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Save the Children
100 YEARS

MEDIA MODEL

YOUTH - FOCUSED AND GENDER - SENSITIVE LABOUR MARKET RESEARCH IN ARMENIA



FINAL ANALYTICAL REPORT

2018 YEREVAN



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IN ARMENIA*

FINAL ANALYTICAL REPORT

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YEREVAN

MEDIA-MODEL LLC



YOUTH-FOCUSED AND GENDER-SENSITIVE LABOUR MARKET RESEARCH IN ARMENIA

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ACRONYMS

AMD	Armenian Dram
CRC	the Convention on the Rights of the Child
EBRD	European Bank of Reconstruction and Development
FGD	Focus Group Discussion
F2F	Face to face standardized interview
HH	Household
HEI	Higher Education Institutions
ILO	International Labour Organization
IT	Information Technology
KEI	Key expert interview
KII	Key informant interview
MoES	Ministry of Education and Science
MoLSA	Ministry of Labour and Social Affairs
NEET	Not in Education, Employment, or Training
NGO	Non-Governmental Organization
NSS RA	National Statistical Service of the Republic of Armenia (renamed in 2017 to Statistical Committee of RA)
PWD	Persons with Disabilities
TVET	Technical and Vocational Education and Training
RA	Republic of Armenia
StatCom	Statistical Committee of RA
SWTS	School-to work transition survey
WB	World Bank

GLOSSARY OF CONCEPTS AND DEFINITIONS

YOUTH

For the purposes of this research, every person between the ages of 18-30 years permanently residing in the RA.

SOCIAL VULNERABILITY

A potential to experience negative outcomes, such as the loss of education, morbidity, unemployment, poverty and malnutrition, at higher rates than do others¹.

SOCIALLY VULNERABLE YOUTH

The most deprived and marginalized youth aged 18-30, who are least likely to learn, work and be protected. There are many factors which influence whether a person is deprived and marginalized, including income, poverty, gender, geography, ethnicity and disability². Within the frames of this research among most vulnerable youth the poor young people, youth with disabilities, youth from remote rural areas are covered.

YOUTH UNEMPLOYMENT

The number of people aged 18-30 who, during the survey reference period, are: a) without work; b) currently available for work; and c) seeking work, as a percentage of the total sample.

LONG-TERM UNEMPLOYMENT

A breakdown by duration of job searching, whereby long-term unemployment stands for a period of one year or longer.

YOUTH EMPLOYMENT RATE

The number of young employed persons aged 18-30 as a percentage of the active labour force and of total sample. This indicator shows the share of youth that do work, out of the full youth population that could work, and as such provides some information on the efficacy of the economy to create jobs.

INACTIVITY RATE OR INACTIVE LABOUR FORCE OF YOUTH

The sum of all youth aged 18-30 who are neither employed nor unemployed as a percentage of the sample (students, maternity leave, military service). As an inverse to the labour force

¹ World Bank. OVC Core Definitions. available at:
<http://info.worldbank.org/etools/docs/library/164047/howknow/definitions.htm>

² Defining and Measuring Vulnerability in Young People, UNICEF/Indian J Community Medv.40(3); Jul-Sep 2015; World Vision: Summary of OVC Programming Approaches, Geneva: World Vision International, 2002.

participation rate, the inactivity rate serves as a measure of the relative size of the population who do not supply labour for the production of goods and services.

DISTRIBUTION OF YOUTH EMPLOYMENT BY SECTOR

Distribution of young employed persons aged 18-30 by economic activity sectors, measured according to the NACE2 economic activity sectors classification.

DISTRIBUTION OF YOUTH EMPLOYMENT BY OCCUPATIONAL SKILLS STATUS

Distribution of young employed persons aged 18-30 by the employment statuses measured according to the International Classification of Status in Employment (ICSE).³

DISCOURAGED WORKER RATE OF YOUTH

The sum of all young persons aged 18-30 who are without work and available for work but did not seek work, and therefore could not be classified as unemployed, as a percentage of the youth labour force (employment + unemployment).

VULNERABLE EMPLOYMENT RATE OF YOUTH

The share of young own-account, self-employed workers aged 18-30 and contributing family workers in total youth employment. Vulnerable employment is a measure of persons who are employed under relatively precarious circumstances as indicated by the status in employment.

EMPLOYEES

Wage and salaried workers who hold the type of jobs defined as "paid employment jobs," where the incumbents hold explicit (written or oral) or implicit employment contracts that give them a basic remuneration that is not directly dependent upon the revenue of the unit for which they work.

EMPLOYERS

Those who, working on their own account or with one or a few partners, hold the type of jobs where the remuneration is directly dependent upon the profits derived from the goods and services produced, and, in this capacity, have engaged, on a continuous basis, one or more persons to work for them as (an) employee(s).

OWN-ACCOUNT WORKERS

Those who, working on their own account or with one or more partners, hold the type of jobs defined as "self-employment jobs" and have not engaged, on a continuous basis, any employees to work for them.

³ http://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/normativeinstrument/wcms_087562.pdf

WAGES OF YOUNG WORKERS

Wages represent the income employees receive from paid employment.

DISTRIBUTION OF YOUTH LABOUR FORCE BY LEVEL OF EDUCATIONAL ATTAINMENT

The distribution of the youth labour force aged 18-30 by completion of less than primary, primary, secondary, tertiary and higher education levels.

INDICATOR OF NEET

The share of youth aged 18-30 which are neither in employment nor in education or training in the youth sample.

HOUSEHOLD

Every family or other community of persons living together in a dwelling and jointly spending their income to satisfy the basic necessities of life.

FORMAL EDUCATION

Formal learning delivered by trained teachers in a systematic intentional way within a school, higher education, university or other educational institution over the course of an extended period of time.

NON-FORMAL EDUCATION

Any educational activity based on experiential learning methodology which takes place outside the formal system of education, including training and qualification activities over a short period of time.

