 2 years, of which 12 months is the period when wage compensation is provided	For each non-competitive unemployed placed at suitable job, the employer is compensated for a period of one year on a monthly basis in the amount of 50% of the monthly salary set for the given non-competitive person, but not more than the defined minimum wage for that particular year.  If the program beneficiary is a person with disability and needs a help to gain a foothold, a financial assistance is provided on monthly bases, in the amount equal to 50% of defined minimum monthly wage.
Provision of lump-sum compensation to the employer for hiring a person non-competitive in the labour market	The priority to get enrolled in the program is given if the person is: <ul style="list-style-type: none"> <li>Member of family (FB) or social (SB) benefit recipient family</li> <li>Member of family with two or more children</li> <li>At high risk of labour migration (though no clear definition when the risk is considered to be high)</li> <li>Graduated from the orphanage</li> <li>Referred within the social case management).</li> </ul>	At least 1 year, in case of seasonal works – at least 6 months per year	The lump sum compensation to the employer varies between 50,000 -200,000 AMD (EUR 112-447), the size of the compensation is calculated based on the formulae defined by program regulations.  If the program beneficiary is a person with disability, the employer gets another lump-sum compensation, not exceeding 500,000 AMD (EUR 1118), for adjusting the workplace, if needed.

Source: [Government Decree No. 534-N](#), Annexes 8, 12 and 15

The number of beneficiaries and the program funding are presented in the Table 16 of the Annex, while the table 8 below presents the summary of the number of beneficiaries and the job placement rate.

**Table 8. Number of Beneficiaries of Employment Incentives Programs**

	2018	2019	2020	2021
Total number of beneficiaries, people	1288	1209	953	745
Female	1028	1031	795	615
16-29 years old	698	654	547	453
Share in total				
Female	0.80	0.85	0.83	0.83

16-29 years old	0.54	0.54	0.57	0.61
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Table source: USS, Administrative data

According to the procedures regulating the implementation of programs of this group, once the unemployed is enrolled in the program, he/she is considered to be placed into work and during the program lifetime the beneficiaries are de-registered. The share of drop-outs varies between 0.2% to 5% in different years; no information is available on whether beneficiaries are employed after the program ends or not.

**Program budget:** the budget of the programs of this category varies between 244 to 409.9 million AMD (EUR 566.7 – 952.1 thousand) depending on the size of program/number of beneficiaries (see Annex 4, Table 16). The average cost per program beneficiary in 2021 varied between 202.95 – 503.0 thousand AMD (EUR 469 – 1168).

### 2.3. Supported employment and rehabilitation

The ALMPs of this category are aimed at promoting the labour market integration/reintegration of jobseekers. The programs under this category provide monetary support to those unemployed ready to move to another location to accept a suitable job, or to actively visit employers for job interviews, or break the childcare leave (three years according to the current legislation).

**Table 9. Main Characteristics of Supported Employment and Rehabilitation Programs**

	Selection criteria	Duration	Compensation
Provision of assistance to the unemployed to move to another place with the purpose of accepting suitable job (mobility program)	N/A	At least two years	The following is compensated to unemployed and his/her family members: <ul style="list-style-type: none"> <li>Transportation cost</li> <li>Transport cost for moving necessary household goods: from 8,000 to 50,000 AMD (EUR 20 - 122) depending on distance</li> <li>Lump-sum financial assistance equal to triple minimum wage</li> <li>Transportation cost to visit (4 times) the permanent place of residency</li> <li>Compensation for renting an apartment and for utilities, not more than the defined minimum wage</li> <li>Supplement to monthly wage equal to 50-100% of defined minimum monthly wage for one year</li> </ul>
Provision of financial assistance to unemployed non-competitive in labour market to visit employers with the purpose of finding suitable job	The priority to get enrolled in the program is given if the person is: <ul style="list-style-type: none"> <li>Member of family (FB) or social (SB) benefit recipient family</li> <li>Member of family with two or more children</li> <li>At high risk of labour migration (though no clear definition when the risk is considered to be high)</li> <li>Graduated from the orphanage</li> </ul> Referred within the social case management).	Maximum 3 months	Financial assistance in the amount of up to 25,000 AMD (EUR 61) during the program life-time; 5000 AMD (EUR 12) per each visit

<p>Provision of assistance to jobseekers that are on childcare leave to organize the care of child (to hire a nanny) in case they would like to go back to work before the child turns two</p>	<p>The priority to get enrolled in the program is given if the person is:</p> <ul style="list-style-type: none"> <li>▪ Whose average monthly salary (before the child care leave) does not exceed the amount of the average monthly salary published by the RA ARMSTAT</li> <li>▪ Member of family (FB) or social (SB) benefit recipient family</li> <li>▪ Member of family with two or more children</li> <li>▪ At high risk of labour migration (though no clear definition when the risk is considered to be high)</li> <li>▪ Graduated from the orphanage</li> <li>▪ Referred within the social case management).</li> </ul>	<p>Maximum 11 months</p>	<p>The beneficiary is paid an amount equal to 50% of the monthly salary stipulated by the service provider or employment contract (with nanny), but not more than the defined minimum monthly wage.</p>
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Table source: [Government Decree No. 534-N.](#), Annexes 13, 18 and 23

