



ARMENIA

EDUCATION, TRAINING AND EMPLOYMENT
DEVELOPMENTS 2016



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KEY EDUCATION, TRAINING AND EMPLOYMENT DEVELOPMENTS IN ARMENIA

The Armenian vocational education and training (VET) system is a small but important component of the Government's national development strategy, comprising two levels: preliminary (craftsmanship) and middle vocational education. In April 2015, the Parliament passed a law extending compulsory education to 12 years from 2017. Compulsory 12-year education will lead to students achieving either a complete secondary education or a middle-level VET education.

In 2015, the Government approved the procedures for continuing vocational training and the validation of non-formal and informal learning to be implemented by the National Training Fund. Since 2015, the Ministry of Education and Science has been developing a model and implementation plan for a sector-wide VET planning and management system, which will be instigated progressively during 2016–2017.

The new Law on Employment, adopted in 2014, gives a strong impetus to an active labour market policy. In 2015–2016 the State Employment Agency implemented a wide range of dynamic labour market programmes, including new activation measures for specific economic sectors. The Government has further adopted a new monitoring system and indicators for employment programmes.

The Ministry of Labour and Social Affairs is launching delivery centres for the provision of integrated services. Skills needs' identification and forecasting is a priority for reducing unemployment and meeting the needs of business and employers.

1. Key demographic and economic characteristics

Armenia's recent economic experience suggests a combination of stability with modest improvements in some areas, reflecting a process of slow economic adjustment.

The economic growth rate in 2015 was 3%, which was less than the annual rate of 5–6% estimated in the Development Strategy 2014–2025. Between 2011 and 2014, the country improved its position on the global competitive index ranking, from 92nd to 82nd, and increased GDP per capita from \$6 803 to \$8 393¹, while achieving a small improvement in the absolute poverty rate², from 19% of the population in 2011 to 17% in 2013.

The Armenian economy is closely tied to that of Russia, which accounts for one quarter of Armenia's exports – making it the second largest destination for the country's goods after the European Union and thus forming a key source of remittances. The value of remittances consequently fell with the depreciation of the rouble, causing a contraction in household spending³.

The trend in economic development has seen a shift from agriculture and industry to services, with their respective shares of GDP changing from 22.8%, 33.8% and 43.0% in 2011 to 19.4%, 28.7% and 51.9% in 2015. This was reflected in changes in the rates of employment in these sectors – from, respectively, 38.9%, 16.7% and 44.4% in 2011 to 35.3%, 15.9% and 48.8% in 2015.

Between 2011 and 2014 the population grew slightly, from 2.967 to 3.017 million, with a decline in the relative size of the youth population, from 25.8% to 21.7% in the same period, resulting in a small

¹ Purchasing power parity (PPP), current international dollars.

² Threshold set at \$3.10 a day (2011 PPP).

³ World Bank, Overview: Armenia [online], April 2016 (www.worldbank.org/en/country/armenia/overview).

decline in the youth dependency rate, from 28.7% to 26%, while the old-age dependency rose slightly, to 15.3% from 15% (see statistical annex).

This demographic trend is likely to translate into new demands on the lifelong learning system as well as on youth employment policies.

2. Education

2.1 Trends and challenges

Since independence, access to preschool, general education and higher education has improved. Armenia has achieved nearly universal enrolment rates at the primary (grades 1–4) and lower secondary (grades 5–9) levels, with little geographical or socioeconomic disparity⁴. As many as 99.2% of young people complete at least secondary education and 33.7% graduate at the tertiary level⁵.

Currently, nine years in the education system is compulsory. In April 2015, however, the Parliament passed a law extending compulsory education to 12 years as from 2017. Depending on students' interests, compulsory 12-year education will lead to their following either a complete secondary or a middle-level vocational education.

VET in Armenia covers initial VET (IVET), which is divided into two levels – preliminary (craftsmanship) and middle vocational education. Both routes offer a vocational qualification (with access to the labour market) and opportunities for a secondary general diploma (Matura), thereby providing students with the option of pursuing higher education.

Preliminary and middle-level VET are entered after basic general education (9 years) or secondary general education (12 years). Preliminary training lasts from six months to three years (the qualification level of craftsperson). Middle-level VET lasts from two to five years (the 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 universities⁶. By way of comparison, there are 1 437 general education schools in the country⁷.