HARD SKILLS

All skills that include the specific knowledge and abilities required for success in a job in a particular field and which are specific, teachable and measurable⁴.

SOFT SKILLS

All skills that are the personal attributes one needs to succeed in the workplace, a blend of interpersonal, communication and social intelligence skills that are in high demand across all industries⁵.

⁴ Doyle A., Hard Skills vs. Soft Skills: What's the Difference?, The Balance 2018, available at: <https://www.thebalancecareers.com/hard-skills-vs-soft-skills-2063780>

⁵ Whitmore, Paul G.; Fry, John P., "Soft Skills: Definition, Behavioral Model Analysis, Training Procedures. Professional Paper 3-74.", Research Report



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TRANSVERSAL SKILLS

Skills that are typically considered as not specifically related to a particular job, task, academic discipline or area of knowledge and that can be used in a wide variety of situations and work settings (for example, organizational skills).⁶

PERSONS WITH DISABILITIES

Persons who need social assistance or protection because of limitations placed on their vital activities by mental or physical impairment.

EXECUTIVE SUMMARY

BACKGROUND: This Analytical Report outlines main findings and outputs from the Youth-focused and Gender-Sensitive Labour Market Research in Armenia, conducted by Media-Model LLC for the **Save the Children International Armenian Representative Office (hereinafter, Save the Children)** in the time-period from June 15 to October 30, 2018 as a baseline to collect evidence for the “EU4Youth: Better Skills for Better Future” Project, informing its further activities and revealing the specific needs of young people of the Republic of Armenia (RA). Youth unemployment is a major issue in Armenia and makes up a much higher percentage than the total national unemployment since the past decade. The highest unemployment rate is reported among youth aged 20-24 years-old, standing at 35.7% in 2016.⁷ Moreover, the labour market is constantly evolving and skills, competences and qualifications that future employees need change over time. The recommendations from the research could be used for future policy improvement and advocacy in the country.

METHODOLOGY: The aim of this study was to conduct a nationwide assessment of modern labour market needs in regard to the existing educational system (high school, Technical and Vocational Education and Training institutions (TVETs), Higher Education Institutions (HEIs), other non-formal education providers) and analyze how youth skills, as well as the available opportunities, match the market demands in Armenia with a special focus on two sectors of interest for Save the Children interventions: sectors of Information Technology (IT) and Tourism. The scope of the research covered youth, women and men aged between 18 to 30 in 10 provinces (marzes) of the RA and in the capital city Yerevan, as well as various direct and indirect actors of

⁶ UNESCO International Bureau of Education, UN IBE Glossary of Curriculum Terminology (2013), http://www.ibe.unesco.org/fileadmin/user_upload/Publications/IBE_GlossaryCurriculumTerminology2013_eng.pdf

⁷ The Demographic Yearbook of RA, NSS RA, 2017, p. 73, or <https://data.worldbank.org/indicator/SL.UEM.1524.MA.NE.ZS?end=2017&locations=AM&start=1991&view=chart>



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the Armenian labour market, including employers and their unions, formal and non-formal education and training providers, career orientation services, etc. The research has a gender focus component with sex disaggregated data and clarity. The methodology was based on a mixed methods approach, which combines (a) the collection of numerical data via quantitative methods with (b) in-depth information collected through qualitative methods. The findings presented in the report are based on data collected by means of: 6 informal key expert interviews (KEI) with implementing and partner entities, experts from respective ministries, agencies and unions of private sector employers, employment centers; 846 F2F standardized interviews with youth aged 18-30 across Armenia; 46 semi-structured interviews with large and medium employer companies in the IT and Tourism sectors, selected based on the field of their activity and number of employees; and 10 follow-up Focus Group Discussions (FGDs) with recent graduates of HEI/TVET, including young persons with disabilities from capital city and regional populations. The sample size for the quantitative survey is 850 persons aged 18 to 30 (implemented sample 846) with a confidence level of 95% and a sample error of around $\pm 3\%$. The sample design was based on a randomized multistage cluster sample strategy. Each set of instruments was developed using International Labour Organization (ILO) definitions and approaches adopted by the Statistical Committee of RA (StatCom of RA), such as the ILO school-to-work transition survey (SWTS) methodological guides and basic variables,⁸ as well as the Armenian StatCom's Labour Market Survey definitions and questionnaire domains.⁹ For analytical purposes of the research, labour resources are defined as the entire population of working age of the country, which is comprised of two main segments: economically active and inactive labour forces. Each of them is divided into more specific groups of population, including employed, unemployed and Not in Education, Employment or Training (NEET). Poor households are defined as those households in the sample whose monthly expenses for food make more than 60% of their overall incomes.

MAIN FINDINGS FROM THE RESEARCH

Youth Labour Resources:

1. **Inactive Labour Force:** *Every four in ten young people in the sample are considered part of the inactive labour force (Youth economic inactivity rate is 41%).* Over one half (53.8%) of the inactive labour force are young people with higher education. *Young women are much*

⁸ ILO school-to-work transition survey: A methodological guide, International Labour Office. - Geneva: ILO, 2009

⁹ Labour market in the Republic of Armenia, 2017, NSS of RA, 2017 <http://www.armstat.am/en/?nid=81&id=1994>

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*more likely than young men to be inactive due to family responsibilities, child care or housework (47.5% and 3.7%, respectively), while male respondents are more engaged in education (64.8% of males compared to 37.8% of females) and are on mandatory military service. The minimal inactivity rate as a percentage of youth who will not supply labour for the production of goods and services and most probably will stay inactive during upcoming years stands at a 9% expectancy level. **The target group open for interventions, the group in need for awareness raising, training and orientation as a “push” to start actively seeking work composes one-third or 33.2% of all inactive youth.** The share of so-called discouraged youth, openly stating that they do not seek work, as they were disappointed after several unsuccessful attempts, is relatively low, standing at 2.5% of all inactive respondents.*