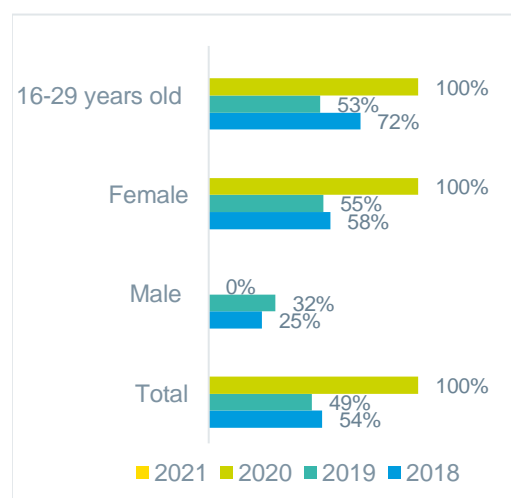
The number of beneficiaries and the program funding are presented in the Table 16 of the Annex. The below Table 9 and Figure 4 present the summary of the number of beneficiaries and job placement rate.

**Table 10. Number of Beneficiaries of Supported Employment and Rehabilitation Programs**

	2018	2019	2020	2021
Total number of beneficiaries, people	1,119	1,453	627	597
Female	134	344	7	1
16-29 years old	985	1,109	620	596
Share in total				
Female	0.88	0.76	0.99	1.00
16-29 years old	0.29	0.33	0.40	0.36

Source: USS, Administrative data

**Figure 4. Job Placement Ratio Supported Employment and Rehabilitation Programs Beneficiaries**



Source: Calculated based on administrative data

None of the programs of this category were implemented in 2020, instead the funds were reallocated to finance crisis response related social protection programs. Note that the enrolment in so called mobility and nanny programs automatically assumes job placement; as for the program providing financial assistance to unemployed uncompetitive in labour market to visit employers, the job placement ratio varies between 20-25%.

**Program budget:** the budget of pre-programs of this category varied between 78.3 to 477.8 million AMD (EUR 181.9 – 1109.8 thousand) depending on the size of program/number of beneficiaries (see Annex, Table 16). In 2021 the mobility and employer visit programs were not implemented, the cost of nanny program per beneficiary comprised 796 thousand AMD (EUR 1849).

## 2.4. Direct job creation

The ALMP programs of this category are aimed at creating additional jobs (though temporary, short term) of community benefit to employ non-competitive, long-term unemployed or rural unemployed to support agricultural farming.

**Table 11. Main Characteristics of Direct Job Creation Programs**

	Selection criteria	Duration	Compensation
Provision of assistance to farmers through promoting seasonal employment	<p>The priority to get enrolled in the program is given if the person is:</p> <ul style="list-style-type: none"> <li>▪ Member of family registered in vulnerability assessment system and the vulnerability score if greater than 0</li> <li>▪ Member of family with two or more children</li> <li>▪ Member of family with person/s with disability</li> <li>▪ The family had a member/soldier who died during the defines of the RA or while performing his / her official duties</li> <li>▪ Graduated from the orphanage</li> <li>▪ Referred within the social case management).</li> </ul>	<p>The maximum duration of the program is determined by the plan-schedule developed for the cultivation of the given agricultural crop. However, it cannot exceed 180 days.</p>	<ul style="list-style-type: none"> <li>▪ Financial assistance equal to 4,000 AMD (EUR 9) per day per person is provided to the land user enrolled in the program</li> <li>▪ In case of using agricultural machinery in the works envisaged within the framework of the program, the land user is provided with financial assistance in the amount of 5,000 AMD (EUR 12) per hour</li> <li>▪ The cost of program per beneficiary may not exceed 350 thousand AMD (813)</li> </ul>
Provision of temporary employment of the unemployed through the organization of paid public works	<p>The priority to get enrolled in the program is given if the person is:</p> <ul style="list-style-type: none"> <li>▪ Member of family registered in vulnerability assessment system and the vulnerability score if greater than 0</li> <li>▪ Member of family with two or more children</li> <li>▪ Member of family with person/s with disability</li> <li>▪ Graduated from the orphanage</li> <li>▪ Referred within the social case management).</li> </ul>	<p>Maximum duration is 3 months</p>	<ul style="list-style-type: none"> <li>▪ The program beneficiary is paid 5,000 AMD (EUR 12) per working day, including income tax, as well as targeted social payment, if eligible</li> <li>▪ The salary is paid for worked days</li> <li>▪ The cost of program may not exceed 1,500 thousand AMD (EUR 3484), including the cost of construction materials, transportation, reimbursement of garbage removal, etc.</li> </ul>

Source: [Government Decree No. 534-N.](#), Annexes 19 and 21

Assistance to farmers to promote the seasonal work is one of the largest ALMPs by the number of beneficiaries enrolled – during 2018-2021 the share of total enrolled in the program makes up 28% of total number of beneficiaries.

