



ARMENIA

EDUCATION, TRAINING AND EMPLOYMENT
DEVELOPMENTS 2017



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KEY EDUCATION, TRAINING AND EMPLOYMENT DEVELOPMENTS IN ARMENIA

The education and labour market outlook for Armenia is fairly positive. The new strategic framework is targeting efficiency, expansion and equity. The vocational education sector is demonstrating progress, but positive movements in the labour market are slower, with only modest changes in the main indicators for employment and unemployment.

Following a change in Prime Minister in 2016 and Parliamentary elections in 2017, the Government of Armenia is updating its economic and development strategy. A new programme for economic growth for 2017-22 is very ambitious and supplements the Sustainable Development Strategy for 2014-25. The programme aims to increase GDP growth to an average of 5% per year by 2022, with exports of goods and services reaching 40-45% as a share of GDP. The Government is determined to tackle corruption, improve competition and promote sustainable growth. Economic reforms are strongly linked to the education and labour market reforms. The programme states that 'The Armenian economy should grow through a labour force that is modern, globally competitive, highly qualified, educated, motivated and mobile.' The Government plans review the current education system at all levels with a particular focus on knowledge and skills for the future. Between 2017 and 2022, in order to optimise VET institutions, primary vocational education institutions are to be consolidated and the management and cost-efficiency of VET institutions improved. Moreover, the programme aims to reduce poverty by 12 percentage points and increase nominal minimum salaries by 25% by 2022. The programme includes a range of labour market objectives: employment growth, improvements in job quality and wage levels, and reductions in structural unemployment.¹ The vocational education and training system should become more sophisticated and adapted to the needs of the economy. It is being structured around a network of regional VET colleges that will develop partnerships with VET schools and employers in each of the 12 regions of Armenia, by strengthening the provision, focused on work-based learning, and by improving its quality. Partnerships with employers and better services should have a positive impact on student enrolment. There is also a stronger focus on sub-national development, reflecting a new balance between central and regional or local management.

The VET system is still under reform and it is becoming more attractive to students and employers. The EU budget support programmes have underpinned many of Armenia's recent achievements in VET. The infrastructure of VET institutions has been improved and the institutional framework has become more flexible with a stronger emphasis on relevance and employability. The new sector reform contract (SRC) under the EU budget support programme for 2017-20 aims to improve (i) labour market intermediation and guidance services in order to ensure better access to employment, and (ii) to improve the employability perspectives of graduate students in a pilot sector (VET agricultural institutions).

Overall, the reform perspective seems positive, if the reforms are sustained in time and linked with a stronger economic recovery. A more robust progress is still expected for education and training. However, the labour market reforms are more challenging due to lower than anticipated GDP growth rates and public expenditure constraints. Improvements in the labour market in terms of reducing unemployment, particularly youth unemployment, will therefore take longer. A national apprenticeship system, offering structured entry level training for both young people and adults, as well as a strong involvement of employers could improve Armenia's labour market situation. The country has the capacity and institutional infrastructure to develop and implement such a system. Presently, this is being piloted only within the sector budget support programme, but there is scope to extend it into a national programme.

¹ Programme of the Government of Armenia 2017-22 'Vision and Goals' <http://www.gov.am/en/gov-program>

1. Key demographic and economic characteristics

Armenia's economy is highly depending on remittances and, at the same time, the population (and labour force) is small, shrinking and ageing. The population has been constantly declining, reaching around 3 million in 2016. The trend is caused by a combination of decreasing fertility and increasing migration. According to the National Statistical Service of Armenia (NSS), the fertility rate is 1.4 children per woman. The population decline tends to be greater among males than females, mainly due to male migration with the male population falling by 36,800 against a fall in the female population of 19,800 since 2010. The ratio of the youth population (aged 15–24) to the working-age population is also falling - from 24.6% of the total population in 2011 to 19.8% in 2016. The decrease of young population is also significant, down by almost 5 percentage points in five years to 19.8% in 2016, and projected to further decrease the future labour force. In addition, Armenia has one of the highest emigration rates in the world and remittances play an important role in the household economies and employment choices.² The main emigration path is towards Russia (approximately 116,000 official residents in 2015) and related to the access-free labour market for Armenians.³ Poverty and the lack of employment are the main drivers of emigration and the main group is low-skilled. Poverty and income inequality remain high, with large disparities across the regions. The latter as measured by the Gini index has not changed in recent years - 31.3 in 2011 and 31.5 in 2014, although extreme poverty decreased in the same period. The World Bank links the pace of poverty reduction with the economic recovery and improvements in labour market dynamics, and thus projects the poverty rate to fall only slightly from 23.8% in 2017 to 22.2% in 2019.⁴