- 2. Unemployment: Unemployed youth composes around one-sixth of the total youth in the sample (the total unemployment in the sample is 16%, the unemployment rate as a percentage of labour force is 27.2%).** The likelihood of seeking a job and not finding it is relatively equal regardless of the young respondent's age. At the same time, **the smaller the place of permanent residence, the more likely it is to become unemployed.** Both men and women with post-graduate education are unlikely to stay unemployed. Female youth unemployment slightly exceeded male rates in group with vocational education (16.5% of female against 14.3% of male). Young men with secondary and higher education need more assistance in finding jobs. The figures for those who need support on a social policy level in order to get re-trained and receive an upgrade of skills and professional knowledge, representing long-term unemployment, are staggering: **two in five young unemployed respondents have been looking for work for more than one year.** The larger the place of permanent residence of the respondents is, the higher the average numbers of times applied and rejected for jobs are. Though unemployed youth seem to identify the major problem-bearers of job rejections on the demand-side, **around one-quarter of them accept that they lack some capacity to access employment.** Most of the surveyed young women and men are looking for jobs with a salary two times higher than minimum wage and closer to the average amount.
- 3. Employment: Only four in ten young people in the sample get jobs in the labour market (the employment rate is 43%).** Every third young man in Armenia is a salary employee. The

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share of so-called vulnerable workers or own-account and self-employed workers is large, with 11.6% among employed youth and 5% in the total sample. *Young men and rural youth are more likely to become vulnerable workers. One in five or 22.7% of employee-respondents do not have any signed contract with their employer, working in the shadow labour market. Young men are more likely to get involved in non-contractual relations with an employer than young women.* Overall, across the sample, the largest employment sectors for youth in Armenia coincide with traditional leaders of post-soviet economy, namely micro-level services, public administration and defense, wholesale and retail. Young people are, more or less, satisfied with the work hours and workload, but are dissatisfied by the match between their job and their professional capabilities, as well as by a lack of potential in professional and career growth. Overall, the *youth are not fully satisfied by their employment: more than half of respondents are ready to change their job, if given a chance, with men more willing to get another job than women, and youth in rural areas more willing to change work than those from urban settlements.*

4. **NEET Youth:** *The NEET youth comprise 38% of the total sample with more women (66.2%) and more young people of older age group (52.5%),* all of which are at risk of becoming socially excluded individuals with incomes below the poverty-line and lacking the necessary skills to improve their economic situation.
5. **Labour mobility:** Most probably there are little incentives and opportunities for the youth to move to other cities/villages to find work, despite the willingness and desire for mobility: *more than 60% of those who have not worked during last 4 weeks are ready to move to another city in Armenia, and around one-third of unemployed young people are willing to move to village areas for work. The actual labour mobility within the country is non-intensive, standing at a level of 17.6%.*
6. **Economic Literacy:** Likelihood of being excluded from budget-related decision-making in the family is astounding, as an emerging segment of young people (namely, a group of unmarried youth, living in non-nuclear families) demonstrate lack of knowledge in personal and family earnings.

Gender-sensitive findings:

7. The female-to-male ratio for youth in Armenia is still skewed in terms of imbalanced population by sex: sex discrepancy is especially pronounced in the 18-24 year-old group with 115 females per 100 males. *The research denotes a high level of masculinization of both the migration in the country and the internal labour mobility: though the female population is involved in intensive internal mobility inside the country, a small share of women is moving from their original residence to other locations for labour-related reasons.*
8. *Gender imbalance in education is obviously observed on the level of post-graduate education (with around 60% skewness in favor of young men) and at vocation education level (with around 80% skewness in favor of young women).* The choice of specialization reflects significant gender differences: the biggest differentials in favor of men are revealed in accurate and natural sciences (with 14.3% among men as opposed to 4.4% of women) and IT/communications (chosen by 20% of young men as opposed to 4.4% of women). At the same time, there are clearly outlined “feminine” fields of study, such as pedagogy (15.6% of women as opposed to 1.4% of men) and humanitarian science and languages (16.7% of young women as opposed to 5.7% of young men).
9. *There is a problem of ineffective education management, whereas the society spends more resources to educate women, than to empower them for the transition from education to the labour market, leaving them behind as economically active human resources.* For instance, although young females are more likely to have completed higher education than men, they are less likely to become part of the active labour force and to work either as an employee or as non-employee. *There is large share of economically inactive young women, who are available for work, possess education and skills, but which stay outside the labour resources because of family responsibilities or child care.* Overall, the generation of young women risks being left outside the labour force or trapped in vulnerable or low quality employment, due not to the lack of education, but to gendered expectations, i.e. of their roles as caregivers. In the group of economically inactive youth saying that they simply do not need to work, the majority (65.2%) are young women, which once again alerts for a need of women empowerment, for support in transitioning from education to labour market, otherwise leading to the misuse of educational resources.

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10. The gender gap in the labour market is especially staggering in the economic sectors of education (being a top sector of employment for young women with 26.6% as opposed to only 2.3% among employed men), and construction, agriculture, where men are more likely to work than women. Females are more likely to be employed in wholesale/retail and healthcare/social services than males.
11. There are gender obstacles created by the society for the vertical mobility of young women at a certain level: *though young women demonstrate higher educational attainment and are doing more qualified work than young men, they are rarely observed at managerial positions requiring managerial skills.* The share of male youth working at managerial positions is two times larger compared to the share of females.
12. *Young women are disadvantaged in regard to their activity status, and have a harder time than young men finding work as well as face a significant gap in pay.* Over-education and qualifications mismatch is another matter of concern for young women.