The public works program is implemented exceptionally in regions of Armenia, furthermore, while selecting the location of the program implementation, the priority is given to mountainous and close to border settlements. The program was suspended in 2021, and instead a specially designed public works program was implemented to support the displaced unemployed; the latter, along with the training program for displaced unemployed in 2021, was financed by WB.

Unlike other ALMPs, the unemployed can be enrolled in public works program more than once<sup>36</sup>.

The programs of this category by the design and procedures regulating the implementation assume that beneficiaries are placed into work once enrolled in the program.

**Table 12. The number of Beneficiaries of Direct Job Creation Programs**

	2018	2019	2020	2021
Total number of beneficiaries, people	0	2,735	3,256	1,076
Female	0	557	932	341
16-29 years old	0	263	263	52
Share in total				
Female	0	0.20	0.29	0.32
16-29 years old	0	0.10	0.08	0.05

Source: USS, Administrative data

**Program budget:** the budget of pre-programs of this category varied between 203.9 to 543.2 million AMD (EUR 473.6 – 1,261.7 thousand) depending on the size of program/number of beneficiaries (see Annex, Table 16). In 2021 the cost of program per beneficiary varied between 163.6 – 175.6 thousand AMD (EUR 380-408).

### 2.5. Start-up incentives

The ALMP programs of this category are aimed at promoting entrepreneurship by supporting the unemployed to start their own business or to become self-employed.

**Table 13. Main Characteristics of Start-up Interventions Programs**

	Selection Criteria	Duration	Compensation
Provision of assistance to individuals non-competitive in labour market to start small business	The priority is given to unemployed, whose business plan envisages enrolment of hired employees	At least 2 years	The maximum size of support is equal to 1,350.0 thousand AMD (EUR 3,136) and includes the following: <ul style="list-style-type: none"> <li>25% of the wage of job seeker employed as employee, but not more than 50% of the minimum wage for 1 year</li> <li>75%, but not more than 500 thousand AMD (EUR 1161) of the total value of fixed assets acquired; lump-sum,</li> <li>50%, but not more than 25 thousand AMD (EUR 58) of the rental value of the business area, per month for 1 year</li> <li>The income tax, the targeted social payment (if eligible) of beneficiary on monthly basis; the maximum size of compensation may not exceed the defined minimum wage</li> </ul>

<sup>36</sup> In case of remaining ALMPs the person can get enrolled in the program once within the time frame defined for each program. Normally it is from two to five years, depending on the type of program.



Support small farming, including livestock breeding	The priority to get enrolled in the program is given if the person is: <ul style="list-style-type: none"> <li>Member of family (FB) or social (SB) benefit recipient family</li> <li>Member of family with two or more children</li> <li>Member of family with person/s with disability</li> <li>A returned migrant</li> <li>Graduated from the orphanage</li> <li>Referred within the social case management).</li> </ul>	At least 2 years	The maximum size of support is equal to 1.200.0 thousand AMD (EUR 2,787) and includes the following: <ul style="list-style-type: none"> <li>For one year, on monthly basis the beneficiary is paid 50% of minimum wage defied for livestock breeding activity, including the income tax, targeted social payment (if eligible)</li> <li>Lump-sum assistance in the amount of 350.0 thousand AMD (EUR 813) to purchase farm animals.</li> <li>A contract is signed (by regional centre of USS) with the local veterinarian to provide the veterinarian services and the cost of these services are compensated on monthly basis as well.</li> </ul>
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Source: Government Decree No. 534-N., Annexes 1,6

The financing of the programs is carried out in few stages in accordance with the work the plan and schedule approved by the business plan (to be developed within the program). The program assisting unemployed non-competitive in labour market to start small business was not implemented in 2021.

The programs of this category by the design and procedures regulating the implementation assume that beneficiaries are placed into work once enrolled in the program.

**Table 14. Number of beneficiaries of Start-up Interventions Programs**

	2018	2019	2020	2021
Total number of beneficiaries, people	151	1,179	121	475
Female	47	515	58	202
16-29 years old	104	664	63	273
Share in total				
Female	0.69	0.56	0.52	0.57
16-29 years old	0.34	0.08	0.14	0.12

Source: USS, Administrative data

**Program budget:** the budget of pre-programs of this category varied between 31.3 to 418.1 million AMD (EUR 72.6 – 971.1 thousand) depending on the size of program/number of beneficiaries (see Annex, Table 16). Note, that in 2021 only the small farming support program was implemented and the cost per beneficiary made up to 869.5 thousand AMD (EUR 2019).

## ASSESSMENT

In this section an attempt is made to assess the active labour market policies against the challenges to the extent possible.

As it is presented in Table 2, public expenditure on labour market measures is extremely low and severely limits the impact of programs on beneficiaries. Obviously, in the future increased public

expenditure is needed, as well as appropriate measures to enhance the capacities of employment services to absorb increased funding and transform labour market outcomes.

