



European Training Foundation

ARMENIA

EDUCATION, TRAINING AND EMPLOYMENT
DEVELOPMENTS 2019



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KEY POLICY DEVELOPMENTS IN EDUCATION, TRAINING AND EMPLOYMENT

Following the ‘Velvet Revolution’ of spring 2018, parliamentary elections were organised in Armenia in December 2018. A new government was formed and in February 2019 a new five-year government programme was approved by the parliament. The key priorities include enhancing the opportunities for economic activity by encouraging entrepreneurship and innovation, simplifying regulatory procedures, creating an attractive investment climate, reducing the tax and customs burden, expanding export opportunities, and enlarging business opportunities outside the capital, Yerevan; improving the efficiency of public administration; developing human capital potential by encouraging education; and reinforcing the reliability of and access to infrastructure.

In May 2019 the government approved its action plan for 2019–2023. On the economic side, the government plans to eliminate obstacles for small and medium-sized enterprises (SMEs), to improve the business environment, to assist in the technical re-equipment of private sector enterprises and to coordinate the assistance provided to Armenia by the EU. To enhance the development of human capital, the plan envisages the modernisation of education and an improvement in its quality.

The Ministry of Education, Science, Culture and Sport (MoESCS) is working on the new Education Strategy for the period to 2025. This aims to develop a future-oriented education system that fully serves national interests, communicates the relevance of education to future expectations of economic and social development, and gives every citizen the opportunity to receive high-quality education at every stage of life. The MoESCS is also working on the Higher Education Development Strategy and the new Vocational Education and Training Strategy 2019–2023, which is expected to be finalised by May 2020.

In September 2019 the Minister of Education, Science, Culture and Sport approved an action plan for the vocational education and training (VET) sector for period 2017–2023. The plan establishes concrete activities, responsible institutions, outcomes, timeline and performance indicators.

In May 2019 Armenia and the International Labour Organization (ILO) signed the Decent Work Country Programme for 2019–2023. The Ministry of Labour and Social Affairs (MoLSA), with support from the ILO, is currently working on the new Employment Strategy 2019–2022, which will provide a comprehensive employment policy framework to support inclusive and sustainable economic growth in Armenia. The new employment strategy will address such important challenges as skills mismatch, youth transition to work, informality and entrepreneurship development.

1. KEY DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS

The Armenian population is small, decreasing and ageing. Between 2013 and 2018 it fell from 3 026 900 to 2 972 700 people. According to the World Bank, by 2050 more than 22% of Armenia's population will be aged 65 years and older, creating a growing demand for social services, and associated government expenditure¹. This negative trend is exacerbated by the increasing and permanent emigration of young people. Estimates say that if the current trends of births, deaths and emigration continue, by 2040 Armenia's population will have decreased by 860 000 to reach about 2.14 million².

Armenia has one of the highest emigration rates in the world. Poverty and the lack of employment are the main drivers for emigration and the main group of emigrants are low-skilled workers. Data from the United Nations indicates that there were an estimated 937 000 Armenian migrants in 2015, equivalent to 31.1% of the country's total population. Russia remains the most common destination country, receiving 45% of Armenia's emigrants. Armenia is also considered to be among the 15 highest recipients of remittances in the world³. The remittances play an important role in household economies and employment choices. In 2017 a revival in the growth of household consumption was supported by a 14.6% rise in money transfers from abroad.

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 independence. Sustained growth, ambitious reforms, and inflows of capital and remittances have created a market-oriented environment. Although the global financial crisis significantly impacted the economy, economic growth started to recover in 2017 and the gross domestic product (GDP) growth rate rebounded to 7.5%. Several factors contributed to the recovery: external demand for goods and services (such as tourism) and the recovery of domestic demand owing to an increase in disposable income, remittances and investments. Following an initial spike in early 2018, Armenia's economic performance slowed during the rest of the year, mostly as a result of weakening external conditions, the lower execution of public capital expenditures, and slowing investment. The economy expanded at a robust 5.2% growth rate⁴. The economic outlook remains positive. GDP is expected to grow by 4.3% in 2019 and 4.5% in 2020⁵.

