

ARMENIA

**EDUCATION, TRAINING AND EMPLOYMENT
DEVELOPMENTS 2021**

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KEY POLICY DEVELOPMENTS IN EDUCATION, TRAINING AND EMPLOYMENT

Armenia is facing the effects of a challenging 2020. The global Covid-19 pandemic hit the country hard. In addition, the conflict on Nagorno-Karabakh / Artsakh created a humanitarian crisis and affected the political stability of the country. These shocks led to a sharp economic contraction and increased poverty (World Bank, 2021). Nevertheless, Armenia is setting its sights on peace and stability (USAID, 2020).

The Comprehensive and Enhanced Partnership Agreement (CEPA) EU-Armenia, signed in 2017, entered into force on 1 March 2021 after ratification by Armenia, all EU Member States and the European Parliament. The Agreement sets out the framework of cooperation between the EU and Armenia; the pillars of the Agreement include better living standards (more jobs and business opportunities) and more choice in education (better quality of education, with a focus on lifelong learning).

In 2020, the Government allocated 150 billion Armenian drams (AMD) (approx. EUR 283 million), equal to roughly 2.2% of its GDP, to measures cushioning the economic and social impact of the pandemic. These include a package of 22 special actions (Government of the Republic of Armenia, 2020). Before the COVID-19 pandemic, Armenia's economic growth was strong, averaging 6.8% during the 2017-2019 period. In 2020, GDP growth dropped to -7.6% (World Bank, 2021).

The Government tried to ensure the continuity of education during the pandemic. Despite technological and content-related challenges, the country managed to develop digital resources and programmes, and establish teaching platforms and processes for online applications and admissions of students.

In 2020, the Ministry of Education, Science, Culture and Sport (MoESCS) and the Ministry of Labour and Social Affairs (MoLSA) started drafting the new Education Development Strategy 2020-2030 and the new Employment Strategy. Both strategies have since undergone a revision to address the new challenges brought by the pandemic and the conflict. Both are expected to be adopted in 2022.

Education was confirmed as a key priority by the new government programme 2021-2026 that was adopted in August 2021.

In the field of VET, progress is observed in the field of work-based learning and dual education, in which new programmes have been developed for a number of professions in the IT and high-tech sectors, in logistics and in agriculture.

Low activity and employment rates and a significant mismatch between labour supply and demand remain peculiar features of the Armenian labour market. Among the initiatives aimed at addressing such key challenges, the MoLSA is working on a new strategy on demography and labour market developments, the focus of which are the transition from education to work and employment opportunities for all.

As part of the EU response to the urgent needs of countries in the Eastern Partnership during the COVID-19 pandemic, a tailor-made response package for Armenia worth over EUR 92 million was mobilised (European Commission, 2021). This assistance complements the EU's support for the COVAX initiative. In 2021 the EU confirmed an aid package for Armenia totalling EUR 2.6 billion over 5 years, which will support infrastructure, digitalisation, climate action and transport, as well as democratic reforms.

1. KEY DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS

■ Political developments and the health situation

The outbreak of the conflict with Azerbaijan over Nagorno-Karabakh at the end of September 2020 had a major impact on daily life, with the declaration of martial law and a total mobilisation of the military. The outcomes of the 2020 conflict with Azerbaijan over Nagorno Karabakh and the announcement of a total ceasefire in November 2020 sparked outrage among some people in Armenia. Months of protests over the government's handling of the war led to a period of domestic political instability. The Prime Minister resigned in April 2021, early Parliamentary elections were held on 20 June 2021 in an effort to defuse the political crisis after the conflict, and the Civil Contract party headed by Prime Minister Nikol Pashinyan got the majority of the votes. A new government was formed – the successor to the government that was installed in 2019 after the Velvet Revolution – and a new five-year government programme approved.

Armenia suffered a severe COVID-19 outbreak, with 254 436 confirmed cases and 5 161 deaths, as reported to the WHO on 21 September 2021. The incidence of cases in Armenia is currently one of the highest per capita in the world (USAID, 2020). As of 20 September 2021, only 4.4% of the population had been fully vaccinated (https://ourworldindata.org/covid-vaccinations?country=OWID_WRL). The government's objective is to have between 600 000 and 700 000 people vaccinated within a year (ARKA News Agency, 1/7/2021). Due to the sharp increase in the prevalence of COVID-19, Armenia became a 'red zone' as per the ECDC's update of 9 September 2021.

■ Demographics

Armenia is a landlocked country with an area of 29 800 km². The country has 10 administrative territorial units (*Marz*) plus the capital city of Yerevan, which has special status. The Armenian population is small. It has been shrinking and ageing. Between 2013 and 2021, the population fell from 3 026 900 to 2 964 100 (Government of Armenia, 2021). According to the World Bank, more than 22% of Armenia's population will be aged 65 years or older by 2050, creating a growing demand for social services and increasing the associated government expenditure (World Bank, 2019). This negative trend is exacerbated by the increasing and permanent emigration of young people, although the trend has been halted because of the Covid-19 pandemic.

Armenia has one of the highest emigration rates in the world, with about 30% of the population living outside the country (OECD, 2017). Poverty and the lack of jobs are the main drivers of emigration, while emigrants are mainly low-skilled workers. Russia remains the most common destination country, receiving 56% of Armenia's emigrants (OECD, 2017).