Vocational education has a small presence in Armenia. It accounts for only 11% of secondary education students and 10% of schools⁸. Workers with vocational qualifications make up only 2.6% of those in employment⁹. The number of vocational graduates entering the labour force was 10 022 in 2015 as opposed to 23 700 from general education¹⁰ or 19 700¹¹ from higher education.

⁴ World Bank, Country snapshot: Armenia [online], April 2016 (www.worldbank.org/en/country/armenia).

⁵ Serrière, N., *Labour market transitions of young women and men in Armenia*, International Labour Office, Geneva, 2014 (www.un.am/up/library/Labor%20Market_Armenia_eng.pdf).

⁶ National Statistical Service of Armenia, *Statistical yearbook 2015*, Table 89.

⁷ Ibid., Table 91.

⁸ Comprising both preliminary and middle-level VET. See National Statistical Service of Armenia, *Statistical yearbook 2015*, Tables 93, 102 and 103. The UNESCO estimate for the share of students in vocational education in upper secondary education was 25.7% in 2014. The variation from the National Statistical Service's figures is due to differences in the classification of programmes.

⁹ National Statistical Service of Armenia, *Statistical yearbook 2015*, Tables 33 and 35.

¹⁰ Ibid., Table 96.

¹¹ Ibid., Table 89.

The trend for participation in vocational education in recent years has been mixed. With respect to preliminary schools, the number of enrolments increased marginally between 2010 and 2014 and the population of preliminary VET students increased from 6 393 to 7 295¹².

In terms of middle vocational education, these schools saw a decline in enrolments and a slight fall in the population of students, from 29 573 in 2010 to 28 483 in 2014¹³. In comparison, in the same year, the population of students in general education was 359 600¹⁴, while the number in higher education was 79 600¹⁵.

There have also been changes in the incidence of training employees outside the system of preliminary and middle-level education. According to a national survey of medium and large-sized companies offering vocational training, the number of trainees increased from 16 411 in 2010 to 20 055 in 2014. Apprenticeships constitute only a small element of this work-based learning – just 2% in 2014¹⁶.

Vocational education graduates are economically active; for example, in 2014, 72.7% of VET graduates were working or looking for work. However, they represent a very small number of the total labour force – 41 800 out of 1 375 100. In comparison, tertiary graduates had a 74.7% activity rate and specialised secondary education graduates 67%¹⁷, representing, respectively, 30.0% and 20.3% of the workforce in 2014¹⁸.

A 2016 ILO survey¹⁹ found that almost 30% of the employers surveyed thought that school leavers were not generally equipped with the literacy and numeracy skills required by firms in the private sector. More specifically, 41% of companies reported that the average school leaver applying for work only 'somewhat' met the needs of firms in the private sector. The main missing competences were identified as analytical and conceptual skills followed by communication skills and interpersonal skills. More than 70% of the companies surveyed indicated that skills shortages negatively affect private sector businesses.

Current vocational education graduates tend to have specific labour market destinations. Statistics from 2015 show that 74.8% of vocational graduates work as skilled workers, craftspeople or factory assembly workers²⁰. Data from the National Statistical Office found that 67% of those with a VET qualification felt that their training met their needs at work. Participation in VET does not appear to offer graduates a career path, but rather a link to a specific occupational role, nor does it seem to provide development opportunities. For example, only 5.8% of VET graduates worked as professional technicians compared to 21.1% of secondary specialised graduates and 11.4% of tertiary graduates²¹. This suggests that there is scope for developing vocational education within the context of a career path that offers the possibility of progress through qualifications, which correspond to occupational roles at different levels²². This would be one of the functions of a national qualifications framework.

¹² Ibid., Table 102.

¹³ Ibid., Table 103.

¹⁴ Ibid., Table 93.

¹⁵ Ibid., Table 98.

¹⁶ Ibid., Table 9.2.

¹⁷ Ibid., Table 35.

¹⁸ Ibid., Table 35.

¹⁹ International Labour Office, *The enabling environment for sustainable enterprises in Armenia*, Geneva, 2016 (www.ilo.org/global/topics/employment-promotion/small-enterprises/WCMS_465083/lang--en/index.htm).