Education and Training:

13. **Educational Attainment:** Youth in Armenia demonstrated high educational attainment levels with no one reporting less than a secondary general education and more than half possessing a university diploma. At the same time, *there's an emerging urbanity gap in education: rural youth reports less educational attainment than urban youth (with more than half of rural young people possessing only secondary general education as the highest completed education level).*
14. **Non-formal education:** The rate of non-formal and additional education is relatively low: *approximately one-quarter or 24% of respondents received additional non-formal education or training during the last 3 years.* Though overall, more women received additional education and training than men (59.6% of females as opposed to 40.4% of males), more men from rural areas are involved in additional education than women from rural areas. The higher the completed education level of respondents is, the more likely they are to participate in additional education and training. Non-formal education seems to be more suitable for the labour market compared to formal education: *more than half of participants stated that non-formal or additional education offered them knowledge and skills more suitable for their jobs than formal education. Moreover, non-formal education is especially useful and suits the job requirements of participants with a TVET education*

level: 84% of training participants with a vocational and tertiary level of education considered them more useful than those obtained in formal educational institutions. There is a need for more investment and efforts to be inputted into additional and non-formal education for youth in Armenia, as every second respondent is willing to participate in additional training or qualification courses, with another half willing to receive support or training in entrepreneurship.

Supply-demand chain in the labour market:

15. The main challenge is the lack of facilitation in the buffer zone between the labour force moving from education institutions towards the employment sector, which should have been contributing in filling in the gaps and ensuring better links between the demand and supply. *The interlink between the education and labour market is mostly one-sided and direct, it lacks regulation through facilitating bodies, i.e. state and non-state employment agencies, alumni and career centers, etc.*
16. *Disappointingly, the state employment office and other state support agencies are not taken seriously by unemployed young people: only around 4% of the unemployed respondents are seeking jobs through respective official registration and application.* The results of State Employment Office in job facilitation are low: less than 0.5% of employed young people found work through the state support channels. A slightly higher percentage of young people are registering at non-state employment offices, though the indicator is still low standing at around 5%, with less than 0.5% succeeding in actually finding work.

Qualification mismatch:

17. *Only around a half of young workers are in occupations that match their level of education (53.7%) compared to workers who work in occupations for which they are overeducated (33.6%) or undereducated (12.7 %).* The tendency for over-education might be explained by an overall high educational attainment level of youth in Armenia, given that more than half of all youth in Armenia possess a higher education. The qualified professional and administrative market is oversupplied (with indicators of 1.8 and 3.4 percentage points, accordingly). In terms of skill transfer, there is a shortage in managerial skills (standing at - 5.4 percentage points). *A shortage of young professionals with managerial skills puts learning and training in management and public administration among the most in-demand fields of education.*

18. *There is also a gap in the quality and relevance of education: more than half of currently employed young people with a vocational and tertiary education level consider both theoretical knowledge and hard skills provided by the education system absolutely or mostly useless for their current job.* Interestingly, around 13.9% of all current students surveyed and 18.1% of all employed young respondents stated that they did not obtain any soft skills, including general practical skills in communication, negotiations, analytics, leadership, etc. at all. *Transversal skills are not well-imbedded into formal education frameworks, and less than half of surveyed youth at the educational institutions obtained skills such as self-presentation skills, CV or reference letter writing, job recruitment and competence in interviews.*

Labour Demand in IT and Tourism:

19. Participation in TVET does not appear to offer graduates a career path in IT, but rather provide a connection to specific occupational roles in the sector of Tourism. *Hence the employers in IT are not looking forward to hiring specialists with TVET and underestimate the scope of vocational education in IT.* At the same time, employers clearly define the qualifications, which correspond to occupational roles in their sectors within the context of a career path that offers the possibility of progress (for IT: Front End Developers, Backend Developers, Hardware and Automation Engineers, Mobile Developers, Automation QA Engineers, Manual QA Engineers, Project Managers; for Tourism: Marketing Managers, Drivers trained as Tour Guides, Consumer Services/Innovative Communication, Graphic Design Specialists, etc.)
20. *Teaching programs are not fit for private IT and Tourism sector standards: the private sector scores for the practical and theoretical knowledge of graduates are below moderate.* The TVET and HE programs do not accentuate self-development and self-educational capabilities of graduates, do not transfer transversal skills and do not collaborate for essential upgrades with the labour market. The quality of courses at educational institutions in languages and special computer programs, such as Amadeus for Tourism, do not satisfy both recent-graduates and employers.
21. *Demand for IT and Tourism specialists among youth in Armenia will continue to increase.* Currently, there is a huge demand in professional training programs for senior-level specialists in IT and for licensed and certified multi-tasking tour-administrators in Tourism.

22. *Although practical work is supposed to be mandatory for all the students in formal education, it is often administered as a formal and symbolic activity.* It does not provide real-time experience of how companies in these sectors are operating. Many employing companies have no alternative but to provide on-job training, which they are eager to replace by professional internship and practical work, organized through the educational system in a more effective and sustainable way. Another challenge is the fact that long-term practical work is not free-of-charge and lacks funding.

Labour Market for young PWD:

23. *Certain privileges and mechanisms, expected to act as incentives for employers to hire more youths with disabilities, while are encouraging employers, are still inadequate and insufficient.* 10.5% of employed respondents reported PWD working at their workplace, with only 3.4% in rural areas. A total of 71 employees with disabilities were reported by the surveyed companies, which comprises around 0.7% of the total number of employees registered in the surveyed enterprises of the IT and Tourism sectors. Moreover, only one company from the surveyed tourism sector employed PWD, while out of 24 IT companies 9 reported job placement for PWD.
24. The activities designed to develop skills for youth with disabilities are fragmentary and dependent upon funding from international donors. *There is lack of interest demonstrated by youth with disabilities towards state supported programs and trainings, due to a lack of information and lack of evidence of success and results.* The lack of information and special programs for them is a serious obstacle, especially in rural areas and the regions: *young people with disabilities are not well aware of their rights and opportunities in labour relations, including legal regulations and priorities they are given by the Government and legislation in Armenia.*
25. The more or less active and acceptable facilitators in the labour market for youth with disabilities are disability NGOs: *none of the participants have ever contacted career centers or employment agencies to find jobs, preferring direct applications through their own networks or disability NGOs.*
26. Young PWD are more likely not to be hired for a job because of a lack of knowledge and skills, than because of intolerance and prejudice. Intolerance and stereotypes towards people with disabilities are more pronounced and hindering in the education system, than