Although the importance of the agricultural sector has been declining, it remains essential for the Armenian economy and accounted for 13.7% of GDP in 2018. The sector suffers from a low rate of cultivation of arable land (30% of the land is not used), limited resources and low growth potential. The sector has now registered negative growth for three consecutive years, reflecting both lower inputs (sown area, livestock) and productivity (yields)⁶. In 2018 the industrial sector contributed 25.0% to GDP, one-fifth of this from the construction sub-sector. The services sector has been growing in recent

¹ World Bank, Armenia, Update, 2019: <https://www.worldbank.org/en/country/armenia/publication/armenia-country-partnership-framework-2019-2022>

² <https://www.azernews.az/aggression/124597.htm>

³ OECD/CRRC-Armenia, *Interrelations between Public Policies, Migration and Development in Armenia*, OECD Development Pathways, 2017: <https://www.oecd-ilibrary.org/docserver/9789264273603-en.pdf?expires=1536230518&id=id&accname=guest&checksum=2B73223A66DF8C7D8FA644E1FD9C1E2B>

⁴ <https://www.worldbank.org/en/country/armenia/overview>

⁵ Asian Development Bank, Armenia, 2019: <https://www.adb.org/countries/armenia/economy>

⁶ World Bank Country Economic Update, Winter 2019: <https://elibrary.worldbank.org/doi/abs/10.1596/31422>

years and contributed 52.6% to GDP in 2018. New sectors, such as information and communication technology (ICT), jewellery making (diamond industry) and tourism, are beginning to expand.

Almost all firms in Armenia are SMEs. In 2017 they represented 99.8% of all companies, and accounted for two-thirds of employment and 63% of the turnover of the business sector. Moreover, 93% of Armenian firms are micro-enterprises (with fewer than 10 employees; 58% of these micro-enterprises are non-employers). With one-third of the population living in the capital, Yerevan accounts for half of all companies, 70% of employment and 72% of the turnover in the country⁷. The economic system does not currently address job quality or management capacity, which enable productivity improvements and the better use of skills by enterprises. While there are strong programmes in the education sector that teach entrepreneurship, there are limited programmes available for people working in small businesses, particularly in rural areas where the presence of 'own-account' workers is significant. Targeted programmes could promote better productivity among these workers by offering increased opportunities for people to access information and training.

Over the past decade, Armenia has made considerable efforts to upgrade its commercial, administrative, tax and financial legislation and to improve its business environment. The country is ranked 41st among 190 economies in the World Bank's 2019 Doing Business Report⁸. This represents a slight decrease from its 38th position in 2016. Armenia's overall competitiveness was ranked 70th in 2017–2018⁹, a marked improvement on its 85th position in 2014–2015¹⁰.

Although poverty reduction has been a strong focus of the government since the 1990s, 25.7% of Armenians are still living in poverty¹¹, with 1.8% in extreme poverty, and the levels of poverty have not returned to their previous lowest levels in 2008. An alarming characteristic of poverty in Armenia is that a proportion of poor adults is employed (the proportion of the employed population below USD 1.90 purchasing power parity a day was 1.4% in 2017¹²). Although they work and receive a (low) salary, they remain poor. This may be an indicator of a number of problems in the economy, such as inefficiencies in the labour market, low labour productivity and low wages, including the low economic participation rate of women.

2. EDUCATION AND TRAINING

2.1 Trends and challenges

Public expenditure on education is low. It has fluctuated in recent years as a share of GDP, from a 3.2% in 2010 to a 2.8% in 2017, . While general education, which is already performing efficiently, constitutes 66% of the education budget, public spending is lower in pre-primary (0.5%), vocational (7.3%) and tertiary (9.1%) education. Consequently, the coverage of early childhood education is very

⁷ OECD, *Compendium of Enterprise Statistics in Armenia 2018*: <http://www.oecd.org/eurasia/competitiveness-programme/eastern-partners/Compendium-Entreprise-Statistics-Armenia-2018-EN.pdf>

⁸ <http://www.doingbusiness.org/reports/global-reports/doing-business-2018>

⁹ World Economic Forum, *The Global Competitiveness Report 2018*: <https://www3.weforum.org/docs/GCR2018/05fullreport/theGlobalCompetitivenessGeport2018.pdf>