## 1. Labour Market Services

While looking at labour market service provision, the most pressing policy challenge is strengthening PES institutional capacity for effective service provision, including counselling, provision of career/available vacancies information and guidance services, support in job placement, as well as implantation of active labour market measures.

Main challenges in service provision area can be classified as follows:

- Workload of PES employees is high: in 10 regions of RA and Yerevan city 86.4 thousand registered jobseekers are provided services in 49 regional centres by 268 employees; the workload per employee is 322<sup>37</sup>, much higher than the average for European countries (140 in 2014-2016<sup>38</sup>).
- Efficiency of job matching services is low: here the job matching is referred to as the process of filling vacant jobs with qualified jobseekers – in 2021 only 20% of jobseekers were placed into work through PES mediation. Besides the challenge of (not) having enough capacity (human resources and technologies) to provide improved job matching services, two critical challenges should be mentioned as well:
  - The vacancy submission rate is low: in 2021 the number of employers cooperating with USS regional centres was 21.7 thousand, while information on vacancies submitted only 13%. Very often employers prefer using the services of private employment agencies, or existing online platforms, or even personal networks. So, while the number of registered employers is high, the number of reported vacancies only covers a minor share of jobseekers making it difficult to intermediate.
- Incomplete, fragmented labour market information (see Box 4): it is well recognised that the basis for improving the matching is the availability of well updated and comprehensive labour market information. Provision of counselling services. the average PES employee has about half an hour to work with jobseeker, which cannot be only dedicated to counselling; it is evident that the PES employees also enter the information into the GORTS system, work on developing individual plans for hard to employ individuals, have to do some profiling, to be able to match supply and demand, etc. Hence, they have very little time for counselling, furthermore, limited capacity for providing counselling on specific in-demand skills in labour market.

Hence, institutional capacity development of USS and its regional centres, as well as revision of policies for employment and education, particularly the vocational education, will allow to create new synergies between employment and education (particularly VET) programs and between the public and private sectors to strengthen the link between skills formation, quality service provision and therefore quality employment.

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<sup>37</sup> Calculated based on USS administrative data

<sup>38</sup> European Commission, Assessment Report on PES Capacity, 2016; p. 27

**Box 4. Armenia Initiatives to Establish Online Labour Market Information Systems** To address job matching challenge the Government of RA has initiated the establishment of an extensive online labour market information systems, including information about in-demand occupation profiles and the competencies needed to work in specific occupations.

Hence, within the scope of the “[Work Armenia](#)” [Strategy](#)<sup>(1)</sup>, the [Edu2Work](#)<sup>(2)</sup> platform is designed and functioning and is aimed at analysing the trends of the labour market in Armenia. The platform gathers/looks at and analyses job announcements posted on 10 online job portals in Armenia. The information presented in the platform is being updated daily and a new concept for the platform’s development is in process.

Besides, currently under the USS functions the job search platform for the Eurasian Economic Union countries – the “[Work without Borders](#)” platform that provides access to job vacancies and job seekers in the member states of the Union (Republic of Armenia, Russian Federation, Republic of Belarus, Republic of Kazakhstan, Kyrgyzstan).

In parallel work is being done towards establishing the e-borsa state platform by MoLSA (currently the ToR is being finalized to announce a tender), which will include the [Edu2Work](#) platform as a tool.

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(1) “Work Armenia” 2019-2023 strategy was adopted by the Government of RA in 2019 (Gov Decree 1753-L) and is aimed at continuous improvement of the quality of life through work and professional self-realization. The Strategy main priorities the Government should focus, particularly human capital improvement, promotion of employment, and institutional reforms.

(2) Edu2Work is a platform designed in response to the rapidly changing labour market and continuous mismatch between the demand and supply of workforce in Armenia. The platform brings insights from the analysis of thousands of job postings (presumably from almost all economic sectors) and helps to get a better understanding of the Armenian labour market, so that everyone can make informed career choices.

## 2. Active labour market measures

1. While a broad portfolio of active labour market measures is provided, most programs reach only a small number of beneficiaries. Though the implemented programs cover major active labour market measures (see Annex, Table 16), the program coverage is low: number of beneficiaries of for majority of programs doesn’t exceed 500 per year, the number of beneficiaries covered by program even smaller per region. Hence the limited financial resources coupled with the significant administrative burden (high workload of PES employees) make it difficult to deliver the ALMPs at high quality.

2. As already mentioned above, the coverage of ALMPs is quite modest as measures are available only to registered unemployed. While the funding for ALMPs is allocated relatively evenly across regions reflecting regional targeting criteria that more or less capture regional unemployment rates, the funding for programs is more unevenly allocated: there is an obvious agricultural orientation, while more than 60% of the registered unemployed are in urban areas. The agricultural orientation programs support those who anyway are engaged in agriculture, so these types of programs should be the priority of relevant line ministries and agencies and the human and financial resources should be channelled to other programs.

However, to be able to revise the program funding or refine program parameters for core ALMPs in line with international evidence it is critical to systematically measure program effectiveness, e.g., through enhancing monitoring of post-program employment, assessing the program effectiveness comparing the enhancement of job placement opportunities with the control group outcome, etc.