Following the 2020 conflict, many Armenian civilians in Nagorno-Karabakh fled the region. The latest update on registration data from the Migration Service of Armenia indicates that 90 640 spontaneous arrivals are scattered across 593 settlements and communities (IOM, 2020).

■ Economic developments, informal economy, remittances

In 2018, Armenia became an upper middle-income country according to the World Bank classification. The country's economy has undergone a profound transformation since it gained independence in 1990. It is characterised by market orientation, sustained growth, ambitious reforms, and inflows of capital and remittances. Several factors contributed to the recovery, including the strength of external demand for goods and services (such as tourism) and domestic demand owing to an increase in disposable income, remittances and investments. Economic growth was strong, averaging 6.8% from

2017-2019. Armenia's progress was derailed in 2020 and growth rate dropped to -7.6% (World Bank, 2021).

Sector-wise, in Armenia there has been a consistent shift in employment in industry and agriculture towards services. Nevertheless, agriculture continues to play a major role. It remains essential for the Armenian economy and accounted for 11.7% of GDP in 2020. In 2020, industry contributed 26.4% of GDP, with one-fifth of the contribution coming from the construction sector. The services sector has been growing in recent years. Despite a slight decrease compared to 2019, it contributed to 53.3% of GDP in 2020 (World Bank, 2021). The economy's most dynamic growth sectors are the food industry, information and communications technology (ICT), tourism, mining products, garment and footwear manufacturing, tobacco, and production and processing of fresh fruits and vegetables. New sectors such as ICT, jewellery making (the diamond industry) and tourism are beginning to expand.

Small and medium-sized enterprises (SMEs) represent 99.8% of all companies, with a significant share in wholesale and retail trade (64% of all businesses). They account for 23.6% of the gross value added in GDP (Statistical Committee of the Republic of Armenia, 2019). In 2020 the Government approved the SME Development Strategy for 2020-2024 and the associated action plan 2020-2022, which aim to create a favourable environment for SMEs by enhancing entrepreneurial skills and competitiveness and enabling SMEs to access domestic and foreign markets.

Approximately 40% of the labour force are estimated to work in the informal economy, which contributes to 36% of Armenia's GDP. Informality also remains widespread in the non-agricultural sectors (ILO, 2020). Informal workers are by and large excluded from the state's relief measures put in place by the Government to respond to the pandemic (ILO, 2020).

Armenia is considered to be among the 15 top recipients of remittances in the world (OECD, 2017). Remittances play an important role in household economies and employment choices. In the period 1995-2019, the average value for remittances per year was 14.18% of GDP. The figures dropped to 11.18% of GDP in 2019 (the globaleconomy.com) and 10.49% in 2020 (World Bank).

2. EDUCATION AND TRAINING

2.1 Trends and challenges

■ Education expenditure, access, participation and early leaving

Public expenditure on education is low. It ranged from 2.3% as a share of GDP in 2018 to 2.7% in 2020, representing, respectively, 9% and 8.7% of total government expenditure (UNESCO, 2021).

Armenia has made strong progress in improving access to general education. Enrolment in primary and secondary education is relatively high, with respective gross enrolment rates of 91.24% and 87.25% in 2020. The rate of transition from primary to lower secondary general education is also high (99.8% in 2019) and in line with similar trends in further education, where the gross enrolment rate in tertiary education reached 50.8% in 2020 (UNESCO, 2021).

■ PISA results

Armenia does not participate in PISA.

■ Young people not in employment nor education (NEETs)

The proportion of young people who did not complete upper secondary education and are neither in employment, education nor training (NEETs) is high, although the overall rate fell from 27.5% in 2015 to 23.9% in 2019 (Armstat, 2021). The female NEET rate remains higher, at 30.7% in 2019. The pandemic is likely to push the NEET rate further upward. 'The young in particular are likely to suffer as more jobs are destroyed than created, making labour market entry exceedingly difficult. Recent labour market entrants are likely to be the first to go in times of job cuts. At the same time, the option of seeking work abroad was temporarily closed' (ILO, 2020, p. 19). In order to address the NEET phenomenon, there is an urgent need for policy measures that specifically target the affected group.

A draft Youth Strategy 2021-2026 is currently being discussed. Actions envisaged include identifying the potential of young people and creating opportunities for self-realisation both in Yerevan and in the regions (MoESCS, 2021).

■ Education during the COVID-19 pandemic

On 13 March 2020 all VET institutions started distance learning. Due to the emergency situation, the MoESCS approved ad hoc procedures for the 2019-2020 final exams and admissions to VET institutions for the 2020-2021 academic year. Distance learning was implemented until the end of the 2019-2020 academic year. The 2020-2021 academic year started on 14 September 2020 as scheduled. When Covid-19 cases are discovered, teaching takes place online for 14 days.

Educational institutions developed and implemented training programmes for teachers through Zoom, YouTube, Moodle and other digital and online platforms. 1 313 VET staff were trained. Public TV broadcasted professional orientation and career guidance programmes.

VET teachers and college managers were able to participate in an online introduction to e-learning that was developed by the National Network of Distance Education with support from the GIZ Private Sector Development and Technical Vocational Education and Training (PSD TVET) programme. GIZ helped create the e-platform <http://elearning.am/login/index.php?lang=hy>.