¹⁰ World Economic Forum, *The Global Competitiveness Report 2016–2017*: <https://www.weforum.org/reports/the-global-competitiveness-report-2016–2017-1>

¹¹ <https://www.worldbank.org/en/country/armenia/overview>

¹² <http://www.adb.org/countries/armenia/poverty>

low, with rural areas most disadvantaged and vocational education threatening to become obsolete¹³. As recognised in the national development strategy, the level of funding for education, training and upskilling needs to be increased, using the potential of open education resources and digital learning. Managing the youth transition to work should be incorporated into all levels of education. Skills should be organised in the context of the Armenian national qualifications framework (NQF). Increased support for practical internships would also help to ease the transition to work.

Despite relatively low expenditure on education, the overall educational attainment level of the active population is high. In 2017, 66.1% of the active population had attained a medium level of education, 29.7% a high level and 4.2% a low level. The level of educational attainment has been steadily increasing over recent years: the share of the population with a high level (26.6% in 2013) has risen, the share with a medium level (66.8% in 2013) has slightly decreased and the share with a low level has fallen (6.6% in 2013). However, while the overall share of the population with medium-level education has decreased only slightly, the share with vocational education fell from 26.1% in 2013 to 22.8% in 2017. This suggests that there is a demand for medium-level skills but that this is not directed towards vocational education.

Armenia's education sector comprises pre-school, basic and upper secondary education, preliminary and middle VET, and higher education. Armenia has made considerable progress in improving access to general education. Enrolment in primary and secondary education is relatively high, with gross enrolment rates of 92.72% and 83.15%, respectively, in 2018. The rate of transition from primary to secondary education is also high (98.27% in 2017), and this is in line with similar trends in further education, where the gross enrolment rate in tertiary education reached 54.57% in 2018¹⁴.

At the same time, the share of learners in VET as a percentage of total upper secondary students is relatively low (28.4% in 2017). Although the share of VET students has been steadily increasing over recent years, the total number of students enrolled in VET has decreased (from 26 614 in 2014 to 19 676 in 2017). The phenomenon of a rising share and declining numbers is caused by the ageing trend in the population, which has seen a decline in the young population.

According to the National Statistical Service of Armenia there has been an overall decline in the number of enrolled students and graduates at all levels of education, particularly in rural areas. In general education the number of enrolled pupils in urban areas increased from 223 800 to 230 500 between 2012/13 and 2016/17. However, in rural areas there is the opposite trend, with a decline from 144 900 to 134 400 pupils in the same period¹⁵. This could be a consequence of increased outward migration from rural areas, where the economy is unable to provide adequate jobs and economic prospects for households and the younger generation.

Student achievement, particularly in mathematics and science, points to issues with quality in general education. Armenia participated in the Trends in International Mathematics and Science Study (TIMSS) in 2003, 2011 and 2015. Armenian students performed below the international average of 500. These findings indicate that near-universal access to general education has not necessarily translated into widespread high student achievement. There is limited availability of and access to good-quality pre-school education, which is essential for improving performance in general education.

¹³ <http://documents.worldbank.org/curated/en/476801500273475872/pdf/117478-WP-P162262-PUBLIC-WBArmeniaEducationInternalStudyMay.pdf>

¹⁴ <http://uis.unesco.org/country/AM>

¹⁵ ETF, *Mapping Youth Transitions to Work in Eastern Partnership Countries*, Armenia Country Report, 2018: https://www.etf.europa.eu/sites/default/files/2019-07/youth_transition_armenia.pdf

2.2 Education and training policy and institutional setting

The Armenia Development Strategy (ADS) 2014–2025, which is the country's main socioeconomic development strategy and the basis for medium-term, sectoral, and other programme documents, identifies the education sector as a fundamental resource for the country's sustainable development. Increasing the sector's quality, effectiveness, relevance and access at all levels is a major priority.

The government programme for the period 2019–2023¹⁶ declares the development of education to be an overriding objective for sustainable and inclusive growth and sets goals for each educational sub-sector. The reforms in the VET sector will be targeted at enhancing education programmes to enable them to better respond to the changing needs of the economy and labour market, and expanding the dual education system, through the active involvement of employers, to improve the quality of education and teaching at primary and middle VET institutions, taking into consideration the priorities of territorial development.