Despite the ambitious plans of the Armenian Government the economy is still quite weak. GDP growth slowed from 3% in 2015 to 0.2% in 2016, driven by a decline in construction and agriculture.⁵ In the first quarter of 2017, economic indicators pointed to growth in industrial output, external trade and services, while agriculture and construction performance remained weak. The international estimates forecast Armenia's economy to grow below 3% in 2017 and sustain the same rhythm in 2018 and 2019.⁶ This is less than the estimated growth rate of 6.1% projected for 2017 under the 2014-25 Sustainable Development Plan.⁷ International sources point to unfavourable external conditions, lower remittance inflows and challenging fiscal consolidation as the main elements of reduced GDP growth. Notwithstanding these unfavourable conditions, Armenia is moving up in the Global Competitiveness Index, currently at 79th position (3 up from 2015 and 13 up from 2011).

In the coming years, exports are expected to be the main engine of growth with the focus on raising the competitiveness of exporting producers through improvements to the business operating and regulatory environment. A key element of the government's strategy will be the development of small and medium sized enterprises. There are plans to develop and introduce a new set of state support tools in line with the new needs of SMEs, as well as to deepen collaboration with international institutions implementing support programmes in the SME sector. Particular focus is given to the tourism industry with a plan to increase the number of annual tourist visits to at least 3 million through measures to be undertaken during 2017-22. By the end of 2018, the government will have defined new quality requirements for tourism services, including skills and training requirements. A new entity (Centre for Strategic Initiatives) was established in January 2017 to foster public-private partnership (PPP), attract FDI and align developmental goals between investors and line ministries. The Centre

2 OECD/CRRCA-Armenia (2017), Interrelations between Public Policies, Migration and Development in Armenia, OECD Development Pathways

3 OECD International Migration Outlook 2016

4 Poverty rate – the proportion of the population living on USD 5/day (2005PPP terms), Armenia World Bank snapshot, 2017.

5 World Bank Armenia country snapshot: <http://www.worldbank.org/en/country/armenia/overview>

6 European Bank for Reconstruction and Development – Armenia, an Overview, 2017

IMF Country Report No. 17/226

7 Armenia Development Strategy for 2014-2025. Table 7. Employment, unemployment and labour force participation rates in RA, 2012-2025, p.59

also includes a focus on education which may influence future policies. In addition, an Armenian-Russian investment fund and the Armenia Investors Club, supported by the diaspora, were established. The government is also stepping up efforts to tackle corruption, including by improving tax and customs administration.

2. Education and training

2.1 Trends and challenges

The education attainment levels of the population are rising in Armenia. Between 2011 and 2015 the share of the population aged 15+ with higher education increased from 25.4% to 28.8%. Correspondingly, the share of the population with lower levels of attainment declined from 7.8 to 5.2% over the same period. At the same time, the biggest group of those with medium skills remains stable, with approximately a 66% share. The enrolment of students in vocational programmes as a percentage of upper secondary students increased from 23.3% in 2011 to 26.2% in 2015. This increase occurred among both males and females with the proportion rising 27.4% to 29.7% for males and 19.1% to 22.5% for females. The improvements in attainment and participation were also found in tertiary education, the rate for which rose from 25.3% to 30.6% between 2011 and 2015.

Notwithstanding, the very high rate of young people not in employment, education or training (35.6% in 2015 for 15-24 year olds) the decline is noticeable from 42.1% in 2011. This decline is particularly significant among young women (almost 10 percentage points).