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in the labour market. Parents and elder members of families and communities were not encouraging them to study and usually, families have serious doubts about opportunities for them in the labour market. *Due to difficulties with transportation and mobility, youth with disabilities in the regions carry a double-burden and find themselves in more vulnerable and deprived positions in terms of both access to education, and transition to the labour market.*

INTRODUCTION

This analytical report is prepared by **Media Model LLC** under the execution of the services specified in the Terms and Conditions set out in **SAVE THE CHILDREN INTERNATIONAL ARMENIAN REPRESENTATIVE OFFICE** invitation for undertaking the **Youth-focused and Gender-sensitive Labour Market Research in Armenia**, implemented from June 15 to October 30, 2018.

SAVE THE CHILDREN INTERNATIONAL (further, Save the Children) works in 120 countries and territories with the aim to invest in childhood every day, giving children and adolescence a healthy start, the opportunity to learn and be protected from harm, especially reaching the most vulnerable and excluded children and young people. Save the Children on-going projects emphasize work in Education and Child Poverty, Child Protection and Child Rights Governance as the priority areas, by promoting the Convention on the Rights of the Child (CRC)¹⁰.

In February, 2018 Save the Children launched “**EU4Youth: Better Skills for Better Future**” **Project**, thus aiming to contribute to the development of the entrepreneurial potential of disadvantaged youth, ensure their increased access to education and training opportunities for greater employability and advocate for coherent and cross-sectorial youth policies at local, regional and national levels. To enhance the project intervention, Save the Children has planned this nationwide “**Youth Focused and Gender-Sensitive Labour Market Research in Armenia**” as a **baseline** to collect evidence for the project’s further activities and to reveal the specific needs among the young people of the Republic of Armenia (RA).

Youth unemployment is a major issue in Armenia whose rates form a much higher percentage when compared to the total national unemployment rate within the past decade. The highest unemployment rate is reported among youth aged 20-24 years-old standing at 35.7% in

¹⁰ <https://www.savethechildren.net/about-us>



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2016.¹¹ The most vulnerable young people, especially from rural areas or those with disabilities, remain among the most disadvantaged groups in terms of unemployment or vulnerable employment in the society. Furthermore, women and girls are more likely to lack employment opportunities.¹² Moreover, the labour market is constantly evolving and skills, competences and qualifications that future employees need change over time. While there are some labour market assessment reports available in Armenia, they either do not cover education-labour market interrelations, nor are they youth and/or gender sensitive. Therefore, the aim of this research was to conduct a nationwide assessment of modern labour market needs, with data disaggregated by sex and gender-specific issues covered during the interviews, in regard to the existing educational system (high school, Technical and Vocational Education and Training institutions (TVETs), Higher Education Institutions (HEIs), other non-formal education providers), and analysis of how youth's skills, as well as the available opportunities, match the market demands in Armenia. The recommendations from the research could be used for future policy improvement and advocacy in the country. Hence, the research examines the labour market demand-supply chain, the gaps and possible education opportunities contributing to ensuring better links between demand and supply in detail, with a special focus on two sectors of interest for Save the Children interventions: sectors of Information Technology (IT) and Tourism, providing main trends and some prediction.

The scope of the research covered young people, women and men aged between 18 and 30 in 10 provinces (marzes) of the RA and in the capital city, Yerevan, as well as various direct and indirect actors of the Armenian labour market, including employers and their unions, formal and non-formal education and training providers, career orientation services, etc. The research has a gender focus component with sex disaggregated data and clarity. The research utilized a mixed methods approach, which combines the collection of numerical data via quantitative methods (nationwide face to face (F2F) survey via standardized questionnaire) with in-depth information through qualitative methods (key expert and key informant interviews (KEI, KII) and focus-group discussions (FGD)). The report outlines the methodology, the context, main findings and recommendations from the research.

¹¹ The Demographic Yearbook of RA, NSS RA, 2017, p. 73, or <https://data.worldbank.org/indicator/SL.UEM.1524.MA.NE.ZS?end=2017&locations=AM&start=1991&view=chart>

¹² For detailed statistics and references see pp.36-39.

RESEARCH METHODOLOGY

RESEARCH AIM, SCOPE AND AUDIENCE

The aim of the research was to conduct a nationwide assessment of modern labour market needs with a focus on youth, analyzing how youth's existing skills, as well as the available opportunities, match the market demands in Armenia. The main object/target of the assessment was the labour market, with special focus on youth (mainly the 18-30 year-old age group of women and men), including the socially vulnerable¹³ both in rural and urban areas with further data disaggregation by sex, as well as other stakeholders, such as respective ministries, national authorities, partner organizations and career service managers. Various direct and indirect actors of the Armenian labour market have been targeted under the scope of the research, however special focus was made towards the IT and Tourism sectors.

The main tasks for this assignment were (a) the development of research methodology, sampling, data collection tools; (b) the coordination of the data collection and verification processes; (c) data analysis and (d) report writing.

The research objectives set out in the Terms of Reference (ToR) covered the following research questions:

- I. What are the general demographic, socio-economic and labour trends for the young population in Armenia?
- II. What is the composition and main profile of the active and inactive youth labour force, including those, Not in Education, Employment, or Training (NEET)?
- III. What are gender aspects of labour market segregation and is there a gender difference for skills' demand level?
- IV. Which skills and capacities are in the highest demand by the labour market in major sectors of the economy (with specific attention to IT and tourism)?
- V. How effective are formal and non-formal education (with special focus on TVET) in meeting modern labour market demands in terms of quality and relevance?
- VI. What are the perceptions of employers and the youth on the quality of education provided by TVET and HEI to match the labour market demands?