In May 2019 the government approved its action plan for 2019–2023. On the economic side, the government plans to eliminate obstacles for SMEs, to improve the business environment, to assist in the technical re-equipment of private sector enterprises and to coordinate the assistance provided to Armenia by the EU. To enhance the development of human capital, the plan envisages modernising education and improving its quality.

The MoESCS is working on the new Education Strategy for the period to 2025. This will aim to develop a future-oriented education system that fully serves national interests, communicates the relevance of education to future expectations of economic and social development, and gives every citizen the opportunity to receive high-quality education at every stage of life. The MoESCS is also working on the Higher Education Development Strategy and the new VET Strategy 2019–2023, which is expected to be finalised by May 2020. It envisages an updated concept of social partnership by focusing on stronger collaboration between VET and employers.

In September 2019 the Minister of Education, Science, Culture and Sport approved an action plan for the VET sector for the period 2017–2023. The plan establishes concrete activities, responsible institutions, outcomes, timeline and performance indicators. The activities are grouped under nine priorities: structural content reforms, strengthening social partnership, content modernisation of academic programmes, elaboration of models for academic process organisation, improvement of assessment forms, implementation of internet-based academic technologies, internationalisation of the VET system, promotion of youth employability and entrepreneurship; and human resource development in the VET system. As the plan is backdated, some progress has already been made in implementation. For example, the concept paper on social partnership has been revised.

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 (Craftsmanship) and Middle Vocational Education (2005). These laws have been amended several times in line with developments and reforms in the education system. In addition, individual areas, such as quality assurance, the NQF, and the system of accumulation and transfer of academic credits, are regulated by a range of sub-legislative acts. The NQF was revised and updated in 2016 with new definitions for each level. To develop the NQF further, the MoESCS envisages the development of a credit system and the revision of qualifications.

¹⁶ <https://www.gov.am/files/docs/3562.pdf>

Although some progress has been made at the policy level, VET continues to face critical constraints at the structural level. These include very low levels of funding that appear to be insufficient to enable the system to develop, and an overall negative perception of VET by students and their parents, who see this kind of education as a last resort for the weakest students. The overall aim of the reforms is therefore to improve the reputation of VET. In the context of the VET optimisation process, 17 VET colleges are being rehabilitated and transformed into regional centres of excellence. These centres will promote the implementation of multi-level educational programmes, in line with the direction of development of each region or industrial sector, or both. It is envisaged that quality management centres will be established to support the network of the centres of excellence and to share information with VET institutions on the outcomes of the programmes with a view to informing the implementation of internal quality assurance systems.

A new teacher-training and grading system was introduced in 2017, coordinated by the National Institute of Education. In the VET system, staff development is being coordinated by the National Centre for Professional Education Quality Assurance and the National Centre for Vocational Educational and Training Development (NCVETD). Every year around 1 000 VET teachers are retrained. Thus, between 2014 and 2017, 4 147 VET teachers were trained by the NCVETD (1 122 in 2014, 1 016 in 2015, 934 in 2016, 975 in 2017 and 477 in 2018)¹⁷. In addition, during the same period, 150 college directors and deputies, 207 management board members, 107 standards development experts, and other staff within the VET system were trained on different topics. However, most of the training for teachers is dedicated to pedagogical issues (methodology) and very little is vocation-related. This is mainly due to the limited financial resources, as well as difficulties in identifying the companies that are willing to accept VET teachers as trainees.

The government is giving high priority to the development of a system of work-based learning (WBL). The Programme of Preliminary and Middle Professional Education and Training Development for 2017–2021 recognises WBL for the first time as a tool for increasing the attractiveness of VET and its relevance to the needs of the regions and the agriculture sector, and also envisages concrete actions to develop WBL in the VET sector¹⁸. With support from GIZ (German development agency), dual education is being piloted in four sectors (ICT, tourism, winemaking and agriculture). Although WBL is a priority for both the MoESCS and the MoLSA, the coordination between the two ministries is rather weak, since they are approaching the policy issue from different perspectives. A significant development was the creation by the MoESCS of a national working group on WBL that involves key stakeholders, including the MoLSA, employers, donors and public VET providers. In June 2019 the working group validated a concept paper on the development of WBL in Armenia and priority actions for the period 2019–2023.