Overall expenditure on education is falling both, as a percentage of GDP and as a percentage of total public expenditure, declining from 3.1% to 2.8% between 2011 and 2015 in the former case, and from 12.6% to 10.7% in the latter. In this respect, the improvements in the level of attainment and participation could be seen as a possible improvement in the effectiveness of educational spending.

2.2 Education and training policy and institutional setting

Vocational education in Armenia comprises preliminary (craftsmanship) and middle vocational education. It is implemented through the following educational programmes: i) craftsmanship educational programme, qualification – craftsperson, ii) middle vocational educational programme, qualification – specialist, iii) supplementary (continuing) craftsmanship middle vocational education programmes by means of retraining, specialist quality upgrades and re-qualification of workers.

The preliminary (craftsmanship) and middle vocational education programmes offer a vocational qualification that supports access to the labour market and access to a secondary general education diploma (Matura), thereby providing students with the option to pursue the next level of education (higher education). Preliminary and middle level VET starts after basic general education (9 years) or secondary general education (12 years). Preliminary VET lasts for six months to three years (qualification level of craftsperson). Middle VET lasts from two to five years (qualification level of specialist). Preliminary VET is provided in 44 institutions (24 schools and 20 middle VET colleges), while middle VET is provided in 99 colleges, including six higher education institutions.⁸

Considerable reforms are being implemented or planned in Armenia. In April 2015, the Armenian Parliament passed amendments to the Law on Education according to which secondary general, preliminary or middle vocational education is compulsory until 19 years of age. This may promote the involvement of students in the VET system. In addition, the VET system is evolving into a core network of 12 regional colleges that operate in partnership with local schools to provide services under a series of national programmes. These programmes mainly include vocational training programmes as part of the school curriculum either as part of the initial vocational education school programmes or middle

⁸ National Statistical Service of Armenia, Statistical Yearbook 2015, Table 89

school programmes. In the future, the range of services is planned to increase and include work-based learning, career guidance, continuing (supplementary) vocational education and the validation of prior learning.

Career guidance is becoming more important, with a network of career guidance services developed since 2013 in 22 VET colleges (12 Regional State Colleges and 10 other VET colleges) in cooperation with the Methodological Centre for Professional Orientation under the auspices of the Ministry of Labour and Social Affairs. The approach incorporates a monitoring process to assess the viability of the network. In 2016, the Methodological Centre updated its strategic implementation plan for the period 2016-20, with key areas of operation to include classroom materials, occupational information, and professional support to establishing websites for career consultants and liaison and marketing. The implementation plan will be linked to Armenia's strategic plans for employment and education. Training of career counsellors is continuing - 37 have been trained and this will be increased to 110. The Methodological Centre is being merged with the National Institute of Labour Research within the Ministry of Labour and Social Affairs.

The government is introducing modules for entrepreneurship key competencies across all levels of formal education. During 2016-17 the Ministry of Education in cooperation with the National Centre for Vocational Education and Training Development (NCVETD), the Small and Medium-Sized Enterprise Agency and GIZ produced materials to support entrepreneurship as a core topic in all vocational education programmes. By the end of 2019, the government plans to develop and introduce state education (qualification) standards and relevant syllabi in VET including the teaching of entrepreneurship as a core topic. The materials will cover a series of skills relevant to starting a business, e.g., organisation, planning, budgeting, knowledge of law and accounting.

The pre-service training of vocational teachers is currently being reformed. The Government has introduced a teacher certification system, complemented by comprehensive professional development policies and rank-based salary differentiations. Specialised education for teachers (general education schools) is provided by the State Pedagogical University and a set of guidelines was approved in relation to hiring, assessing and rewarding/penalising secondary and general school personnel, under the title: *"Guidance on assessment and possible replacements/rewards, financial incentives of teachers and school principals"*.

The Ministry of Education and Science, NCVETD of the National Institute for Education and the National Training Fund are responsible for the induction of vocational teachers. A certification system for directors of education institutions has been introduced to ensure the development of their management capacities.

The national qualification framework was revised and updated in 2016 with new definitions for each level. The framework has eight levels and follows the European Qualification Framework model. Each level is based on knowledge, skills and competencies. The framework is generic and intended to cover all levels of education. According to the new framework, the levels of VET are defined as follows:

- 3rd level of NQF - Preliminary VET without Secondary General Education (without Matura)
- 4th level of NQF - Preliminary VET with Secondary General Education (with Matura)⁹
- 5th level of NQF - Middle VET.¹⁰

⁹ The Secondary General Education (Matura) refers to the same level.