¹³ Within the frameworks of this research, among most vulnerable youth the poor youth, youth with disabilities, youth from remote rural areas are covered. For the definition see the Glossary.

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- VII. What are the needs of youth for professions and skills in increasing demand but not covered by formal and non-formal education providers, with special focus on entrepreneurial skills?
- VIII. What are the main gaps in the labour market demand-supply chain?

The primary user of the report is Save the Children International Armenian Representative Office, however, the findings might be of interest for the wider public and decision-makers, including relevant Ministries of the Government of Armenia, Non-Governmental Organizations (NGOs), partners and other key stakeholders and agencies, acting in the field.

DATA COLLECTION METHODS AND ETHICS

Research methodology was based on mixed methods approach, which combined (a) the collection of numerical data via quantitative methods with (b) in-depth information through qualitative methods. This approach entailed that the researchers give a more complete understanding of the labour market situation, providing both reliable statistically strong estimates of the youth labour force, and by lived experiences of groups and communities under focus.

The combination of elements of sequential and consecutive approaches, allowed for starting the study through the collection of mainly qualitative data (using round-table discussions and informal interviews with implementing and partner entities, desk-review). Then to proceed with quantitative methods (F2F standardized interviews with youth aged 18-30 across Armenia to describe their socio-demographic profile as labour force and to identify their perceptions on labour market demand and supply) combined by simultaneously holding expert/key-informant semi-structured interviews with representatives of private sector employers, employment centers, relevant agencies for extensive mapping of labour market needs. In order to capture a more holistic perspective of labour demand in the sectors of IT and Tourism, a qualitative approach with combinations of quantitative techniques was utilized. More specifically, 46 semi-structured interviews with large and medium companies¹⁴ in named sectors were conducted. In order to collect numeric data, describing company profile and assessing needs for recruitment, vacancies, additional skills and trainings of employers in more detail, in addition to the semi-structured interview guide, a standardized set of questions was developed and used.

¹⁴ For more detail on selection criteria see pp.26. For the final sample with the list of companies see Annex 3.



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On the last stage follow-up, FGDs with recent graduates of HEI and TVET in IT and Tourism sectors, as well as with young persons with disabilities (PWD) have been organized for additional in-depth, case-related data, to generalize the results and to verify main recommendations.

The research design was focused on gender aspects and social vulnerability; the survey data was disaggregated by sex, location, disability and poverty status (to extent possible), types of skills. Gender specific issues have been covered during FGDs, FGDs with young persons with disabilities were administered. Human rights considerations and ethical dimensions were addressed during the research, ensuring the doing-no-harm principle, anonymity and confidentiality of individual data and granting informed consent from all participants.

FIELDWORK APPROACH AND INSTRUMENTS

Actual fieldwork proceeded simultaneously with mid-term analysis during the time-period between July till the end of September, 2018 in 10 RA provinces and capital city Yerevan.

During the design and inception phase, besides desk-review of documents, six informal key expert interviews (KEI) were organized via open-ended unstructured guides, developed in close collaboration with Save the Children. The KEI guideline structure and composition covered the following topical domains (for detail see Annex 4 KEI Guideline):

- General Overview of the Youth Employment Situation in Armenia,
- Professional Education and Labour Market,
- Professional Orientation and Searching Work,
- Labour Market Studies in the Context of Education Management.

Based on the preparatory phase, the first set of main instruments was designed. Each set of instruments were developed using International Labour Organization (ILO) definitions and approaches adopted by the Statistical Committee of RA (StatCom RA), as well as other relevant sources.¹⁵ More specifically, the survey questionnaire for youth and the questionnaire for employers were developed using ILO school-to-work transition survey (SWTS) methodological guides and basic variables,¹⁶ as well as RA StatCom's Labour Market Survey definitions and

¹⁵ Such as: Guide on Measuring Decent Jobs for Youth Monitoring, evaluation and learning in labour market programmes: Note 2 Concepts and definitions of employment indicators relevant to young people, ILO, 2018; Global Employment Trends for Youth 2017: Paths to a better working future, ILO International Labour Office, Geneva, 2017, etc.

¹⁶ ILO school-to-work transition survey: A methodological guide, International Labour Office. - Geneva: ILO, 2009

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questionnaire domains.¹⁷ Research core instruments with main topical domains are presented in Figure I, the full set of instruments is presented upon request.

Figure I. Research Instruments and Topical Domains

standardized F2F questionnaire	semi-structured F2F protocols for employers in IT/Tourism	standardized quest for employers in IT/Tourism attached to semi-structured guide	FGD guideline for success and failure stories among recent HEI/TVET graduates with visual techniques
<ul style="list-style-type: none"> • RESPONDENT'S GENERAL PROFILE • RESPONDENT'S EDUCATION AND EDUCATIONAL RECORD • FOR CURRENT STUDENTS • RESPONDENTS WITHOUT WORK • RESPONDENTS HAVING JOBS • PERCEPTIONS ON EMPLOYMENT IN THE COMMUNITY • SOCIAL-DEMOGRAPHIC PROFILE OF THE HOUSEHOLD AND THE RESPONDENT 	<ul style="list-style-type: none"> • RECRUITMENT AND LABOUR OF YOUTH • YOUTH'S SKILLS ASSESSMENT • ECONOMIC SECTOR – EDUCATION COLLABORATION 	<ul style="list-style-type: none"> • RESPONDENT'S PROFILE • ORGANIZATION'S PROFILE • RECRUITMENT AND LABOUR OF YOUTH • YOUTH'S SKILLS ASSESSMENT • ECONOMIC SECTOR – EDUCATION COLLABORATION 	<ul style="list-style-type: none"> • GROUP PROFILE • EDUCATION/PROFESSIONALIZATION OF YOUTH • JOB FINDING, EMPLOYMENT • EDUCATION-LABOUR MARKET • GENDER ASPECTS OF YOUTH EMPLOYMENT • EMPLOYMENT OF YOUTH WITH DISABILITY

All research instruments were pre-tested prior to the main fieldwork and reviewed based on pilot results. A total of 15 pilot interviews in Yerevan and a close-to-Yerevan community were conducted to pre-test the standardized questionnaire. The other set of instruments was pre-tested on small samples. Two training sessions were organized for the interviewers based on the approved Training Plan and Training Agenda prior to the fieldwork.