However, the attractiveness of VET remains one of the main challenges to be tackled by the authorities. The main factors seem to be a lack of new jobs and the low salaries and unattractive working conditions on offer, as well as the existence of a substantial shadow economy. Another factor is that for most occupations, there is no regulation in terms of education level or even profile. This results in a situation in which many jobs relevant to VET are occupied by people with higher education or without any professional education.

¹⁷ NCVETD official webpage: http://www.mkuzak.am/?page_id=166&lang=en

¹⁸ ETF, *Mapping Youth Transitions to Work in Eastern Partnership Countries*, Country Report, 2018: https://www.etf.europa.eu/sites/default/files/2019-07/youth_transition_armenia.pdf

In addition to these emerging policy perspectives, entrepreneurial learning is recognised as strategically important in Armenia. The government is introducing modules for key competences in entrepreneurship across all levels of formal education. A module for entrepreneurship covering skills that are relevant to starting a business has been developed and will be compulsory in all vocational education. The government has further plans to develop and introduce, by the end of 2019, state education (qualification) standards and a relevant syllabus in VET, including the teaching of entrepreneurship as a core subject. An additional feature that will take more concrete shape in the future is a stronger focus on investment in internet-based educational technology to support learning in the VET sector. This will require the application of new methods and mechanisms, the capacity building of specialists, and increased access to learning, contributing to the formation of an open educational space.

Responsibility for the management of the education system is distributed among a number of institutions, all of which are subordinate to the MoESCS: the National Institute of Education, the Inspectorate of Education, the National Centre for Educational Technologies, the Assessment and Testing Centre, the National Information Centre for Academic Recognition and Mobility, the NCVETD, the National Centre for Professional Education Quality Assurance and the National Training Fund.

3. LABOUR MARKET AND EMPLOYMENT

3.1 Trends and challenges

The Armenian labour market is characterised by a declining demand for labour. Activity and employment rates are low, and are trending downwards. The activity rate decreased from 63.4% in 2013 to 60.9% in 2017. There is a large discrepancy between male and female labour market participation, with the female activity rate at 52.8% and the male rate at 70.7% in 2017. The employment rate also decreased in the same period, from 53.2% to 50.1% (57.9% for men and 43.5% for women in 2017).

Unemployment is high. The unemployment rate increased from 16.2% in 2013 to 17.8% in 2017 as a result of difficult labour market conditions and an unfavourable external environment. There is only a slight difference between the male and female unemployment rates (18.0% and 17.5%, respectively, in 2017). Long-term unemployment increased from 8.4% in 2013 to 9.9% in 2017.

The youth unemployment rate is much higher than the overall unemployment rate: it increased from 36.1% in 2013 to 38.4% in 2017 and was particularly high for young women (45.0% in 2017). This is a reversal of the trend in 2014–2015, when the youth unemployment rate was declining. The proportion of young people not in employment, education or training (NEET) is also high. Although the overall NEET rate fell from 37.2% in 2013 to 28.7% in 2017, it showed only a marginal decrease for young women, from 39.6% in 2013 to 37.5% in 2017. In order to address the NEET phenomenon, policy measures specifically targeting this group are urgently needed.

Recent studies (ILO, World Bank) also point to a relatively high youth labour under-utilisation rate (47.5% in 2014). In 2016 under-utilised labour potential represented 10.9% of the youth population in

irregular employment (either self-employment or paid employment with labour contracts of less than 12 months), 18.9% of those who were unemployed and 17.7% of inactive non-students¹⁹.

Trends in broad sectoral employment remain consistent, with an ongoing rise in the percentage of the labour force employed in the services sector (from 46.7% in 2013 to 55.5% in 2017) and falling employment shares in the agricultural and industrial sectors (from 36.3% to 31.3% and from 17.0% to 13.1%, respectively, between 2013 and 2017). The high level of self-employment (40.3% in 2017) is mainly shaped by a high proportion of people working in the agriculture sector as ‘own-account’ workers. Because employment in agriculture accounts for such a large share of total employment, productivity is very low; thus, a shift towards export-oriented services could substantially improve economic outcomes. Labour market targets include reducing the share of employment in agriculture over time and increasing the share of employment in the industrial and construction sectors.