¹⁰ Includes Matura a priori.

Each education sector is expected to develop its own framework that will fit into the generic national framework. The Higher Education sector needs to follow the framework for qualifications in the European Higher Education Area.

VET adheres to same principles of quality assurance as higher education. The National Centre for Professional Education Quality Assurance covers both but works closely with the National VET Development Centre. This tends to work better in higher education, where institutions have a stronger tradition of autonomy. VET institutions, however, tend to seek permission and approval from the Ministry of Education with respect to their practices. The principles for quality assurance are based on European practice, principally Bologna, but incorporating the EQAVET model and are generally considered as being facilitative.

The Ministry of Education is currently developing a new VET strategy with a draft expected in autumn 2017. The strategy will consolidate the reforms to date and set out objectives for the next four years. This will be aligned with the outcomes of the EU sector budget support programme. There are four priority sectors – wine processing, ICT, tourism, and precision engineering. Other priority sectors will be identified in 2017-18 based on emerging labour market skills needs. The VET system is gradually transforming itself through policy priorities that target relevance, flexibility, and quality and which are part of broader economic strategies. Policies are successfully targeting initial VET and there is a demand for enlarging policies to include continuing vocational education with a stronger enterprise focus. However, Armenia is missing systematic approaches to entry level training to bridge the school to work transition and stronger actions are also needed to create pathways for vulnerable groups to employment using VET.

Future steps in Armenia are expected to cover four priorities: strengthening the partnerships between the local and regional levels; developing the range of services offered through these partnerships, consolidating the national programmes under an integrated framework, and increasing the number of participants in system. Each of the priorities has progressed in recent years, with the institutional and management capacity of the education sector improving, e.g. the governance structure for vocational education underwent significant changes between 2010 and 2014. Reform initiatives include adapting national governance structures so as to ensure more coherent policymaking and monitoring. In particular, since 2012 the Ministry of Education has consolidated policy coordination by taking over responsibility for VET from the Ministries of Agriculture, Energy, Culture and Health and by bringing VET schools into a single structure.

3. Labour market and employment

3.1 Trends and challenges

Labour market activity in Armenia is low (62.5% in 2015) and rather stable, although there is a high discrepancy between male and female labour market participation. The gender gap reached 18.3 percentage points, with female activity at only 54.3%, while the male activity rate was at 72.6% in 2015. Employment is also low for both, men and women, and registering a slight decrease from the 2011 outcomes. For the age group 15-75 the employment rate has declined from 51.4% to 50% in 2015. The employment by education attainment is stable for medium skilled, going down for the low skilled and increasing for those with a higher level of education attainment (60.6% in 2011 to 63.3% in 2015). For those with a VET education the employment rate fell from 53.5% in 2011 and 51.8% in 2015.¹¹ The small changes in the employment rate by education was mirrored in the unemployment rate by education level. For those with VET education, the unemployment rate increased slightly from 19.9% in 2011 to 21.5% in 2015. The changes in the unemployment rate for those with lower and middle level qualifications changed slightly from 15.5% to 14.9% and from 18.4% to 19.1%

¹¹ ETF calculations on the basis of Armstat data

respectively between 2011 and 2015. For those with higher levels of attainment the unemployment rate fell from 19.5% in 2011 to 17.9% in 2015. The unemployment rate for the population aged 15 and over varied between 2011 and 2015, falling from 18.4% in 2011 to 16.4% in 2013 before rising to reach 18.5% in 2015. The proportion of long-term unemployed among the unemployed has risen from 52.7 to 60.7% between 2011 and 2015. In addition, informal employment plays an important role in the Armenian market, although it has fallen slightly from 50.4% in 2011 to 47.7% in 2015.