²⁰ National Statistical Service of Armenia, *Labour market in the Republic of Armenia*, 2015, Table 4.25.

²¹ Ibid., Table 4.20.

²² Depending on the socioeconomic status of those accessing VET, this may also suggest difficulties related to social mobility.

The matching of VET provision to particular occupational roles may reduce its appeal to potential students who wish to pursue an education that offers broader career opportunities. The issue of occupational mobility is also important to those employers seeking workers who are capable of performing in a number of roles and learning new skill sets over time.

The VET system in Armenia does not have the capacity to absorb a significant number of new students or produce a commensurate number of graduates. This could mean a 200–300% increase in capacity, involving the creation of new institutions and complementary capacities, such as teachers, curricula and assessment, and would require an increase in funding for education, which is presently low and decreasing. Between 2011 and 2014 (the last year for which figures are currently available), public expenditure on education as a percentage of GDP fell from 3.14% to 2.4%. Over the same period, as a percentage of total public expenditure, expenditure on education fell from 12.59% to 9.37%. Increasing the capacities required would involve a comprehensive review not only of vocational education itself but also of its relationships with other sectors, such as higher education and general education, and vice versa.

2.2 Education and training policy and institutional setting

Institutionally, current trends remain focused on developing European models of education management and policy. Institutional reform initiatives include adapting national governance structures to ensure more coherent policy making and monitoring; for example, since 2012, the Ministry of Education and Science (MoES) has consolidated policy coordination by taking over responsibility for VET from the ministries of Agriculture, Culture and Health, and by bringing vocational schools together under the control of a single VET structure. Whereas in the past, vocational institutions were managed by the Government department responsible for each industry sector, the VET department within the MoES is now responsible for defining the vision and strategy of the sector and for monitoring national VET policies. The MoES is also in charge of the network of providers and responsible for planning, along with the Ministry of Finance, the budget for vocational schools.

The National Council for VET Development provides advice to the MoES, thereby facilitating the preparation of development programmes, promoting the effective implementation of reforms and further strengthening social partnership ties in this sector. The National Centre for VET Development is the operational arm of the MoES with respect to VET. It is responsible for methodological reforms, the development of standards, modular curricula and teacher training.

As regards planning, enrolment in VET is based on state orders issued by the Ministry of Education, taking into consideration school capacities and information on possible labour market demand received by other institutions, such as the Ministry of Labour and the State Employment Agency. The National VET Council provides supervision and guidance in relation to these activities. A network of Sector Skills Councils²³ is gradually being developed to support the Ministry of Education with planning and to link the education sector more closely to the business community.

In 2015, the MoES developed a model and an implementation plan for a sector-wide VET planning and management system, which will be instigated progressively during 2016–2017. At the operational level, the Ministry has developed a network of 46 vocational institutions based around 12 regional VET centres. These centres will cooperate with the VET colleges and institutions in the region (Marzes), and will act as a mechanism for the exchange of information, materials and practices. The network can potentially accelerate the implementation of the modernisation process – both in terms of planning and delivery.

²³ With EU support, the National Centre for VET Development has developed 100 training standards for VET development in conjunction with the Sector Skills Councils.

As part of the EU-funded budget support programme for Armenia, the MoES has been progressively upgrading equipment and resources in colleges and schools. In 2015 new access facilities for disabled students were installed in two colleges. Further construction work is underway in seven craft schools, while in 2015, the Ministry of Education procured new equipment for training in 17 professions offered in five preliminary vocational schools.

The State Inspectorate of Education of the Republic of Armenia carries out oversight functions in the field of education policy, undertaking school inspections, monitoring the implementation of educational policy and programmes, and upholding educational standards through supervision.

In August 2011, the Government approved an activity plan focused on operationalising a national qualifications framework (NQF) that closely mirrors the structure of the European Qualifications Framework (EQF). Institutionally, this could provide more coherence between the different forms and levels of education. However, progress in the implementation of the NQF has been slower than anticipated. A stronger degree of ministerial coordination and the involvement of stakeholders are both required to advance the NQF.