To assess the effectiveness of distance learning in VET and understand gaps and needs, a questionnaire was developed. Results reveal issues related to students' families, lack of internet access and/or appropriate equipment, difficulties in conducting objective assessments, lack of direct pedagogical-psychological support, lack of a unified methodology for distance learning and limited

opportunities for practical training. VET colleges faced great difficulties in helping students develop practical skills and in organising final exams during lockdown periods, as practical training was suspended.

As part of the 'Strengthening Stability and Resilience of the Bordering Communities in Vayots Dzor, Gegharkunik and Syunik Regions' project (2020-2021), a short online training course on 'Distance learning methodology and applied tools' was implemented. More than 500 teachers and administrative staff participated.

2.2 VET policy and institutional setting

■ Strategic and legal framework for VET and adult learning

The Armenian Development Strategy (ADS) 2014-2025, the country's overarching strategy, identifies education as a fundamental driver for the country's sustainable development. Increasing the quality, effectiveness, relevance and access to all levels of education is a major priority.

The education system in Armenia is regulated by three main laws: the Law on Education (1999), the Law on Higher and Postgraduate Vocational Education (2004), and the Law on Preliminary Vocational (Craftsmanship) and Middle Vocational Education (2005).

The formal vocational education and training system in Armenia has two levels: preliminary vocational (craftsmanship) education and middle vocational education. Graduates of craftsmanship education are awarded a Diploma of Preliminary Vocational (Craftsmanship) Education and the qualification level (type) 'Craftsman'. Graduates of middle vocational education are awarded a Diploma of Middle Vocational Education with the qualification level 'Specialist'.

The MoESCS started drafting the new Education Development Strategy 2020-2030 in 2020. The draft strategy, which covers the whole education cycle from pre-school education, primary and secondary schools, vocational education, life-long learning and higher education, was revised to address the new challenges brought by both the pandemic and the conflict. The priorities for VET are likely to remain work-based learning, the training of trainers and the continuous professional development of teachers, education-business cooperation, support to enhance institutional capacities, and altering financing schemes for VET. The Government has initiated public consultations with a view to adoption by the beginning of 2022.

■ VET governance and financing arrangements

VET management in Armenia is centralised under the MoESCS, which is responsible for policy design, implementation and day-to-day administration of the system.

The tripartite National Council for VET Development (NCVD), established in 2008, is the consultative tripartite body, which includes an equal number of government, employer and trade union representatives. The main goal of the NCVD is to provide advice to the MoESCS on decision-making and on the development of VET programmes.

School governing boards act as the collegial management bodies in public VET colleges and craft schools. VET institutions have a certain degree of autonomy; they approve their own budgets and curricula and define the teaching means and methods.

The main source of funding for VET is the state budget. Financial allocations are low and normally just sufficient to cover staff salaries (ETF, 2020). Donors provide more tangible investments, directly or via budget support schemes. Some VET institutions generate their own income through the provision of education and training services. However, the legal status of public VET institutions is currently an obstacle for such activities, as well as for organising the production and sales of goods. A

decree to allow VET institutions to change their legal status and run commercial activities has been drafted, and is expected to be adopted by the end of 2021.

■ **Quality and quality assurance**

The National Centre for Professional Education Quality Assurance Foundation (ANQA) is in charge of quality assurance, through institutional and programme accreditation processes in VET and higher educational institutions. The Centre has adopted quality criteria from the European Quality Assurance in VET (EQAVET) framework (ETF, 2019).

■ **Work-based learning arrangements**

The Government of Armenia gives high priority to the development of a work-based learning (WBL) system. For the first time, the 'Preliminary and Middle Professional Education and Training Development programme for 2017-2021' recognised WBL as a tool to increase the attractiveness of VET and its relevance to the needs of the regions and the agriculture sector. It includes concrete actions to develop WBL (ETF, 2018). With support from GIZ, dual VET arrangements are being piloted in four sectors, namely ICT, tourism, winemaking and agriculture.

In 2019 the NCVD approved the 'Concept paper and roadmap for developing WBL in Armenia 2019-2025'. It envisages the gradual enhancement, integration and development of different forms of WBL in the VET system through: an improvement of learners' internship programmes (first type of WBL); the creation of an 'Armenian system' of WBL by establishing 'real' companies adjacent to the VET institutions (second type of WBL), and; lastly, the introduction of apprenticeship/dual training schemes (third type of WBL).

■ **Digital education and skills**

In 2017, the Ministries of Economic Development and Investments, Transport, Communication and IT, Education and Science, and Labour and Social Affairs, together with the Union of ICT Employers of Armenia, the Union of Advanced Technology Enterprises (UATE) and the Enterprise Incubator Foundation (EIF), signed a Memorandum of Understanding on the establishment of a National Digital Skills Coalition. The partners agreed to support digital skills development in four main domains: digital skills of the workforce, ICT specialists, in education and for students, and for all (ETF, 2020).

Specialist digital skills training is offered in two sectors: the ICT sector and engineering, industry and construction. In total, seven specialties are taught in preliminary (craftmanship) vocational education and 15 in middle vocational education, in 34 VET institutions. The module on basic digital literacy skills is mandatory and provided as part of the key competences section of each curriculum, for a duration of between 34 and 72 hours, depending on the qualification (ETF, 2020).