The slightly changing structure of employment in Armenia shows increasing opportunities for young and well-educated people. The youth employment rate increased from 22.6% in 2011 to 26.9% in 2015, showing positive results among both males and females. The youth unemployment rate shows a significant decline from 39.2% in 2011 to 32.5% in 2015 for both males and females. The emigration choices may also sustain the fact of increasing opportunities in the country, as Armenian migrants tend to be low skilled and the likelihood of emigration decreases with educational attainment. Vocational education and training can therefore substantially contribute to upward labour mobility on the Armenian labour market.¹² Notwithstanding the improvements, the level of youth unemployment remains high and making the transition from education to work is still a major challenge for young people. This suggests that more initiatives that link education and employment, including apprenticeships and traineeships, are necessary, either as part of the suite of programmes managed by the state employment service or as part of the move towards work-based learning in vocational education.

In terms of employment by sector, the labour market in Armenia indicates a continuing trend towards services. The shares of employment in agriculture and industry are falling, from 38.9% to 35.3% and from 16.7% to 15.9% respectively between 2011 and 2015, while the share of people employed in services grew from 44.4% to 48.8% over the same period. The high level of self-employment (42.8%) is mainly shaped by a high proportion of people in the agriculture sector as 'own account workers'.¹³ In addition, despite the high share of employment in agriculture, productivity is very low thus shifting towards export-oriented services may 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 industry and construction sectors. Thus, by 2025 the share of employed (in total employment) in industry is projected to reach 22.8% compared to 18.4% in 2012, whereas in construction the forecast was for 12% compared to 8.4% in 2012. However, although the share of employment in agriculture went down from 38.9% in 2011 to 35.3% in 2015, the share of employment in industry has also fallen from 16.7% in 2011 to 15.9% in 2015. The shift to the service sector from industry and agriculture is likely to continue over time, but the speed of the change may not be as rapid as envisaged in the national strategy.

3.2 Employment policy and institutional setting

The National Employment Strategy and Action Plan 2013-18 shape employment policy in Armenia. Both documents reflect the aims of the national development strategy.

The State Employment Agency (SEA) implements the country's employment policy through 51 regional centres. The State Employment Agency helps people into the labour market. New ALMPs started in 2015 include incentives for both employer and trainee in relation to work-based learning. The State Employment Service offers the following services to employers, inter alia:

- information on programmes and arrangements for employment

¹² OECD (2017), *Interrelations between Public Policies, Migration and Development*, OECD Publishing, Paris p.28 dx.doi.org/10.1787/9789264265615-en

¹³ Labour Market in the Republic of Armenia 2011-2015, National Statistical Service, 2016, see table 4.1.11

- information on the labour market situation
- information on the amendments of the employment legislation
- consultation in case of mass lay-off.

In September 2016, the government adopted the State Programme for the Regulation of Employment in 2017. The programmes support active labour market measures, including:

- Professional training courses
- Compensation of material expenses of the unemployed
- Organization of research and forecast of the labour market
- Financial support to entrepreneurial activities
- Partial salary compensation to the employer
- Organization of paid public works
- Organization of job fairs

The government is introducing a new programme for 2018 that will support young unemployed mothers to enter the labour force. In addition, as a separate measure, training and consultancy services for jobseekers with disabilities are also provided.

The labour market information monitoring system is diverse. Current approaches to monitoring of the labour market include ‘barometer’ analyses conducted by the State Employment Agency based on employer surveys and unemployment records as well as annual research carried out by the Ministry of Labour and Social Affairs (MOLSI) through interviews with employers. The aim is to collect qualitative and quantitative information on labour market demand regarding skills. In addition, there are ad hoc surveys by VET institutions, employer associations and, occasionally, international institutions.

There is a strong trend towards the integration of support social support services. The Ministry of Labour and Social Affairs is developing and implementing a network of integrated services delivery centres. The focus is currently on the regions outside of Yerevan. The centres are designed to link different services and co-locate different services in a common location and depending on client needs integrate the different services in a single package of assistance for the client. Presently, these services include community health assistance, disability services assistance, support for veterans. A total of 25 centres had been developed by the end of 2016 and 50 are expected by the end of 2017. The approach reflects a positive commitment to improved efficiency and services through a proactive policy to social services. Overtime this will lead to local social programmes developed through community needs assessment. By 2020, the territorial centres for integrated social services are to be transferred to local communities. In the future, the services may be extended to include career guidance and employment services.