In 2015, the Government approved the procedures for continuing vocational training and the validation of non-formal and informal learning. The National Training Fund will implement the system for validating non-formal and informal learning, and is developing a plan for this that will draw resources mainly from international organisations and the private sector on a fee-for-service basis. The Fund has limited resources, so, if it is to realise its potential, it needs to work in partnership with, for example, VET colleges, employers' organisations and the State Employment Agency. Considerable scope also exists to link the validation system with migration services²⁴, as returning migrants can bring new skills and contacts with organisations and firms that recruit migrants. Taking such steps has significant potential for promoting further participation in training and the recognition of skills, leading to the growth of a new dimension of the VET system.

3. Labour market and employment

3.1 Trends and challenges

Between 2011 and 2015, the working-age population of Armenia decreased from 2 286 300 to 2 106 700. The economic activity rate fell from 63.0% in 2011 to 62.5% in 2015, while the employment rate declined from 51.4% to 50.9% and the unemployment rate remained stable (18.4% in 2011 and 18.5% in 2015)²⁵.

The figures reflect a change in the trends observed in the previous period (2010–2013), which was marked by annual improvements of these indicators. This may affect the forecasts for the labour market and employment landscape contained in the Government's Development Strategy 2014–2025, which identified making improvements and efficiencies in the labour market as priorities. Despite the limited comparability, the employment rate in May 2016 was lower than the figure of 50.7% envisaged by the development strategy for 2016, and this may indicate a reversal in the trend of annual improvements in employment since the global financial crisis of 2008. Similarly, the unemployment rate of 18% recorded in May 2016 was higher than the 16.5% anticipated for 2016²⁶.

²⁴ ETF, *Migrant support measures from an employment and skills perspective (MISMES): Global inventory with a focus on countries of origin*, Turin, 2015.

²⁵ National Statistical Service of Armenia, *Socio-economic situation of RA*, January–May 2016, Chapter 1.4.

²⁶ Armenian Development Strategy 2014–2025, Table 7, p. 59.

Between 2010 and 2014, the proportion of the population who were economically active grew, from 61.2% to 63.1%. This growth reflected improvements in the activity rates of both men and women, which respectively increased from 72.3% to 73.3% and from 52.2% to 55.2% over four years.

This trend was inverted between 2014 and 2015: the economic activity rate for men and women fell to 72.6% and 54.3%, respectively, with the rate for female participation lower than it had been in 2011. This decline in economic activity was also seen in rural labour markets, where the rate fell from 73.2% in 2011 to 69.4% in 2015.

While the 2014 unemployment rate represented a decline from 18.4% in 2011, the 2015 rate of 18.5% stayed close to the 2011 level. However, this aggregate rate of 18.5% conceals important variations in the rates for men and women and between the urban and rural populations. In 2015, the unemployment rate for men was lower, at 17.6%, and the corresponding rate for women higher, at 19.5%. Likewise, the unemployment rate in 2015 was higher in urban labour markets (27.0%) than in rural labour markets (6.7%)²⁷. Conversely, in 2015, the employment rate was higher in rural areas (64.7%) than in urban areas (42.6%)²⁸. This reflects the strength of informal employment in the country as a major aspect of the labour market; in 2015 it constituted 49.1% of employment, representing approximately 526 300 jobs out of an employed population of 1 072 600.

In broad terms, the Armenian labour market faces a dual challenge, namely: informal employment (mostly in rural districts) and unemployment (more prevalent in urban areas). This suggests the need for policy initiatives and programmes that are differentiated to meet the needs of both rural and urban populations. The differences arise from the capacity of the rural sector to offer people who are unable to find employment the means of making a living, either through self-employment or through contributing to a family company. This phenomenon is clear in the numbers working in the agricultural sector as non-employees – 415 900 people out of 420 000, compared with the commensurate figure in the non-agricultural sector – 66 000 out of 164 000²⁹.

The latest youth unemployment figures are from the 2015 Labour Market Survey, which recorded the overall unemployment rate for young people aged 15–24 at 32.5%. However, as with the general aggregate rate, this figure masks large discrepancies in terms of gender and location. For males, the youth unemployment rate was 30.7%, compared to 44.9% for females in 2014. In the urban context, the youth unemployment rate was 46.5%, while it was 23.5% in the rural sector.