RESEARCH SAMPLING

The sample size for the quantitative survey is 850 persons aged 18 to 30 (with actual sample implemented 846). Universe is 690.000 persons. Confidence level is 95% and the sample error is $\pm 3.36\%$. The calculation of the sample and its distribution across RA provinces (marzes) was based on the number of RA resident youth population aged 18-30 as of the last available NSS Census data from 2011. The sample design is based on representative randomized multistage cluster sample strategy. The coverage area is the entire country including rural areas.

Sampling procedures include the following stages/steps:

STEP 1 – Distribution of sample households (HH) across types of settlement, age groups and sex, based on Census data.

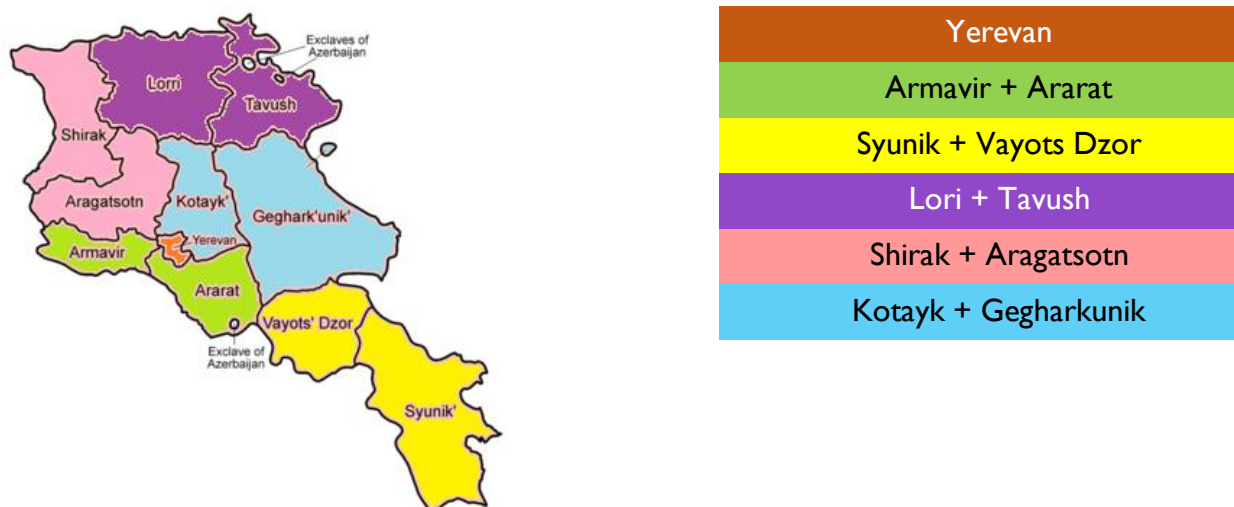
STEP 2 – Selecting communities for conducting the survey.

According to socioeconomic similarities the regions were grouped into clusters. For clusterization purposes, different parameters were taken into consideration, like different aspects of labour resources per 1000 persons, geography, main fields of economic activities, etc. (see Figure 2).¹⁸

¹⁷ Labour market in the Republic of Armenia, 2017, NSS of RA, 2017 <http://www.armstat.am/en/?nid=81&id=1994>

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Figure 2. Clusters Based on Regions



This approach allowed categorizing both main (regional center) and secondary cities as survey urban locations. Rural communities were selected in each cluster based on remoteness from the regional center. Hence, one remote and one close to regional center villages were randomly selected. Consequently, the following settlements were selected as primary selection units:

Table 1. Main and Secondary Cities and Villages Per Clusters

Clusters	Main city	Secondary city	Villages	
Yerevan	Yerevan	-	-	
Armavir + Ararat	Armavir	Ararat	Apaga	Noyakert, Mkhchyan
Syunik + Vayots Dzor	Goris	Eghegnadzor	Sarnakunk	Agarakadzor
Lori + Tavush	Vanadzor	Dilijan	Sarahart, Vahagni	Hovk, Theghut
Shirak + Aragatsotn	Gyumri	Talin	Mets Sepasar, Sarnaghbyur	Ashnak, Voskevaz
Kotayk + Gegharkunik	Abovyan	Gavar	Solak	Ltchashen, Yeranos

STEP 3 – Selection of Households:

A randomized sample was conducted to select the starting point for random-route procedures from the address registries of RA. Among pre-selected households, those having members between 18 to 30 years old were targeted for an actual interview. If the interviewer could not

¹⁸ Labour Market in the Republic of Armenia, NSS RA 2017 <http://armstat.am/am/?nid=82&id=1994>

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obtain an interview at the initially sampled household after 3 visits during different times of the day and different days of the week, he or she used a simple substitution method. The list of randomly selected starting points (pre-selected addresses) was elaborated and submitted prior to the survey. Movement from the Starting Point to the left was used to select the building. Counting three households (excluding the starting point), the interviewers attempted a contact at the third household. The apartments were selected using simple probability count.

STEP 4 – Selection of respondents:

The household members aged 18-30 were targeted by the interviewers. If several people of the defined category were eligible for interview, Kish selection method was used to identify the potential respondent. Only after 3 unsuccessful visits (different times a day/different days a week) the address was replaced by the next.