3. Targeting of ALMPs needs to be revised and enhanced. For targeting issues particularly need to be addressed:

- As the funding of programs is limited (only 2% to 5% of registered unemployed are covered by ALMPs in different years), the number of potential beneficiaries exceeds the planned number of program beneficiaries, in almost all ALMPs. Therefore, for almost all programs prioritization criteria are defined and if still the potential number is larger than the planned one, in case of

equal terms and conditions the preference is given to those unemployed who registered earlier or who received the status of a person not competitive in the labour market earlier.

- According to the procedures regulating the implementation of ALMPs (Government [Decree 534-N](#)) 95%<sup>39</sup> of registered unemployed are considered “non-competitive in the labour market”. The status of “non-competitive” is assigned based on 17 criteria (see Box 3), such as disability status, length of unemployment, family receiving social assistance, taking care of children under the age of three, etc. In practice, this means that almost all PES clients (95%) are considered non-competitive, which does not allow meaningful segmentation and differentiated treatment of clients. Besides, the “non-competitiveness” classification is basically a legal approach instead of being based on repeated and failed job search over a period of time, considering the fact that more than 70% of registered unemployed have been unemployed over a year and must have various constraints to enter the labour market. So, even while applying the additional criteria to prioritize potential beneficiaries, still often the “first come, first served” approach is working. So, reviewing proofing and selection process for ALMPs is critical to be able to enhance differentiation of “non-competitive” clients.
- In addition to what is said above, defining priority target groups in line with labour market needs, as well as defining lesser number of flagship programs (instead of 12 to 15 depending on years) to enhance the program efficiency can be part of the solution.

The training provision is demand-based; however, potential beneficiaries’ preferences are considered as well, though not always leading to job placement.<sup>40</sup> As the preferences in large majority of cases are not supported with relevant demand side information, the effectiveness of job placement is not high, even in the case of young mothers’ training program, which is work- place-based training program (it varies between 1%-20% in different years. On the other hand, the so called “most demanded” skills/qualifications are defined based on analysing the bulk of announced vacancies and it is hard to estimate (again due to lack of comprehensive information on skills and qualifications demand) their validity. The result is a low job placement rate. Hence, though training measures generally play an important role in skilling/reskilling/upskilling of unemployed, the challenges in terms of course selection, targeting and selection priorities<sup>41</sup> (see Table 5) leave room for improvement.

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<sup>39</sup> Calculated based on USS administrative data for 2021.

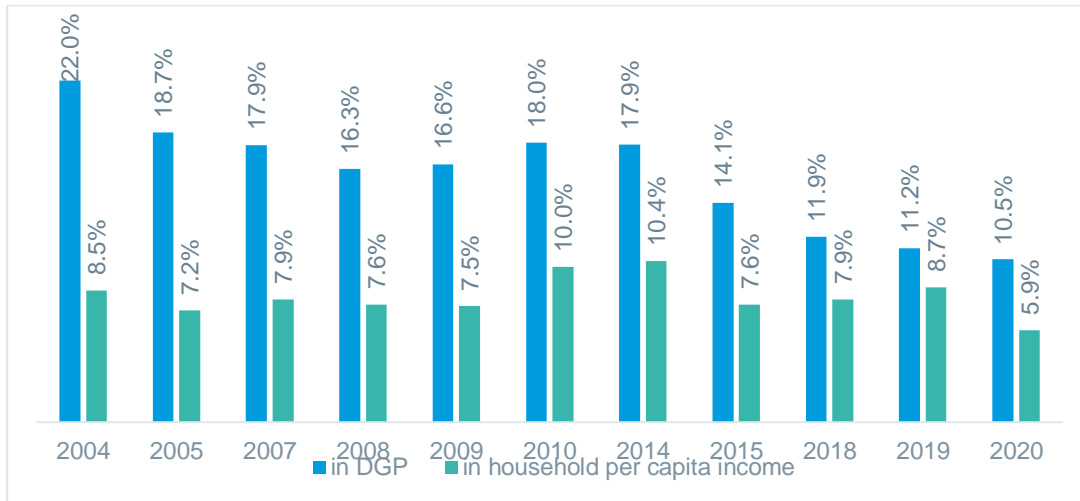
<sup>40</sup> The conclusion is driven based on round table discussions conducted with representatives of USS regional centers.

<sup>41</sup> Due to limited funding usually, the number of potential beneficiaries exceeds the planned number of program beneficiaries, in almost all ALMPs, in case of equal terms and conditions the preference is given to those unemployed who registered earlier or who received the status of a person not competitive in the labour market earlier.