The unemployment rate for people who had a vocational education increased from 17.8% in 2011 to 24.8% in 2012, which was followed by a drop to 17.8% in 2015. The unemployment rate for people with specialised secondary education increased between 2013 and 2015, from 17.2% to 22.0%.

For young people (aged 15–24) who are not engaged in employment, education or training (NEETs), a small difference can be detected in terms of gender – with male NEETs constituting 37.5% of the given age group and female NEETs 38.5% in 2014.

As a whole, the proportion of long-term unemployed people constituted 65.3% of those without jobs in 2015, with the largest numbers found in urban compared to rural areas (92.2% as opposed to 7.8%). Among the long-term unemployed, the 25–34 age group was the most badly affected, followed by those aged 35–44 and 45–54.

²⁷ National Statistical Service of Armenia, *Labour market in the Republic of Armenia*, 2015, Chapter 6, Table 7.1.

²⁸ Ibid., Chapter 4, Table 4.2.

²⁹ Ibid., Chapter 4, Table 4.46.

3.2 Employment policy and institutional setting

The Government has a clear plan to develop its labour market, as laid out in the Development Strategy, which sets targets and goals for the period 2014–2025. Its main objective is to increase employment through the creation of good quality and highly productive jobs. Agriculture is recognised as a priority sector for increasing exports, diversifying the Armenian economy and ensuring balanced regional development. The strategy provides a framework against which policy performance can be monitored.

The new Law on Employment, adopted in 2014, gives a strong impetus to the transition from a passive to an active employment policy. A new monitoring system and indicators for the measurement of employment programmes are in preparation.

The State Employment Agency implements the country's employment policy through its 51 regional centres (364 employees). The annual state employment regulation programme aims to create the necessary conditions for the sustainable and effective employment of the population, promoting stable jobs and self-employment opportunities for people with fewer employment possibilities, filling vacancies and implementing active employment programmes. The Agency's employment programmes encompass a wide range of initiatives, for example jobs fairs, vocational training and wage subsidies for certain categories of job seekers, as well as providing support for small entrepreneurial activities, employment mobility and productive methods in agriculture. The State Employment Agency also carries out annual skills surveys among employers.

Developing vocational education in the agricultural sector is a major priority for the Government, and it aims to achieve this through strengthening both VET and employment institutions (e.g., colleges and the State Employment Agency) and specific programmes (e.g., the consolidation of career guidance in the mid-term review of the national employment policy and the creation of a system of apprenticeships). Progress in these initiatives will be monitored through indicators associated with the EU-funded budget support programme for Armenia for the period 2017–2020.

The foundations for effective social dialogue in Armenia are already in place, that is, there is a legal framework regulating collective bargaining and tripartite consultation processes, with the Tripartite Commission providing a channel of communication between the government and social partners. The national tripartite agreement was renewed in 2012.

In the VET sector, social dialogue is well defined in the official documents, and the participation of social partners in working groups and advisory boards, such as Sector Skills Councils, ensures that this requirement is met. Social partners' representatives participate in the meetings of the National Council for VET, which has a tripartite structure, and sit on the governing boards of VET colleges. Sector Skills Councils are involved in the approval and validation of qualification standards.

Further, social partners' organisations such as the Republican Union of Employers of Armenia and the Chamber of Commerce continue to take an active part in the full range of initiatives organised at both the central and local levels, and appoint their representatives to the Sector Skills Councils.

The challenge of improving the link between business needs and available skills remains ongoing and suggests that scope exists for reviewing the current arrangements. In particular, labour market forecasting mechanisms need further development. The ETF is working with various bodies in the country to improve both skills needs identification and the country's capacities for labour market analysis and forecasting. This involves the Ministry of Labour and Social Affairs, the Ministry of Education, the State Employment Agency, the National Statistical Office, the National Institute of

Labour and Social Research, plus sector committees, unions, employers and experts from the 'Make it Match' network³⁰.