According to both the ILO school-to-work transition surveys (2014 and 2016) and the World Bank STEP (Skills towards Employment and Productivity) survey (2014), the main types of skills mismatch in Armenia are over-qualification, under-qualification and gaps with regard to particular skills. The ILO’s 2016 survey estimated that over-qualification affects 19.6% of young workers and under-qualification 10.1%²⁰. There is a significant gap between the quality and competence of the skills needed by the economy and what is actually supplied by the current education system. According to the World Bank report²¹, a majority of employers report that the education system does not produce the high levels of cognitive, non-cognitive and job-related skills required of workers. This is especially true in the growing sectors of the economy, such as ICT and high-tech industries.

3.2 Employment policy and institutional setting

The ADS 2014–2025 has as its main objective an increase in employment through the creation of high-quality, well-paid jobs. It underlines the importance of introducing new policies to promote employment (especially aimed at the creation of new jobs) and of addressing the particularities of regional development. The government programme for the period 2019–2023 aims to enhance the integrity of state policy on sustainable employment by introducing new programmes to improve the sociodemographic situation, prevent emigration, increase the labour market competitiveness of young people and persons with disabilities, involve young, competent professionals in the field of public administration, and fill employers’ vacancies effectively.

In May 2019 Armenia and the ILO signed the Decent Work Country Programme for 2019–2023. The MoLSA, with support from the ILO, is currently working on the new Employment Strategy 2019–2022, which will provide a comprehensive employment policy framework to support inclusive and sustainable economic growth in Armenia. As the new employment strategy was not expected to be finalised and approved before November/December 2019, the time period covered by the document may be revised to 2020–2024. The new employment strategy will address such important challenges as skills mismatch, youth transition to work, informality and entrepreneurship development.

The MoLSA is the main governmental body that elaborates and implements policies in the labour and social security sectors. The State Employment Agency (SEA), operating through its 51 local centres,

¹⁹ https://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_537747.pdf

²⁰ https://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_537747.pdf

²¹ <http://documents.worldbank.org/curated/en/476801500273475872/pdf/117478-WP-P162262-PUBLIC-WBArmeniaEducationInternalStudyMay.pdf>

provides employment services to jobseekers, including intermediation services and career information and guidance. It also organises job fairs and provides professional training for unemployed people. In 2017 the SEA launched an improved online system for matching jobseekers and job vacancies. In 2018 a new programme was introduced to support young unemployed mothers to (re-)enter the labour force through the acquisition of professional experience combined with support for childcare (for children up to three years of age). This will help to address the high NEET rate among young women. As the labour market improves, further support for capacity building in the SEA will be necessary to provide well-targeted services to jobseekers, particularly those who are long-term unemployed or informally employed.

In 2018 the National Institute of Labour and Social Research of the MoLSA conducted research to analyse labour market supply and demand. The results of the study informed the development of the 2019 state employment programme aimed at alleviating labour market tensions and ensuring sustainable employment and self-employment through active employment programmes. In 2019, 16 programmes were expected to be financed from the state budget, including internships for jobseekers to enable them to gain professional experience, vocational training for young mothers, support for small businesses and support for the rural economy through seasonal employment promotion. One of the output indicators has a target for employment of at least 15% of young people who are registered with the SEA.

There is a strong trend in Armenia towards the integration of social support services. The MoLSA is developing and operationalising a network of integrated services delivery centres. The focus is currently on the regions outside Yerevan. The centres are designed to link different services and integrate them into a single package of assistance according to client needs. At present these services include community health assistance, disability services assistance and support for veterans. By 2020 the integrated services delivery centres are to be transferred to local communities. In the future, their services may be extended to include career guidance and employment services.

Armenia has developed a sustainable national approach and instruments for career guidance, building on the Methodology Centre under the auspices of the MoLSA. All higher education institutions run career centres to support students and graduates in their transition to work. Nonetheless, the effectiveness of these services depends on the availability and use of more and better information about skills, labour market dynamics, job vacancies and recruitment practices.