The Tumo Centre for Creative Technologies (<https://tumo.org/>) provides an interesting example of innovation, which provides free IT training for children and adults aged 12 to 18 and helps 19-to-26-year-olds to specialise in particular areas, by providing web-based training. Students get insights into 3D modelling, robotics, photography and graphic design. TUMO Centres operate in Yerevan, Dilijan, Gyumri and Stepanakert. Work is also underway to open centres in Koghb and Masis.

■ **Donor support for education and VET for young people and adults**

Several donors support VET developments in Armenia, with the EU being the main sponsor. The EU-funded 'Better Qualifications for Better Jobs' programme, with a budget of EUR 15.2 million for the period 2017-2019 (AAP 2015), sought to improve the efficiency of Armenia's labour market and the employability of its workforce, with a particular emphasis on agricultural employment. The programme supported in-depth sector analyses with a focus on skills. The assistance also included grant support for NGOs to develop WBL schemes.

The World Vision office in Armenia, in partnership with the Global Development Fund, is implementing the 'SAY YES Skills for Jobs' project 2018-2021 under the EU4Youth initiative. The project, with a budget of EUR 1.53 million for both Armenia and Georgia, intends to address unemployment and the lack of income opportunities for young women and men aged 15-35 in rural areas. Actions include: mapping target groups and skills that match labour market needs; the multi-stakeholder development of formal and non-formal VET programmes including WBL components; capacity development for public authorities, public VET colleges and private companies involved in WBL; the implementation of competence development programmes for young people in and outside VET institutions; exchanges of practices and awareness-raising campaigns connecting VET institutions, youth-led structures, private companies and VET graduates/students.

The EU is also co-funding the GIZ programme 'Private Sector Development and TVET South Caucasus' (PSD TVET) 2017-2023 with a contribution of EUR 20.7 million. The project targets sectors with high employment potential, such as tourism, wine processing, precision engineering and IT. One sub-project aims to introduce the dual system in Armenia and is implemented in close cooperation with the MoESCS and private companies. 'Oenology and winemaking' training courses have been developed, among others.

The EU-funded project 'Public-Private Partnerships for Successful Transition from Education to Employment in Shirak' (2019-2021) aims to support socio-economic development in the Shirak region by improving synergies between VET institutions and the private sector in the textile and agro-industry sectors. Amasia Craftsman State School (ACSS) will serve as the WBL pilot for the other three target VET institutions in the region (Maralik Craftsman State School, Artik State College, Shirak State Agricultural College).

The recently completed project 'Promoting partnerships for effective work-based learning opportunities in VET' (EU-funded and implemented by the Strategic Development Agency NGO) contributed to sustainable and inclusive development through the establishment of VET-business partnerships to promote WBL development and enhance the quality of VET in Syunik and Lori *Marzes*. Through the project, Goris and Stepanavan State Agricultural Colleges received support for strengthening the partnership with private sector by adopting WBL in Veterinarian and Milk Technologist professions.

3. LABOUR MARKET AND EMPLOYMENT

3.1 Trends and challenges

■ Labour market and employment challenges in general

The Armenian labour market faces a restricted demand for labour. Activity and employment rates are low. The activity rate decreased from 63.4% in 2013 to 58.8% in 2019 (Armstat, 2021). There is a large disparity between male and female labour market participation (70.9% versus 48.2% in 2019). The reasons behind such high inactivity rates are different: for women, family care responsibilities; for men, circular and seasonal migration; and for lower-educated people, seasonal migration and discouragement are the most cited reasons for inactivity (World Bank, 2019).

Another characteristic is the significant mismatch between labour demand and supply, not least as a result of the ill-matched education and training system.

Furthermore, key challenges arise from the lack of jobs and the quality of existing jobs. The private sector is still too small to facilitate a substantial transition of workers from less productive to more productive sectors. Only a small share of private sector jobs provides good quality in terms of earnings, returns to education and worker protection (World Bank, 2019).

In addition, the labour market suffers from geographic imbalances. Economic dynamism and job creation potential are to a large extent concentrated in the capital city Yerevan (World Bank, 2020).

■ Employment

After the employment rate decreased from 50.1% in 2017 to 47.7% in 2018, it slightly increased to 48.4% in 2019 (59.1% for men and 39% for women) (Armstat, 2021).

During the period March-May 2020, more than 70 000 employees (11.5% of the total) lost their jobs mainly due to the closure of businesses in several sectors. Of those, currently 20 000 contract workers are still not back at work and many may have lost their jobs for good. The number of vacancies submitted by employers to the State Employment Agency (SEA) in April 2020 decreased by 8.2%, as compared to the same period of 2019, while the number of people who found their jobs through the SEA dropped by 42.5% (ILO, 2020).

■ Unemployment

The unemployment rate remains high despite a decrease from 19.0% in 2018 to 17.7% in 2019 (16.6% men and 19.2% women) (Armstat, 2021). Data from the Asian Development Bank (ADB) shows a sharp increase to 20.2% in 2020 (ADB, 2021).

Young people are particularly affected by unemployment, although the youth unemployment rate (age group 15-24) decreased from 38.4% in 2017 to 32.2% in 2019, with a reduced disparity between men (33.1% in 2017 and 29.3% in 2019) and women (45% in 2017 and 35.6% in 2019) (Armstat, 2021).

