



European Training Foundation

COUNTRY STRATEGY PAPER 2020 UPDATE: ARMENIA



A BRIEF SUMMARY OF KEY DEVELOPMENTS IN VET AND SKILLS AND EU AND DONOR COOPERATION DURING 2018–19

The events of May 2018 in Yerevan and other Armenian cities have led to new ministerial teams in both the Ministry of Education, Science, Culture and Sport and the Ministry of Labour and Social Affairs. The overall challenges facing both portfolios have not changed but the new environment is offering policymakers an opportunity to look at their options with a fresh perspective.

Armenia faces significant human capital development challenges – a high inactivity rate (39.1% in 2017)¹; high unemployment (17.8% in 2018)², particularly in urban areas; a large informal sector; and substantial differences between regions and population groups, particularly young people and women in labour market participation. These challenges limit the development and use of human capital, creating both a constraint and a cost when the country has a low level of spending (2.29% of GDP in 2017³) on education and employment programmes (0.1% of state expenditure⁴).

Armenia has developed a set of progressive policies for vocational education. These focus on relevance, improvement in the quality of schools and engagement with the business community. The policies are at a mature stage of development and some key features, e.g. quality assurance of schools and the introduction of entrepreneurship in the curriculum, are well advanced and on the brink of implementation. However, vocational education continues to face critical constraints. These include very low levels of funding that appear insufficient to enable the system to grow rapidly. A further constraint is the need for VET to appear as a more attractive educational option to students and their parents.

In employment, the challenges relate directly to the slow pace of adjustment in the labour market. At institutional level, the Ministry of Labour and Social Affairs has made valuable changes in career guidance and integrated a variety of departmental programmes through regional service centres. However, there is scope for policy to move at a faster rate and with greater innovation in employment and labour market research. There is also a need to assess changes to the State Employment Agency as the facilitator of job placement services, particularly among long-term unemployed people and those working in informal employment. Similarly, improvements in skills anticipation and forecasting would help to improve the effectiveness of labour market policies, particularly in relation to the transition of young people into the labour force.

¹ ETF, *Key Indicators on Education, Skills and Employment*, 2018.

² Ibid.

³ Torino Process, *National Reference Report*, 2019, p. 15.

⁴ ADB, *Good Jobs for Inclusive Growth*, 2019, p. 84.



Both employment and vocational education policies are well supported by the EU sector budget support programme, Better Qualifications for Better Jobs, which has a budget of EUR 15.2 million for the period 2017 to 2019. The programme was put on hold following the events of May 2018.

The main implementers of the programme have been the Ministry of Education, Science, Culture and Sport, the Ministry of Labour and Social Affairs, the Ministry of Agriculture and various private sector organisations and social partners. This programme seeks to improve the efficiency of Armenia's labour market and the employability of its workforce, with an emphasis on agricultural employment.

Within the framework of the Comprehensive and Enhanced Partnership Agreement (CEPA), the five-year government programme (2019–23) and the Education Development Strategy for Armenia, the EU-Armenia strategic policy dialogue on education aims to outline the main directions and goals and help to draw up a roadmap for the approval and early implementation of Armenia's reform agenda in the education sector.

The government is committed to reforming the whole education sector, with a special focus on equity, inclusiveness and anti-corruption and transparency issues. The main aspects of reform (pre-school education, school education, VET, higher education and research, informal education) have been briefly mentioned.

The main priorities of the comprehensive reform are outlined below.

- Pre-school education: Ensure that 70% of children have access to pre-school education within four years. This will give women an opportunity to be more actively involved in the job market. This could be implemented in a number of ways, including the provision of pre-school education by a number of alternative service providers, e.g. general schools or community institutions, following some re-qualification training or certification.
- School education: Develop quality general education in line with UNICEF's five quality domains (ensuring the quality of students, environment, content, educational process and outcomes), emphasising the revision of curricula and textbooks, equity, accessibility and inclusiveness of education, continuing training for teachers and usage of contemporary methods of training delivery.
- VET: Create an infrastructure in VET institutions and within companies that ensures good quality of dual education, as practical skills and experience are very important for graduates. Matching graduates' skills with market requirements is also an important focus of reform.
- Higher education: Ensure self-governance of higher education institutions, and focus on issues relating to licensing, accreditation and specialisation. The current Law on Higher Education and Research is of the utmost importance in ensuring the dynamic development of higher education in Armenia.

Armenia is also deeply involved in the Eastern Partnership's EU4 youth programme. It participates in four grant programmes aimed at supporting youth inclusion and employability.

GIZ has been implementing a wide range of VET and employment-related measures, including support for entrepreneurial learning in the school curriculum and the development of work-based learning (WBL).



AN ASSESSMENT OF MID-TERM PROGRESS TOWARDS THE ETF'S 2020 OBJECTIVES

Specific objective 1: Accelerate change in vocational education by creating more effective policy partnerships through stronger links between employers and various government agencies in the area of entrepreneurship

ETF-specific interventions have been focused on ensuring complementarity with the EU's budget support programme. The ETF has concentrated on capacity-building activities by, firstly, promoting WBL and, secondly, assisting the Ministry of Labour and Social Affairs and the National Employment Service Agency with forecasting, anticipation and matching through the Make it Match network. Both VET and employment strategies are expected to be finalised by the end of 2019.

The ETF has also worked closely with the national statistics office with the aim of improving the evidence base for VET and employment policy in the country.

Armenia is participating fully in the fifth round of the Torino Process 2018–20.

Specific objective 2: Support the European Commission

The ETF prepares a Country Fiche for Armenia each year on education, training and employment developments. In 2019, at the request of the EU delegation, the ETF provided an expert analysis of Better Qualifications for Better Jobs (BQBJ) and a note on possible priorities for the Action Plan 2020 on the basis of the national report of the Torino Process.

The EU delegation also requested the ETF to contribute to the post-2020 programming by identifying main lines of action

ACTIONS PLANNED FOR 2020

The EU-Armenia policy dialogue on education was relaunched in March 2019. It is expected to allow the EU to closely follow the preparation of future reforms and strategies in the field of education.

Specific objective 1: Accelerate change in vocational education by creating more effective policy partnerships through stronger links between employers and various government agencies in the area of entrepreneurship

In 2020, the ETF will continue to support WBL. It will work with the national authorities to finalise a feasible action plan for the implementation of a national WBL strategy for the period 2019 to 2025.



Given the political changes, the ETF will cooperate with the Ministry of Labour and Social Affairs and the Ministry of Education, Science, Culture and Sport to assist them with the implementation of identified policy priorities.

The ETF will undertake a follow-up action building on the Torino Process outcomes and recommendations. A particular emphasis will be placed on reinforcing the stakeholders' cooperation.

Specific objective 2: Support the European Commission

If requested, the ETF will support the EU Delegation through a range of actions and by providing advice on resuming the budget support programme and relaunching the sector policy dialogue. In particular, once confirmed by the EU Delegation, it will include support to the formulation of orientation lines for AP 2020 and to post-2020 programming. This will be done in conjunction with the outcomes of the Torino Process. The ETF support may also include the monitoring of institutional developments and the preparation of ad hoc reports.

The ETF will also continue to support the EU Delegation in following up on the implementation of the Better Qualifications for Better Jobs budget support.

In terms of support for bilateral policy dialogue, the ETF will prepare the annual Country Fiche on education, training and employment developments and inputs to the relevant bilateral subcommittees and follow-up of Mobility Partnership.

In 2020, the ETF will also assist Armenia to make maximum use of the outcomes and in using them as a platform to promote exchange and discussion between different stakeholders on VET reform.