Cooperation between NGOs and public authorities to provide assistance services is an important feature of Armenian’s the labour market. NGOs are often supported by international donors and complement the work done by public authorities. They also enhance the capacities of Armenia to support disadvantaged groups by training staff or by offering services not available through existing public programmes. Whereas there are well-established protocols for cooperation, there is a need for overarching policy structures to use the cooperation with NGOs as tool for achieving policy objectives.

Work-based learning is in embryonic stage and, in general, it functions inefficiently. However, Armenia is developing a new model to improve the operation of the sector skills councils and enhance work-based learning initiatives. This model has two main components. First a governing council that covers all sector skills councils. Secondly, a product and services arm which is organised on a sector basis. Each sector will follow up on three sets of activities – research and development on skills, policy dialogue and advice related to legislation and programmes, and a business services area related to private companies. It is from the last area that the income (and eventual self-funding) will arise.

As the result of cooperation between the government and the private sector a standing working group bringing employers and government together to facilitate its growth was planned for 2017. In addition, in 2016 Armenia became a full member of WS International with the membership being paid from state budget. Implementation of the World Skills Armenia (WSA) is strongly supported by Ministry of Education and Science. WSA is focused not only on preparation and participation at the international competitions, but also on the adaptation of results achieved into Armenian VET standards. Further development of WSA model and its functions serves as a potential platform between government and the private sector. It has the potential to support the further modernization of VET based on World Skills International criteria and to improve Armenia's VET image both nationally and internationally. The aim of WSA is act as an independent coordinating body with the clear goal to promote different vocational professions and their importance for the national economy in selected sectors.

ANNEXES

Statistical annex Armenia¹⁴

This annex reports annual data from 2011 and 2016 or the last available year

Indicator		2011	2016	
1	Total Population (000)	3018.9	2998.6	
2	Relative size of youth population (age group 15-24) (%)	24.6	19.8	
3	Youth Dependency ratio (%)	28.7	26.4	
4	Old-age Dependency ratio (%)	15.0	15.7	
5	Global Competitive Index	Rank	92	79
		Score	3.9	4.07
6	GDP growth rate (%)	4.7	0.2	
7	GDP per capita (PPP) (current international \$)	7022.1	8818.0	
8	GDP by sector (%)	Agriculture added value	22.8	17.8
		Industry added value	33.8	27.5
		Services added value	43.3	54.7
9	Poverty headcount ratio at \$3.1 a day (2011 PPP) (%) ⁽⁶⁾	19.0	14.6 (2014)	
10	Gini index (%) ⁽⁶⁾	31.3	31.5 (2014)	
11	Educational attainment of adult population (aged 15+) (%) (2) (7)	Low ⁽³⁾	7.8	5.2 (2015)
		Medium	66.8	66.0 (2015)
		High	25.4	28.8 (2015)
12	Gross enrolment rates in secondary education (%)	M.D.	88.5 (2015)	
13	Share of VET students in secondary education (%)	8.5	10.5 (2015)	
14	Gross enrolment rates in upper secondary education (%)	98.0	89.9 (2015)	
15	Share of VET students in upper secondary education (%)	23.3	26.2 (2015)	
16	Low achievement in reading, mathematics and science – PISA (%)	Reading	N.A.	N.A.
		Mathematics	N.A.	N.A.
		Science	N.A.	N.A.
17	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.
18	Early leavers from education and training (age group 18-24) by sex (%)	Total	M.D.	M.D.
		Male	M.D.	M.D.
		Female	M.D.	M.D.
19	Activity rates by sex (aged 15+) (%) ⁽¹⁾	Total	63.0	62.5 (2015)
		Male	72.7	72.6 (2015)
		Female	55.3	54.3 (2015)