The importance of career guidance is becoming increasingly recognised, and, since 2013, a network of career guidance services have been developed in 12 regional state colleges within the Methodological Centre for Professional Orientation, under the control of the Ministry of Labour and Social Affairs. The system incorporates a monitoring process to assess the viability of the network. In 2015–2016 the Centre began its analysis of vacancies published in a wide range of web portals and is improving its capacity to produce labour market intelligence on trends in occupations and jobs. In 2016, the Centre updated its strategic implementation plan for the period 2016–2020, with key areas of operation to include classroom materials, occupational information, professional support for career specialist websites, and liaison and marketing. The work of the Centre is acknowledged as a successful example of cooperation in vocational education between the ministries of Labour and Education.

In 2014, 25% of the unemployed population (62 100 people) were officially registered as such with the State Employment Agency. Of these, 24% were young people aged 16–30, while women were more likely to register than men – only 27% of those who signed on with the Agency were male. In 2014, 72 606 people applied to the Agency for support in finding a placement, with 15.8% (11 471 people) finding positions. Of these, the majority (10 406 people) were not previously employed, which suggests that the State Employment Agency deals mainly with unemployed job seekers rather than applicants already in employment. Of the unemployed, only 10% applied to the Agency for support³¹ – roughly the same percentage as those who turned to private sector agencies for assistance. The unemployed mostly sought work by applying directly to potential employers (25%) or through personal social networks of family or acquaintances (30%)³².

The Ministry of Labour is developing and implementing integrated services delivery centres, with the focus currently on the regions outside of Yerevan. These centres are designed to link different services from departments that are normally isolated from each other through following separate organisational routines and administrative practices. The centres will bring together different services in a common location and, depending on individual needs, integrate these services into a single package of assistance for the client. Presently, these services include community health assistance, disability services assistance, and support and assistance for veterans. In the future, they could be extended to include career guidance and employment services.

³⁰ The 'Make it Match' network is part of ETF's contribution to the thematic activities on 'Skills Matching' under Platform 2 of the Eastern Partnership.

³¹ *Labour market in the Republic of Armenia, 2011–2014*, Table 7.8.

³² National Statistical Service of Armenia, *Statistical yearbook 2015*, Table 58.

ANNEXES

Statistical annex

This annex reports annual data from 2011 and 2015 or the last available year.

Indicator		2011	2015
1	Total population (000)	2 967	3 017
2	Relative size of youth population (age group 15–24) (%)	25.8	21.7 (2014)
3	Youth dependency ratio (%)	28.7	26.0
4	Old-age dependency ratio (%)	15.0	15.3
5	Global Competitiveness Index	Rank	92
		Score	3.9
6	GDP growth rate (%)	4.7	3.0
7	GDP per capita (PPP) (current international \$)	6 803.5	8 393.5
8	GDP by sector (%)	Agriculture added value	22.8
		Industry added value	33.8
		Services added value	43.3
9	Poverty headcount ratio at \$3.10 a day (2011 PPP) (%)	19.0	17.0 (2013)
10	Gini index (%)	31.3	31.5 (2013)
11	Educational attainment of adult population (aged 15+) (%) ^{(1) (2)}	Low ⁽³⁾	11.9
		Medium	66.8
		High	21.3
12	Gross enrolment rates in secondary education (%)	M.D.	M.D.
13	Share of VET students in secondary education (%)	8.5	10.9 (2014)
14	Gross enrolment rates in upper secondary education (%)	98.0	88.1 (2014)
15	Share of VET students in upper secondary education (%)	23.3	25.7 (2014)
16	Low achievement in reading, mathematics and science – PISA (%)	Reading	N.A.
		Mathematics	N.A.
		Science	N.A.
17	Participation in training/lifelong learning (age group 25–64) by sex (%)	Total	M.D.
		Male	M.D.
		Female	M.D.
18	Early leavers from education and training (age group 18–24) by sex (%)	Total	M.D.
		Male	M.D.
		Female	M.D.
19	Activity rates (aged 15+) by sex (%) ⁽¹⁾	Total	63.0
		Male	72.7
		Female	55.3