In recent years the National Statistical Service has published more data on the labour market, education, youth school-to-work transition and, more recently, skills mismatch. The current approaches for monitoring labour market developments include 'barometer' analyses conducted by the SEA, based on employer surveys and unemployment records, as well as annual research carried out by the MoLSA through interviews with employers. The National Institute of Labour and Social Research produces short sector portraits and conducts analyses on specific issues of labour market and skills development. Other research centres contribute to these analyses. In addition, there are ad hoc surveys by VET institutions, employer associations and, occasionally, international institutions. Despite the improvements in the 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. There is scope for improvement through the development of a more coordinated approach involving key data providers equipped with the analytical capacity to establish a labour market information system. Improving the stream of reliable and forward-oriented labour market information, coordinated through a labour market observatory, would help to promote employability.

The EU-funded Better Qualifications for Better Jobs programme, with a budget of EUR 15.2 million for 2017–2019, seeks to improve the efficiency of Armenia’s labour market and the employability of its workforce, with a particular emphasis on agricultural employment. The programme will support in-depth sector analyses with a focus on skills.

ARMENIA: STATISTICAL ANNEX

Annex includes annual data from 2013, 2017 and 2018 or the last available year.

	Indicator	2013	2017	2018	
1	Total Population (,000) ⁽¹⁾	3,026.9	2,986.1	2,972.7	
2	Relative size of youth population (age group 15-24, %) ⁽¹⁾	21.7 ⁽²⁾	17.2	M.D.	
3	GDP growth rate (%)	3.3	7.5	5.2	
4	GDP by sector (%)	Agriculture added value	18.4	15.0	13.7
		Industry added value	26.7	25.8	25.0
		Services added value	45.7	50.8	52.6
5	Public expenditure on education (as % of GDP)	2.7	2.8 (2016)	M.D.	
6	Public expenditure on education (as % of total public expenditure)	11.1	10.2 (2016)	M.D.	
7	Adult literacy (%)	M.D.	M.D.	M.D.	
8	Educational attainment of adult population (aged 25-64 or 15+) (%) ^{(3) (4)}	Low ⁽⁵⁾	6.6	4.2	M.D.
		Medium ⁽⁶⁾	66.8	66.1	M.D.
		High ⁽⁷⁾	26.6	29.7	M.D.
9	Early leavers from education and training (aged 18-24) (%)	Total	M.D.	M.D.	M.D.
		Male	M.D.	M.D.	M.D.
		Female	M.D.	M.D.	M.D.
10	Gross enrolment rates in upper secondary education (ISCED level 3) (%)	88.02	89.8 (2015)	M.D.	
11	Share of VET students in upper secondary education (ISCED level 3) (%)	22.8	28.4	M.D.	

	Indicator	2013	2017	2018
12	Tertiary education attainment (aged 30-34) (%)	29.8	32.3	M.D.
13	Participation in training/lifelong learning (age group 25-64) by sex (%)	Total	M.D.	M.D.
		Male	M.D.	M.D.
		Female	M.D.	M.D.
14	Low achievement in reading, mathematics and science – PISA (%)	Reading	N.A.	N.A.
		Mathematics	N.A.	N.A.
		Science	N.A.	N.A.
15	Activity rate (aged 15+) (%) ⁽³⁾	Total	63.4	60.9
		Male	72.8	70.7
		Female	55.9	52.8
16	Inactivity rate (aged 15+) (%) ⁽³⁾	Total	36.6	39.1
		Male	27.2	29.3
		Female	44.1	47.2
17	Employment rate (aged 15+) (%) ⁽³⁾	Total	53.2	50.1
		Male	62.3	57.9
		Female	45.8	43.5
18	Employment rate by educational attainment (% aged 15+) ⁽³⁾	Low ⁽⁵⁾	33.4	28.5
		Medium ⁽⁶⁾	53.1	48.7
		High ⁽⁷⁾	62.8	60.5
19	Employment by sector (%) ⁽³⁾	Agriculture	36.3	31.3
		Industry	17.0	13.1
		Services	46.7	55.5