¹⁴ Data update on 16/08/2017

Indicator		2011	2016	
20	Employment rates by sex (aged 15+) (%) ⁽¹⁾	Total	51.4	50.0 ⁽⁴⁾
		Male	60.1	58.4 ⁽⁴⁾
		Female	44.4	43.2 ⁽⁴⁾
21	Unemployment rates by sex (aged 15+) (%) ⁽¹⁾	Total	18.4	18.5 (2015)
		Male	17.3	17.6 (2015)
		Female	19.6	19.5 (2015)
22	Unemployment rates by educational attainment (aged 15+) (%) ^{(1) (2)}	Low ⁽³⁾	15.5	14.9 (2015)
		Medium	18.4	19.1 (2015)
		High	19.5	17.9 (2015)
23	Youth unemployment rates by sex (aged 15-24) (%)	Total	39.2	32.5 (2015)
		Male	34.9	28.6 (2015)
		Female	44.9	37.2 (2015)
24	Proportion of long-term unemployed out of the total unemployed (aged 15+) (%) ^{(1) (2)}	52.7	60.7 (2015)	
25	Long-term unemployment rate (aged 15+) (%) ^{(1) (2)}	9.7	11.2 (2015)	
26	Incidence of self-employment (%) ⁽¹⁾	44.4	42.8 (2015)	
27	Share of the employed in a public sector (%) ⁽¹⁾	22.1	24.3 (2015)	
28	Employment by sector (%) ⁽¹⁾	Agriculture	38.9	35.3 (2015)
		Industry	16.7	15.9 (2015)
		Services	44.4	48.8 (2015)
29	Employment in the informal sector (%) ^{(1) (8)}	50.4	47.7 (2015)	
30	Proportion of people aged 15–24 not in employment, education or training (NEETs), by sex (%) ⁽⁵⁾	Total	42.1	35.6 (2015)
		Male	39.4	36.4 (2015)
		Female	44.7	34.8 (2015)
31	Public expenditure on education (as % of GDP)	3.14	2.81 (2015)	
32	Public expenditure on education (as % of total public expenditure)	12.59	10.66 (2015)	
33	Skill gaps (%)	N.A.	6.4 (2013)	
34	The contribution of SMEs to GDP (%)	M.D.	M.D.	
35	The share of SMEs in employment (%) ⁽⁹⁾	26.8 (2012)	M.D.	

Sources:

3, 4, 6, 7, 8, 9, 10 - *The World Bank, World Development Indicators database*

5 - *World Economic Forum*

1, 2, 11, 19, 20, 21, 22, 23, 24, 25, 26, 27, 29, 30 - *National Statistical Service of the Republic of Armenia*

33 - *OECD Statistical database*

12, 13, 14, 15, 31, 32 - *UNESCO, Institute for Statistics*

35 - *OECD/European Union/EBRD/ETF (2015), SME Policy Index: Eastern Partner Countries 2016: Assessing the Implementation of the Small Business Act for Europe, OECD Publishing, Paris.*

20 (2016), 28 - *ILOSTAT*

Legend:

N.A. = Not Applicable

M.D. = Missing Data

Note:

⁽¹⁾ Age range 15-75

⁽²⁾ ETF calculation

⁽³⁾ Low = Primary and lower, General basic; Medium = General secondary, Vocational, Secondary specialized; High = Tertiary, post-graduate

⁽⁴⁾ Provisional data

⁽⁵⁾ Data refer to the share of people aged 15-24 not in employment and education.

⁽⁶⁾ Estimated from individual consumption data.

⁽⁷⁾ Data refer to active population aged 15-75.

⁽⁸⁾ Data refer to the informal employment rate defined as the share of employed holding informal jobs among total employment.

⁽⁹⁾ Data related to SMEs include enterprises below 250 employees as well as individual entrepreneurs.