Indicator		2011	2015	
20	Employment rates (aged 15+) by sex (%) ⁽¹⁾	Total	51.4	50.9
		Male	60.1	59.8
		Female	44.4	43.8
21	Unemployment rates (aged 15+) by sex (%) ⁽¹⁾	Total	18.4	18.5
		Male	17.3	17.6
		Female	19.6	19.5
22	Unemployment rates (aged 15+) by educational attainment (%) ^{(1) (2)}	Low ⁽³⁾	15.5	15.0
		Medium	18.4	19.1
		High	19.5	17.9
23	Youth unemployment rates (aged 15–24) by sex (%)	Total	39.2	32.5
		Male	34.9	30.7 (2014)
		Female	44.9	44.9 (2014)
24	Proportion of long-term unemployed out of the total unemployed (aged 15+) (%) ^{(1) (2)}	52.7	65.3	
25	Long-term unemployment rate (aged 15+) (%) ^{(1) (2)}	9.7	7.7	
26	Incidence of self-employment (%) ^{(1) (2)}	30.4	35.4	
27	Share of the employed in the public sector (%) ⁽¹⁾	22.1	24.3	
28	Employment by sector (%) ^{(1) (2)}	Agriculture	38.9	35.3
		Industry	16.7	15.9
		Services	44.4	48.8
29	Employment in the informal sector (%) ^{(1) (2)}	51.9	49.1	
30	Proportion of people aged 15–24 not in employment, education or training (NEETs) by sex (%) ^{(2) (5)}	Total	28.8	24.7
		Male	M.D.	37.5 (2014)
		Female	M.D.	38.5 (2014)
31	Public expenditure on education (as % of GDP)	3.14	2.40 (2014)	
32	Public expenditure on education (as % of total public expenditure)	12.59	9.37 (2014)	
33	Skill gaps (%)	N.A.	6.4 (2013)	
34	Contribution of SMEs to GDP (%)	M.D.	M.D.	
35	Share of SMEs in employment (%) ⁽⁴⁾	26.8 (2012)	M.D.	

Sources: Indicators 1, 2, 33 – OECD statistical database; 3, 4, 6, 7, 8, 9, 10 – World Bank, World Development Indicators database; 5 – World Economic Forum; 11, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30 – National Statistical Service of the Republic of Armenia; 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

Legend: N.A. = not applicable; M.D. = missing data

Notes: ⁽¹⁾ Age range 15–75. ⁽²⁾ ETF calculation. ⁽³⁾ Low = primary and lower, general basic; Medium = general secondary, vocational, secondary specialised; High = tertiary, post-graduate. ⁽⁴⁾ Data related to SMEs include enterprises below 250 employees as well as individual entrepreneurs. ⁽⁵⁾ Data refer to the share of people aged 15–24 not in employment or education.

Definition of indicators

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 insight into the drivers of countries' productivity and prosperity. It is expressed as a score 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 into 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 (%)	A 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 (aged 25–64 or 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 (%)	The 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 (%)	The 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, mathematics and science – PISA (%)	The share of 15-year-olds failing 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 had received education or training in the four weeks preceding the (LFS) survey.

Description	Definition
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 levels 0–3C short for data up to 2013 and to ISCED 2011 levels 0–2 for data from 2014 onwards.
19 Activity rates (aged 15+) by sex (%)	Activity rates represent the labour force as a percentage of the working-age population.
20 Employment rates (aged 15+) by sex (%)	Employment rates represent persons in employment as a percentage of the working-age population.
21 Unemployment rates (aged 15+) by sex (%)	Unemployment rates represent unemployed persons as a percentage of the labour force.
22 Unemployment rates (aged 15+) by educational attainment (%)	Educational levels refer to the highest educational level successfully completed. Three levels are considered: low (ISCED levels 0–2); medium (ISCED levels 3–4); and high (ISCED 1997 levels 5–6 and ISCED 2011 levels 5–8).
23 Youth unemployment rates (aged 15–24) by sex (%)	Youth unemployment rates represent 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+) (%)	The 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 (aged 15+) (%)	The 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 the total employed. Self-employment includes employers, own-account workers, members of producers' cooperatives and contributing family workers.
27 Share of the employed in the public sector (%)	The share of those employed in the public sector as a proportion of the total employed.
28 Employment by sector (%)	The share of those employed in agriculture, industry and services.
29 Employment in the informal sector	The 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 who are 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 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. 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 Contribution of SMEs to GDP (%)	The share of value added from small and medium-sized businesses.
35 Share of SMEs in employment (%)	The share of persons employed in small and medium-sized businesses.

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