	Indicator	2013	2017	2018	
20	Incidence of self-employment (%) ⁽³⁾	42.8	40.3	M.D.	
21	Incidence of vulnerable employment (%) ⁽³⁾	42.4	39.1	M.D.	
22	Unemployment rate (aged 15+) (%) ⁽³⁾	Total	16.2	17.8	M.D.
		Male	14.4	18.0	M.D.
		Female	18.1	17.5	M.D.
23	Unemployment rate by educational attainment (aged 15+) (%) ⁽³⁾	Low ⁽⁵⁾	14.6	17.4	M.D.
		Medium ⁽⁶⁾	16.3	17.8	M.D.
		High ⁽⁷⁾	16.4	17.9	M.D.
24	Long-term unemployment rate (aged 15+) (%)	8.4	9.9	M.D.	
25	Youth unemployment rate (aged 15-24) (%)	Total	36.1	38.4	M.D.
		Male	31.8	33.1	M.D.
		Female	41.5	45.0	M.D.
26	Proportion of people aged 15–24 not in employment, education or training (NEETs) (%) ⁽⁸⁾	Total	37.2	28.7	M.D.
		Male	34.9	20.7	M.D.
		Female	39.6	37.5	M.D.

[Last update: 27/08/2019](#)

Sources:

Indicators 1, 2, 8, 11 (year 2017), 12, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26 - National Statistical Service of the Republic of Armenia.

Indicators 5, 6, 10, 11 (year 2013) – UNESCO, Institute for Statistics

Indicators 3, 4 The World Bank, World Development Indicators database

Notes:

LFS data for 2018 will be published in DECEMBER 2019

⁽¹⁾ Estimates at 1st of January

⁽²⁾ ETF calculations based on Armstat data (15-24/15-74)

⁽³⁾ Age range 15-75

⁽⁴⁾ Values refer to active population.

⁽⁵⁾ Primary and lower, General basic

⁽⁶⁾ General secondary, Vocational, Secondary specialized

⁽⁷⁾ Tertiary, post-graduate

⁽⁸⁾ Participation in education in the week prior to the survey is considered.

Legend:

N.A. = Not Applicable

M.D. = Missing Data

ANNEX: INDICATORS' DEFINITIONS

		Definition
1	Total population (000)	The total population is estimated as the number of persons 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 U.S. 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 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

		Definition
		education.
7	Adult literacy (%)	Adult literacy is the percentage of population aged 15 years and over who can both read and write with understanding a short simple statement on his/her everyday life. 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 with respect to the highest educational programme successfully completed which is typically certified by a recognized qualification. Recognized intermediate qualifications are classified at a lower level than the programme itself.
9	Early leavers from education and training (age group 18-24) (%)	Early leaving from education and training is 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 with duration less than 2 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 education), 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) (%)	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 consists of 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.
14	Low achievement in reading, maths and science – PISA (%)	Low achievers are the 15-year-olds who are failing level 2 on the PISA scale for reading, mathematics and science.

		Definition
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 persons. The inactive population consists of all persons 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 persons who are classified as neither employed nor unemployed.
17	Employment rate (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.
18	Employment rate by educational attainment (% aged 15+)	<p>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.</p> <p>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)</p>
19	Employment by sector (%)	This indicator provides information on the relative importance of different economic activities with regard to employment. Data is presented by broad branches of economic activity (i.e. Agriculture/Industry/Services) which is 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 persons as a percentage of the labour force. The labour force is the total number of people who are employed or unemployed. Unemployed persons 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 two 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

		Definition
		had found a job to start later (within a period of, at most, three months).
23	Unemployment rate by educational attainment (aged 15+) (%)	The unemployment rate represents unemployed persons as a percentage of the labour force. The labour force is the total number of people who are employed or unemployed. Unemployed persons 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 two 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, three 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 unemployed persons since 12 months or more in the total active population, 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 persons 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 four weeks preceding the survey. Data is 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.

TABLE OF ABBREVIATIONS

GDP	Gross domestic product
ICT	Information and communication technology
ILO	International Labour Organization
ISIC	International Standard Industrial Classification
MoESCS	Ministry of Education, Science, Culture and Sport
MoLSA	Ministry of Labour and Social Affairs
NCVETD	National Centre for Vocational Educational and Training Development
NEET	Not in employment, education or training
NQF	National qualifications framework
SEA	State Employment Agency
STEP	Skills towards Employment and Productivity
TIMSS	Trends in International Mathematics and Science Study
VET	Vocational education and training
WBL	Work-based learning

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