Annex: Indicator definitions

	Description	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, legal or registered residents can be considered.
2	Relative size of youth population (age group 15-24) (%)	The ratio of the youth population (aged 15–24) to the working-age population (usually aged 15–64 or 15–74).
3	Youth Dependency ratio (%)	The ratio of younger dependents (people younger than 15) to the working-age population (those in the 15–64 age group).
4	Old-age Dependency ratio (%)	The ratio of older dependents (people older than 64) to the working-age population (those in the 15–64 age group).
5	Global Competitiveness Index	The Global Competitiveness Index assesses the competitiveness landscape providing inside into the drivers of countries' productivity and prosperity. It expressed as scores on a 1 to 7 scale, with 7 being the most desirable outcome.
6	GDP growth rate (%)	The annual percentage growth rate of GDP at market prices based on constant local currency.
7	GDP per capita (PPP) (current international \$)	The market value of all final goods and services produced within a country in a given period of time (GDP), divided by the total population, and converted to international dollars using purchasing power parity (PPP) rates.
8	GDP by sector (%)	The share of value added from Agriculture, Industry and Services.
9	Poverty headcount ratio at \$2 a day (PPP) (%)	The percentage of the population living on less than \$2.00 a day at 2005 international prices.
10	Gini index (%)	Gini index measures the extent to which the distribution of income (or, in some cases, consumption expenditure) among individuals or households within an economy deviates from a perfectly equal distribution. A Gini index of 0 represents perfect equality, while an index of 100 implies perfect inequality.
11	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.
12	Gross enrolment rates in secondary education (%)	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.
13	Share of VET students in secondary education (%)	The proportion of VET students in secondary education out of the total number of pupils and students in secondary education (general + VET)
14	Gross enrolment rates in upper secondary education (%)	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.
15	Share of VET students in upper secondary education (%)	The proportion of VET students in upper secondary education out of the total number of pupils and students in upper secondary education (general education + VET)
16	Low achievement in reading, maths and science – PISA (%)	The share of 15-years-olds falling to reach level 2 in reading, mathematics and science.
17	Participation in training/lifelong learning (age group 25-64) by sex (%)	The share of persons aged 25–64 who stated that they received education or training in the four weeks preceding the (LFS) survey.
18	Early leavers from education and training (age group 18-24) by sex (%)	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 (LFS) survey. Lower secondary education refers to ISCED 1997 level 0–3C short for data up to 2013 and to ISCED 2011 level 0–2 for data from 2014 onwards.
19	Activity rates by sex (aged 15+) (%)	Activity rates represent the labour force as a percentage of the population of working age.
20	Employment rates by sex (aged 15+) (%)	Employment rate represents persons in employment as a percentage of the population of working age.
21	Unemployment rates by sex (aged 15+) (%)	Unemployment rate represents unemployed persons as a percentage of the labour force.
22	Unemployment rates by educational attainment (aged 15+) (%)	Educational levels refer to the highest educational level successfully completed. Three levels are consider: Low (ISCED level 0-2),

	Description	Definition
		Medium (ISCED level 3-4) and High (ISCED 1997 level 5–6, and ISCED 2011 level 5–8)
23	Youth unemployment rates by sex (aged 15-24) (%)	Youth unemployment rate represents young unemployed persons aged (15-24) as a percentage of the labour force (15-24).
24	Proportion of long-term unemployed out of the total unemployed (aged 15+) (%)	Number of unemployed persons aged 15+ who are long-term unemployed (12 months or more) as a percentage of unemployed persons aged 15+.
25	Long-term unemployment rate (age 15+) (%)	Number of unemployed persons aged 15+ who are long-term unemployed (12 months or more) as a percentage of the labour force aged 15+.
26	Incidence of self-employment (%)	The share of self-employed as a proportion of total employment. Self-employment includes employers, own-account workers, members of producers' cooperatives and contributing family workers.
27	Share of the employed in a public sector (%)	The share of employed in a public sector as a proportion of total employment.
28	Employment by sector (%)	The share of employed in Agriculture, Industry and Services.
29	Employment in the informal sector	Share of persons employed in the informal sector in total non-agricultural employment.
30	Proportion of people aged 15–24 not in employment, education or training (NEETs) (%)	The percentage of the population of a given age group and sex who is not employed and not involved in further education or training.
31	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. Both types of transactions together are reported as total public expenditure on education.
32	Public expenditure on education (as % of total public expenditure)	Public expenditure on education expressed as a 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. Both types of transactions together are reported as total public expenditure on education.
33	Skill gaps (%)	The percentage of firms identifying an inadequately educated workforce as a major constraint.
34	The contribution of SMEs to GDP (%)	The share of value added from small and medium sized businesses (SMEs).
35	The share of SMEs in employment (%)	The share of persons employed in small and medium sized businesses.

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