# ANNEX

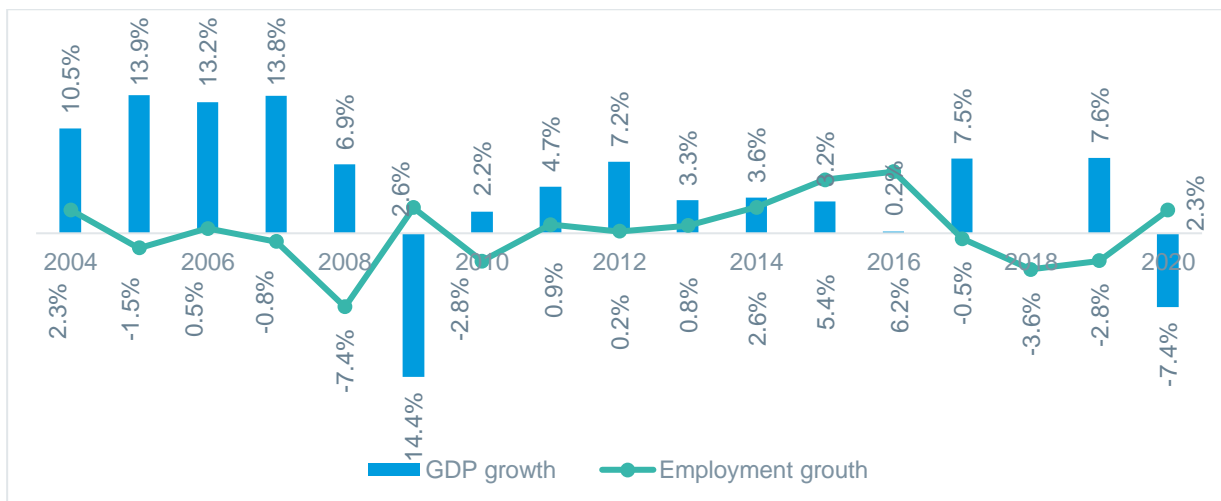
## 1. Labour market related statistics

Figure 5. Share of Personal Remittances Received



Source: ARMSTAT, [Social Snapshot and Poverty in Armenia](#) for corresponding years & WB data on [Personal Remittances Received for Armenia](#)

Figure 6. Real GDP and Employment Growth Rate



Source: ARMSTAT, GDP related data: Yearbook for 2008 (p. 210), 2013 (p. 227), 2021 (p. 264), for 2021- see [Main Indicators in Graphical form](#); Employment related data: Yearbook for 2009 (p. 51), 2013 (p. 53), 2018 (p. 53) and 2020 (p. 72) and calculations

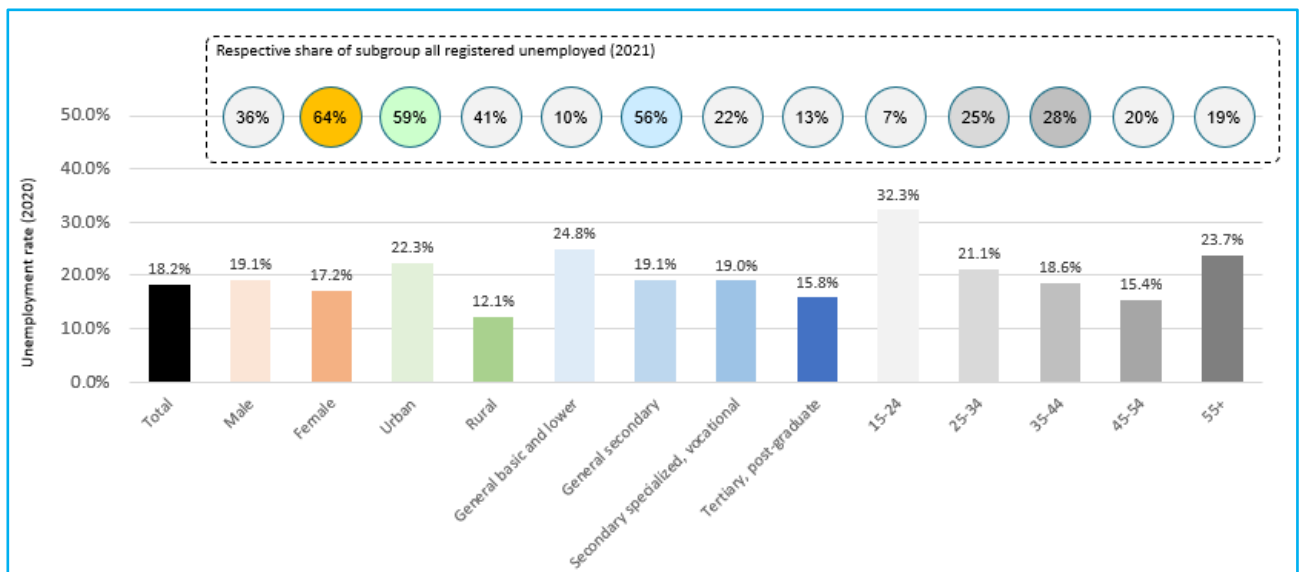
Figure 7. The profile of working age population (15+), 2020\*