■ Statistical data collection and labour market information

The current approach to monitoring labour market developments includes 'barometer' analyses conducted by the SEA. These are based on employer surveys and an analysis of unemployment records. In addition, the MoLSA carries out its own annual research through interviews with employers.

The Statistical Committee of the Republic of Armenia releases updates on the socio-economic situation twice a year, in addition to carrying out the Labour Force Survey.

The National Institute of Labour and Social Research produces brief sector overviews and analyses specific issues relating to the labour market and skills development. Other research centres also contribute to such analyses. In addition, VET institutions, employer associations and international institutions carry out ad hoc surveys. Despite the improved availability of statistical data, the skills intelligence system remains fragmented and uncoordinated, preventing the development of more systematic and sustained flows of analysis and indicators (ETF, 2020).

■ **Poverty**

Armenia made significant progress in reducing poverty from a peak of close to 54% in 2004 to 26.4% in 2019 (ADB, 2021). This was driven largely by employment growth, notably in the construction sector and agricultural sales in rural areas during the 2000s, as well as growing income. Outmigration reduced pressures on the domestic labour market, and remittances supported consumption growth (IBRD, 2019). A new poverty measurement methodology was introduced in 2019. The revision increased the value of the national upper poverty line by 23% in real terms.

The COVID-19 crisis has caused welfare losses due to lower levels of labour income and remittances, as well as the disruption of supply chains and business closures. According to the World Bank (2021), the economic shocks from the COVID-19 measures could impoverish 370 000 Armenians and over one fourth of the population could shift to a lower-welfare group.

3.2 Employment policy and institutional setting

■ **Strategy and legal framework in the employment policy field**

The main aim of the Armenian Development Strategy 2014-2025 is to increase employment through the creation of high-quality, well-paid jobs. The Strategy emphasises the importance of introducing policies conducive to employment, creating new jobs and promoting regional development.

The Ministry of Labor and Social Affairs (MoLSA), with support from the ILO, is working on a new Employment Strategy that will provide a comprehensive framework underpinning inclusive and sustainable economic growth in Armenia. The new strategy will address challenges such as the existing skills mismatch, young people's transition to work, informality and entrepreneurship development. A first draft is currently being revisited to address the challenges that emerged due to both the pandemic and the conflict. In addition, the MoLSA has prepared a draft Labour and Social Protection Sector Development Strategy and a related Action Plan 2020-2025.

■ **Initiatives to boost employment**

As part of the Eastern Partnership, the EU4Youth programme fosters the active participation of young people in society and their employability, by developing youth leadership and entrepreneurship through a variety of actions, including capacity building, fellowships and support for policy dialogue, as well as by providing grants to organisations active in these areas.

Within the EU Eastern Partnership COVID-19 Solidarity Programme, a number of initiatives aim to promote the employability of women. Interesting examples include 'Fighting COVID-19 by promoting women entrepreneurship in the Shirak region' implemented by the CSO 'Women's Rights House'. The project targets women who have lost their jobs but have special talents, who are skilled – for example in handcrafts – and need basic equipment to start their own businesses.

A call for partnerships looks at enhancing the employability and inclusion of vulnerable people affected by COVID-19 and especially women, young people, people with disabilities and displaced people. People in Need (PIN) is the lead organisation. The project objective is to empower local civil society organisations and search for longer-term policy solutions.

The Government offers a number of employment support programmes to members of the diaspora willing to return to Armenia. These include fellowship programmes for professionals to work in the Armenian Government, as well as start-up programmes for diaspora entrepreneurs in Armenia.

■ **Initiatives to increase the capacity of the public employment services**

MoLSA coordinates the work of the State Employment Agency (SEA) and its programmes on career information/job fairs, job counselling, job placement, and employment-related training.

The SEA operates through 51 local centres, of which 10 are situated in Yerevan and 41 across the regions. In recent years the agency has been strengthening its job matching and labour market forecasting capacities. In 2017 the SEA launched an improved online system for jobseekers. In 2018 a new programme was introduced to support young unemployed mothers entering or re-entering the labour market through the acquisition of professional experience, combined with childcare support.

Still, very few young people take advantage of SEA services, which may be due both to limited trust and other ways of finding jobs. Further capacity-building support for the SEA will be necessary to provide tailored services for jobseekers and also to address in particular the problems of long-term and informal employment (ETF, 2020).

As part of the EU4Youth initiative and the proposal of a 'New Deal for Youth', the establishment of Youth Employment Partnerships' (YEP) is being discussed. The aim is to reach a better and common understanding of suitable approaches, including through youth policy labs, and identify the needs for further support for the SEA in order to introduce effective and sustainable YEPs.

■ **Donor support for the employment policy field**

In May 2019, Armenia and the ILO signed the Decent Work Country Programme for 2019-2023. The related 'Work Armenia!' programme was approved in December 2019. The overarching aim is to improve quality of life through the development of human resources and the promotion of employment and institutional reforms that focus on career paths and professional self-realisation. The programme has three pillars: human capital development, employment promotion and institutional reform. The initiative also aims to coordinate efforts by different ministries, government agencies, educational institutions and employers.

The GIZ programme PSD-TVET (described under Section 2.2) has helped set up over 150 new businesses and create more than 450 jobs since 2013. Additionally, some 10 000 SMEs and start-ups have received support through training measures and subsidies.

Within the EU4Youth initiative, the 'Fostering potential for greater employability' project (2018-2021) supports access to employment for marginalised youth in Armenia, Belarus and Georgia through partnerships, skills development and the promotion of entrepreneurship.

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STATISTICAL ANNEX – ARMENIA

This annex includes annual data from 2010, 2015, 2019 and 2020, or the last available year.

	Indicator	2010	2015	2019	2020	
1	Total population ('000) ⁽¹⁾	2 877.3	2 925.6	2 957.7	2 963.2	
2	Relative size of youth population (age group 15-24 and denominator age 15-64, %) ^{(1) (2)}	26.1	20.8	17.7	17.4	
3	GDP growth rate (%)	2.2	3.2	7.6	-7.6	
4	GDP by sector (%)	Agriculture added value	M.D.	17.2	12.0	11.7
		Industry added value	M.D.	25.7	24.3	26.4
		Services added value	M.D.	48.2	54.2	53.3
5	Public expenditure on education (as % of GDP)	3.2	2.8	2.7 (2017)	M.D.	
6	Public expenditure on education (as % of total public expenditure)	12.4	10.7	10.4 (2017)	M.D.	
7	Adult literacy (%)	M.D.	M.D.	99.7 (2017)	M.D.	
8	Educational attainment of adult population (aged 25-64 or 15+) (%) ^{(3) (4)}	Low ⁽⁵⁾	8.2	5.1	5.3	M.D.
		Medium ⁽⁶⁾	68.9	66.0	65.4	M.D.
		High ⁽⁷⁾	22.9	28.8	29.3	M.D.
9	Early leavers from education and training (aged 18-24) (%)	Total	M.D.	M.D.	4.8	M.D.
		Male	M.D.	M.D.	6.4	M.D.
		Female	M.D.	M.D.	3.2	M.D.
10	Gross enrolment rates in upper secondary education (ISCED level 3) (%)	99.7	89.8	80.3	M.D.	
11	Share of VET students in upper secondary education (ISCED level 3) (%)	15.1	26.2	25.9	M.D.	
12	Tertiary education attainment (aged 30-34) (%)	21.7	30.6	M.D.	M.D.	
13	Participation in training/lifelong learning (age group 25-64) by sex (%)	Total	M.D.	M.D.	8.2	M.D.
		Male	M.D.	M.D.	8.3	M.D.
		Female	M.D.	M.D.	8.1	M.D.
14	Reading	N.A.	N.A.	N.A.	N.A.	

	Indicator		2010	2015	2019	2020
	Low achievement in reading, mathematics and science – PISA (%)	Mathematics	N.A.	N.A.	N.A.	N.A.
		Science	N.A.	N.A.	N.A.	N.A.
15	Activity rate (aged 15+) (%) ⁽³⁾	Total	61.2	62.5	58.8	M.D.
		Male	72.3	72.6	70.9	M.D.
		Female	52.2	54.3	48.2	M.D.
16	Inactivity rate (aged 15+) (%) ^{(3) (2)}	Total	38.8	37.5	41.2	M.D.
		Male	27.7	27.4	29.1	M.D.
		Female	47.8	45.7	51.8	M.D.
17	Employment rate (aged 15+) (%) ⁽³⁾	Total	49.6	50.9	48.4	M.D.
		Male	59.9	59.8	59.1	M.D.
		Female	41.1	43.8	39.0	M.D.
18	Employment rate by educational attainment (% aged 15+) ⁽³⁾	Low ⁽⁵⁾	35.2	35.6	25.2	M.D.
		Medium ⁽⁶⁾	49.2	48.4	46.7	M.D.
		High ⁽⁷⁾	60.5	63.3	63.0	M.D.
19	Employment by sector (%) ⁽³⁾	Agriculture	38.6	35.3	23.4	M.D.
		Industry	17.4	15.9	23.8	M.D.
		Services	44.0	48.8	52.8	M.D.
20	Incidence of self-employment (%) ⁽³⁾		43.1	42.8	35.0	M.D.
21	Incidence of vulnerable employment (%) ⁽³⁾		42.6	41.9	33.6	M.D.
22	Unemployment rate (aged 15+) (%) ⁽³⁾	Total	19.0	18.5	17.7	M.D.
		Male	17.0	17.6	16.6	M.D.
		Female	21.2	19.5	19.2	M.D.
23	Unemployment rate by educational attainment (aged 15+) (%) ⁽³⁾	Low ⁽⁵⁾	13.6	14.9	19.9	M.D.
		Medium ⁽⁶⁾	19.5	19.1	18.7	M.D.
		High ⁽⁷⁾	19.5	17.9	15.2	M.D.
24	Long-term unemployment rate (aged 15+) (%)		9.8	11.2	M.D.	M.D.
25	Youth unemployment rate (aged 15-24) (%)	Total	38.9	32.5	32.2	M.D.
		Male	31.9	28.6	29.3	M.D.
		Female	48.0	37.2	35.6	M.D.
26	Total		44.6 ^d	27.5 ^d	23.9	M.D.