<b>Working age population, thousand: 2,336.5 or 100% (45.4% male, 54.6% female)</b> Youth: 546.1 or 100% (51.2% male, 48.8% female) Youth -23.4% of total working age population					
<b>In the labour force: 1,294.7 or 55%</b> (54.3% male, 45.7% female) Youth: 251.0 or 46.0% (60.6% male, 39.4% female)			<b>Outside the labour force: 1,041.9 or 45%</b> (34.3% male, 65.7% female) Youth: 295.1 or 54.0% (43.3% male, 56.7% female)		
<b>Employed: 1,060.1 or 82%</b> (53.8% male, 46.2% female) Youth: 184.5 or 73.5% (61.6% male, 38.4% female)		<b>Unemployed: 234.6 or 18%</b> (56.9% male, 43.1% female) Youth: 66.5 or 26.5% (57.7% male, 42.3% female)	<b>Youth (15-29): 295.1 or 28.3%</b> (43.3% male, 56.7% female)		<b>Non-youth (30+): 746.8 or 71.7%</b> (30.7% male, 69.3% female)
<b>Formal: 685.1 or 65%*</b> (47.9% male, 52.1% female) Youth: 129.4 or 70.1%	<b>Informal: 375.0 or 35%*</b> (61.6% male, 38.4% female) Youth: 48.3 or 26.2%		<b>In school: 158.7 or 53.8%</b>	<b>Housekeeper: 61.5 or 20.8%</b>	<b>Housekeeper: 167.5 or 22.4%</b> <b>Other: 212.1 or 28.4%</b>
	<b>Non-agricultural: 120.5 or 32%</b> (69.5% male, 30.5% female)		<b>Pensionaries: 4.9 or 1.7%</b> <b>Other: 70.0 or 27.0%</b>	<b>In school: 0.9 or 0.1%</b> <b>Pensionaries: 366.3 or 49.0%</b>	
			<b>Youth NEET: 169.6 or 31.1%</b> (37.3% male, 62.7% female)		

Source: ARMSTAT, Labour Market in Armenia, 2021, pp. 27, 58, 87, 119, 198, 163, and 233

\* Until 2020 the age limits in RA-LFS were set up 15-75 compare to the legally determined working age range of 16-62 years. Since 2020 no upper age limit has been set, considering the need for comprehensive coverage of adult and elderly population work activities of adult and elderly population, thus monitoring the possible aging of the population in the labour market.

**Figure 8. The Profile of Unemployed based on LFS and Administrative Data, 2020**



Source: Author's calculation based on ARMSTAT, LFS and USS administrative data for 2020

## 2. Client services and ALMP related statistics

Table 15. ALMP: Number of Beneficiaries and Funding

	Program name	Number of beneficiaries, people					Funding, million AMD				
		2018	2019	2020	2021	2018-2021	2018	2019	2020	2021	2018-2021
	<b>Training</b>	<b>211</b>	<b>479</b>	<b>756</b>	<b>621</b>	<b>2067</b>	<b>50.0</b>	<b>97.8</b>	<b>163.2</b>	<b>117.5</b>	<b>428.5</b>
1	Organization of vocational training for unemployed and jobseekers soon to face economic dismissal, as well as jobseekers who have up to six months left to serve their sentence	98	369	524	487	1,478	25.9	54.5	85.2	79.7	245.3
2	Organization of vocational training at employer's premises for young mothers uncompetitive in the labour market and not having required skills and qualifications	113	110	202	106	531	24.1	43.3	75.8	35.2	178.4
3	Provision of trainings for parents of children with disabilities *	0	0	30	28	58	0	0	2.2	2.6	4.8
	<b>Employment incentives</b>	<b>1,288</b>	<b>1,206</b>	<b>953</b>	<b>1,133</b>	<b>4,580</b>	<b>247.0</b>	<b>244.0</b>	<b>264.5</b>	<b>409.9</b>	<b>1,165.4</b>
4	Provision of support to the unemployed to gain professional work experience in the acquired profession	425	398	395	353	1,571	103.2	88.8	148.1	139.3	479.4
5	Provision of Assistance to Unemployed Displaced from Artsakh (due to the September 2020 military hostilities) to Gain Professional/Work Experience*	0	0	0	388	388	0	0	0	181.5	181.5

	Program name	Number of beneficiaries, people					Funding, million AMD				
		2018	2019	2020	2021	2018-2021	2018	2019	2020	2021	2018-2021
6	Provision of lump-sum compensation to the employer for hiring a person non-competitive in the labour market	831	770	526	359	2,486	138.5	146.6	102.4	72.5	460
7	Provision of partial wage compensation to the employer in case of hiring a person uncompetitive in the labour market, persons returning from places of detention, persons with disabilities, as well as those with the status of "child with disabilities" and provision of monetary assistance to the person with disability to gain a foothold	32	38	32	33	135	5.3	8.6	14	16.6	44.5
	<b>Supported employment and rehabilitation</b>	<b>1,099</b>	<b>1,491</b>	<b>621</b>	<b>597</b>	<b>3,808</b>	<b>78.3</b>	<b>369.4</b>	<b>415.3</b>	<b>477.8</b>	<b>1,340.8</b>
8	Provision of assistance to the unemployed to move to another place with the purpose of accepting suitable job (mobility program)	4	11	5	0	20	10	10.6	22	2.6	45.2
9	Provision of financial assistance to unemployed uncompetitive in labour market to visit employers with the purpose of finding suitable job	635	1,032	0	0	1667	6.3	9.1	0	0	15.4
10	Provision of assistance to jobseekers that are on childcare leave to organize the care of child (to hire a nanny) in case they would like to go back to work before the child turns two	460	448	616	597	2121	62	349.7	393.3	475.2	1280.2