Indicator		2010	2015	2019	2020
Proportion of people aged 15-24 not in employment, education or training (NEETs) (%)	Male	41.8 ^d	20.0 ^d	17.4	M.D.
	Female	47.3 ^d	34.8 ^d	30.7	M.D.

Last update: September 2021

Sources:

Indicators 8, 9, 12, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26 – National Statistical Service of the Republic of Armenia

Indicators 5, 6, 7, 10, 11 – UNESCO, Institute for Statistics

Indicators 1, 2, 3, 4 – The World Bank, World Development Indicators database

Notes:

The methodology behind the Labour Force Survey has been revised since 2018. The basis of the revision are concepts from the ‘Resolution concerning statistics of work, employment and labour underutilisation’ adopted by the 19th International Conference of Labour Statisticians (19th ICLS) in October 2013.

(1) Mid-year estimates

(2) ETF calculations

(3) Age range 15-75

(4) Values refer to active population.

(5) Primary and lower, general basic

(6) General secondary, vocational, specialised secondary

(7) Tertiary, postgraduate

Legend:

N.A. = Not Applicable

M.D. = Missing Data

d = definition differs

ANNEX: DEFINITIONS OF INDICATORS

	Description	Definition
1	Total population ('000)	The total population is estimated as the number of people having their usual residence in a country on 1 January of the respective year. When information on the usually resident population is not available, countries may report legal or registered residents.
2	Relative size of youth population (age group 15-24) (%)	This is the ratio of the youth population (aged 15-24) to the working-age population, usually aged 15-64 (74)/15+.
3	GDP growth rate (%)	Annual percentage growth rate of GDP at market prices based on constant local currency. Aggregates are based on constant 2010 US dollars. GDP is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources.
4	GDP by sector (%)	The share of value added from Agriculture, Industry and Services. Agriculture corresponds to ISIC divisions 1-5 and includes forestry, hunting, and fishing, as well as cultivation of crops and livestock production. Value added is the net output of a sector after adding up all outputs and subtracting intermediate inputs. It is calculated without making deductions for depreciation of fabricated assets or depletion and degradation of natural resources. The origin of value added is determined by the International Standard Industrial Classification (ISIC), revision 3 or 4.
5	Public expenditure on education (as % of GDP)	Public expenditure on education expressed as a percentage of GDP. Generally, the public sector funds education either by directly bearing the current and capital expenses of educational institutions, or by supporting students and their families with scholarships and public loans as well as by transferring public subsidies for educational activities to private firms or non-profit organisations (transfer to private households and enterprises). Both types of transactions together are reported as total public expenditure on education.
6	Public expenditure on education (as % of total public expenditure)	Public expenditure on education expressed as a percentage of total public expenditure. Generally, the public sector funds education either by directly bearing the current and capital expenses of educational institutions, or by supporting students and their families with

	Description	Definition
		scholarships and public loans as well as by transferring public subsidies for educational activities to private firms or non-profit organisations (transfer to private households and enterprises). Both types of transactions together are reported as total public expenditure on education.
7	Adult literacy (%)	Adult literacy is the percentage of the population aged 15 years and over who can both read and write a short simple statement on his/her everyday life, and understand it. Generally, 'literacy' also encompasses 'numeracy' – the ability to make simple arithmetic calculations.
8	Educational attainment of adult population (25-64 or aged 15+) (%)	Educational attainment refers to the highest educational level achieved by individuals expressed as a percentage of all persons in that age group. This is usually measured in terms of the highest educational programme successfully completed, which is typically certified by a recognised qualification. Recognised intermediate qualifications are classified at a lower level than the programme itself.
9	Early leavers from education and training (age group 18-24) (%)	Early leavers from education and training are defined as the percentage of the population aged 18-24 with at most lower secondary education who were not in further education or training during the four weeks preceding the survey. Lower secondary education refers to ISCED 1997 levels 0-2 and 3C short (i.e. programmes lasting under two years) for data up to 2013 and to ISCED 2011 levels 0-2 for data from 2014 onwards.
10	Gross enrolment rates in upper secondary education (ISCED level 3) (%)	Number of students enrolled in a given level of education, regardless of age, expressed as a percentage of the official school-age population corresponding to the same level of education.
11	Share of VET students in upper secondary education (ISCED level 3) (%)	Total number of students enrolled in vocational programmes at a given level of education (in this case, upper secondary), expressed as a percentage of the total number of students enrolled in all programmes (vocational and general) at that level.
12	Tertiary education attainment (aged 30-34) (%)	Tertiary attainment is calculated as the percentage of the population aged 30-34 who have successfully completed tertiary studies (e.g. university, higher technical institution). Educational attainment refers to ISCED 1997 level 5-6 up to 2013 and ISCED 2011 level 5-8 from 2014 onwards.
13	Participation in training/lifelong learning (age group 25-64) (%)	Participants in lifelong learning refers to persons aged 25-64 who stated that they received education or training in the four weeks preceding the survey (numerator). The denominator is the total population of the same age group, excluding those who did not answer the question on participation in education and training. The information collected relates to all education or training, whether or not it is relevant to the respondent's current or possible future job. If a different reference period is used, this should be indicated.