	Program name	Number of beneficiaries, people					Funding, million AMD				
		2018	2019	2020	2021	2018-2021	2018	2019	2020	2021	2018-2021
	<b>Direct job creation</b>	<b>0</b>	<b>2,429</b>	<b>3,256</b>	<b>1,161</b>	<b>6,846</b>	<b>0.0</b>	<b>318.9</b>	<b>543.2</b>	<b>203.9</b>	<b>1,066.0</b>
11	Provision of assistance to farmers through promoting seasonal employment	0	1,514	2,688	1,076	5,278	0	192.8	459.6	176	828.4
12	Provision of temporary employment of the unemployed through the organization of paid public works	0	915	568	0	1,483	-	126.1	83.6	-	209.7
13	Provision of temporary employment to Displaced from Artsakh (due to the September 2020 military hostilities) through the organization of paid public works*	0	0	0	85	85	-	-	-	27.9	27.9
	<b>Start-up incentives</b>	<b>57</b>	<b>1177</b>	<b>121</b>	<b>475</b>	<b>1830</b>	<b>31.3</b>	<b>685.2</b>	<b>556.8</b>	<b>418.1</b>	<b>1,691.4</b>
14	Provision of assistance to individuals uncompetitive in labour market to start small business	57	79	51	0	187	31.3	54.3	39.8	5.1	130.5
15	Providing support to small businesses/small farming, including livestock breeding	0	1,098	70	475	1,643	0.0	630.9	517.0	413.0	1560.9
	<b>Total</b>	<b>2,655</b>	<b>6,782</b>	<b>5,707</b>	<b>3,987</b>	<b>19,131</b>	<b>406.6</b>	<b>1715.3</b>	<b>1943.0</b>	<b>1627.2</b>	<b>5692.1</b>

Source: USS, Department of Employment and Labour Force Development; [Execution of the State Employment Program](#), respective years

\* Programs are not regular employment regulation programs, are introduced as response to post-was crisis.

**Table 16. PES Job Placement Statistics**

	Were placed into work since the beginning of the year				Through mediation				Through mediation, as % in respective group of placed into work			
	Total	Of which:			Total	Of which:			Total	Of which:		
		Female	16-29 years old	Non-competitive		Female	16-29 years old	Non-competitive		Female	16-29 years old	Non-competitive
<b>Jobseekers</b>												
2018	11966	8159	3894	9932	1806	1329	550	1474	15%	16%	14%	15%
2019	13513	9022	3877	11289	2413	1642	694	2043	18%	18%	18%	18%
2020	10109	6960	2821	8326	1450	1005	401	1150	14%	14%	14%	14%
2021	10117	6867	2950	8631	2057	1401	635	1574	20%	20%	22%	18%
<b>First time jobseekers</b>												
2018	5087	3427	2806	4806	787	575	399	738	15%	17%	14%	15%
2019	5119	3446	2645	4899	863	599	484	803	17%	17%	18%	16%
2020	3517	2465	1790	3402	496	365	282	457	14%	15%	16%	13%
2021	4129	2892	2084	3965	745	546	413	686	18%	19%	20%	17%
<b>Unemployed</b>												

	Were placed into work since the beginning of the year				Through mediation				Through mediation, as % in respective group of placed into work			
	Total	Of which:			Total	Of which:			Total	Of which:		
		Female	16-29 years old	Non-competitive		Female	16-29 years old	Non-competitive		Female	16-29 years old	Non-competitive
2018	10834	7254	3559	9931	1701	1266	525	1473	16%	17%	15%	15%
2019	12288	8111	3590	11289	2270	1557	663	2043	18%	19%	18%	18%
2020	9158	6171	2519	8326	1338	940	377	1150	15%	15%	15%	14%
2021	9688	6561	2825	8631	1846	1263	570	1574	19%	19%	20%	18%

Table source: USS, Administrative data

# ACRONYMS

ALMP	Active Labour Market Policy
AMD	Armenian Dram (national currency)
ARMSTAT	Statistical Committee of the Republic of Armenia
ECA	Europe and Central Asia
GDP	Gross Domestic Product
ILCS	Integrated Living Conditions Survey
LFS	Labour Force Survey
LF	Labour Force
LR	Labour Resources (working age population)
MoESCS	Ministry of Education, Science, Culture and Sports of the RA
MoLSA	Ministry of Labour and Social Affairs of the RA
NEET	Not in Employment, Education or Training
RA	The Republic of Armenia
SP	Social Protection
UN DESA	United Nations Department of Economic and Social Affairs
USS	Unified Social Service of the RA
WB	World Bank

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