	Description	Definition
14	Low achievement in reading, maths and science – PISA (%)	Low achievers are the 15-year-olds who are failing to reach level 2 on the PISA scale for reading, mathematics and science.
15	Activity rate (aged 15+) (%)	The activity rate is calculated by dividing the active population by the population of the same age group. The active population (also called 'labour force') is defined as the sum of employed and unemployed people. The inactive population consists of all people who are classified as neither employed nor unemployed.
16	Inactivity rate (aged 15+) (%)	The inactivity/out of the labour force rate is calculated by dividing the inactive population by the population of the same age group. The inactive population consists of all people who are classified as neither employed nor unemployed.
17	Employment rate (aged 15+) (%)	The employment rate is calculated by dividing the number of employed people by the population of the same age group. Employed people are all people who worked at least one hour for pay or profit during the reference period or were temporarily absent from such work. If a different age group is used, this should be indicated.
18	Employment rate by educational attainment (% aged 15+)	The employment rate is calculated by dividing the number of employed persons by the population of the same age group. Employed persons are all persons who worked at least one hour for pay or profit during the reference period or were temporarily absent from such work. If a different age group is used, this should be indicated. Educational levels refer to the highest educational level successfully completed. Three levels are considered: Low (ISCED level 0-2), Medium (ISCED level 3-4) and High (ISCED 1997 level 5-6, and ISCED 2011 level 5-8).
19	Employment by sector (%)	This indicator provides information on the relative importance of different economic activities with regard to employment. Data are presented by broad branches of economic activity (i.e. Agriculture/Industry/Services) based on the International Standard Industrial Classification of All Economic Activities (ISIC). In Europe, the NACE classification is consistent with ISIC.
20	Incidence of self-employment (%)	The incidence of self-employment is expressed by the self-employed (i.e. employers + own-account workers + contributing family workers) as a proportion of the total employed.
21	Incidence of vulnerable employment (%)	The incidence of vulnerable employment is expressed by the own-account workers and contributing family workers as a proportion of the total employed.
22	Unemployment rate (aged 15+) (%)	The unemployment rate represents unemployed people as a percentage of the labour force. The labour force is the total number of people who are employed or unemployed. Unemployed people comprise: those aged 15-64 or 15+ who were without work during the reference week; are currently

	Description	Definition
		available for work (were available for paid employment or self-employment before the end of the 2 weeks following the reference week); are actively seeking work, i.e. had taken specific steps in the four-week period ending with the reference week to seek paid employment or self-employment, or had found a job to start later (within a period of, at most, 3 months).
23	Unemployment rate by educational attainment (aged 15+) (%)	The unemployment rate represents unemployed people as a percentage of the labour force. The labour force is the total number of people who are employed or unemployed. Unemployed people comprise: those aged 15-64 or 15+ who were without work during the reference week; are currently available for work (were available for paid employment or self-employment before the end of the 2 weeks following the reference week); are actively seeking work (had taken specific steps in the four-week period ending with the reference week to seek paid employment or self-employment, or had found a job to start later (within a period of, at most, 3 months)). Educational levels refer to the highest educational level successfully completed. Three levels are considered: Low (ISCED level 0-2), Medium (ISCED level 3-4) and High (ISCED 1997 level 5-6, and ISCED 2011 level 5-8)
24	Long-term unemployment rate (aged 15+) (%)	The long-term unemployment rate is the share of people in the total active population who have been unemployed for 12 months or more, expressed as a percentage. The duration of unemployment is defined as the duration of a search for a job or as the period of time since the last job was held (if this period is shorter than the duration of the search for a job).
25	Youth unemployment rate (aged 15-24) (%)	The youth unemployment ratio is calculated by dividing the number of unemployed people aged 15-24 by the total population of the same age group.
26	Proportion of people aged 15-24 not in employment, education or training (NEETs) (%)	The indicator provides information on young people aged 15-24 who meet the following two conditions: first, they are not employed (i.e. unemployed or inactive according to the ILO definition); and second, they have not received any education or training in the 4 weeks preceding the survey. Data are expressed as a percentage of the total population of the same age group and gender, excluding the respondents who have not answered the question on participation in education and training.

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LIST OF ABBREVIATIONS

AAP	Annual Action Programme
ADB	Asian Development Bank
ADS	Armenia Development Strategy
ALMP	Active Labour Market Policies
ANQA	National Centre for Professional Education Quality Assurance Foundation
ARMSTAT	Statistical Committee of the Republic of Armenia
CEPA	Comprehensive and Enhanced Partnership Agreement
CPD	Continuous professional development
CSO	Civil society organisation
ECDC	European Centre for Disease Prevention and Control
EIF	Enterprise Incubator Foundation
EQAVET	European Quality Assurance in Vocational Education and Training
EU	European Union
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GDP	Gross domestic product
ICT	Information and communication technology
ILO	International Labour Organisation
MoESCS	Ministry of Education, Science, Culture and Sport
MoLSA	Ministry of Labor and Social Affairs
NCVD	National Council for VET Development
NEET	(Young People) Neither in Employment or in Education or Training
NGO	Non-governmental organisation
PSD	Private sector development
SEA	State Employment Agency
SME	Small and medium-sized enterprises
TVET	Technical Vocational Education and Training
UATE	Union of Advanced Technology Enterprises
USAID	United States Agency for International Development
WBL	Work-based learning

WHO World Health Organisation
YEP Youth Employment Partnership

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