For a qualitative component, mainly a typological sample strategy was developed:

1. List of 10 main key experts/stakeholders was developed by the team in strong collaboration with Save the Children. Six of them were selected and interviewed.
2. A total of 46 large and medium employer companies in the IT and Tourism sectors were selected based on the sub-field of their activity and number of employers (see Table 2) using Armenian business directory at Spyur information system¹⁹ and the Guide to Armenian Information Technology Companies.²⁰
3. A total of 10 follow-up FGDs with recent graduates of HEI/TVET, including young persons with disabilities, were administered. The participants were recruited using lists of education institutions, NGOs and social networks. The FGDs covered both Yerevan and regional populations with 6-8 participants in each. The final sample design for FGDs is presented in Table 3.

¹⁹ https://www.spyur.am/en/business_directory/new

²⁰ <http://itguide.eif.am/#top>

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Table 2. KII Sample

TOURISM SECTOR	
NUMBER SELECTED	TYPE OF ACTIVITY
6	Accommodation (hotels, boarding houses, motels, tourist camps, holiday centers)
3	Adventure Tourism and Recreation
4	Transportation
3	Events and Conferences
6	Tourism Services (operators) Spa & health, winter& sports, cultural, religious
22	Total
IT SECTOR	
NUMBER SELECTED	TYPE OF ACTIVITY
2	Web design and development
2	Customized software and outsourcing
2	IT services and consulting
2	Mobile application development
2	System design and automatization
2	Internet applications and e-commerce
2	Databases and MIS
1	Internet service providers
3	Accounting, banking and financial software
2	Networking systems and communications
2	Computer graphics, multimedia and games
2	Chip design, testing and related
24	Total

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Table 3. FGD Sample

*Recent graduates are former students having graduated from institutions in academic year 2016-

Recent Graduates from IT departments of higher and TVET institutions			Recent Graduates from Tourism departments of higher and TVET institutions			Recent graduates from any other higher/TVET institutions interested to get jobs in IT/Tourism sector		Any recent graduates from higher/TVET institutions with disability interested to get jobs in IT/Tourism sector	
Yerevan	Regions	Only female group of graduates both from Yerevan and regions	Yerevan	Regions	Only female group of graduates both from Yerevan and regions	Regions	Yerevan	Yerevan	regions
Total 3			Total 3			Total 2		Total 2	
Total 10									

2017 or 2017-2018.

DATA QUALITY CONTROL

A multi-level quality control scheme was utilized during the research. The quality of the sample implementation was ensured by follow-up visits and checks by the quality control team: around 20% of interviews were back-checked through visits and calls. All 100% of questionnaires were edited and logically checked by the quality control team before data entry. The data from F2F was entered into the SPSS database, with proper User’s Guides for the Data, and processed. The



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quality of data entry was ensured by double-key entry procedures and computer scripting of the data in SPSS format.

To ensure the control of qualitative data the interviewers' regular debriefings and in-team discussions were organized. The interviews were audio-recorded, short reports for the interviews were elaborated, FGDs were fully transcribed for further semi-inductive coding. Synthesis of sequential and consecutive approaches of mixed methodology strengthened the research design, allowing for triangulation of data.

GAINING COOPERATION, DURATION OF INTERVIEWS AND MAIN LIMITATIONS

The fieldwork team, supported by an official letter from Save the Children, contacted local authorities in selected communities to support the study and to organize the sessions in any appropriate community building (such as the local mayors' office, medical center, cultural center, etc.). In general, gaining cooperation with the rural population went on smoother, than with urban. Most young people were interested in the study topic; they were willing to participate and to talk about their problems and experiences with the labour market. The average duration of a standardized interview was 12 minutes. The expert-interviews were between 25 to 50 minutes long. The key-informant interviews took around 30 minutes to administer. The average duration of focus-groups was 65 minutes.

Among the study limitations and challenges, it is worth mentioning difficulties in recruitment of people with disabilities. Sample implementation of F2F standardized interviews was rather problematic in Yerevan and in large cities (e.g. Gyumri), where it was very difficult to target young people aged 18-30 at home and to get access to buildings situated in the central communities of the capital city. In more than 80% of cases, multiple attempts were taken to target the pre-selected respondents. Though actual response-rates were high, contacting eligible respondents was rather difficult and, therefore, the flexible replacement mode was applied. Overall, the limited sample size calculated, taking into account budgetary limitations, did not allow for more detailed aggregations of some sets of the data due to a small number of observations (i.g. among 846 observations only 10 cases refer to PWD).

Another challenge was faced while comparing and contrasting the research data to its own metadata. This happened mainly because the data disaggregation by age and some definitions differed from research definitions. For instance, publicly available data from StatCom of RA uses only interval scales for age disaggregation, where it is hard to distinguish the youngest youth from



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adolescents and adult youth (StatCom detailed data is represented by the following age groups 15-24 and 25-34, while the youth is defined as the age group of 15-30 with some disaggregation available for 15-24 and 25-30).

From a conceptual perspective, the research's main limitation is the lack of statistically strong data on the demand side of the youth labour market. The demand side of labour market was examined mainly through the qualitative approach with the primary focus on two sectors-of-interest for Save the Children programmatic interventions, such as the IT and the Tourism sectors. There is still a need for a more comprehensive data collection from employing companies across Armenia, which apparently requests statistical representation and duly planned budgetary allocations to cover and implement a nationwide enterprise survey of good quality.

APPROACH TO DEFINITION AND MEASUREMENT OF POVERTY AND EMPLOYMENT

The definition of poverty and its measurement within the study are based not upon an absolute poverty assessment methodology, but on the relative poverty and comparison approach. This approach proposes that the researcher uses the collected data in comparator surveys, irrelevant from financial currency fluctuations and official national definitions of poverty line and value of the basic consumption basket. The living conditions and social status of the household is assessed based on the proportion of expenses made for food during an average month to the total of other expenses. By this methodology, the intention of the respondents to hide or veil the real amounts for income or income sources do not influence the overall measurement. The estimation value is calculated in-between [0:1] interval, where 1 refers to those households which spend their whole budget on food consumption, while 0 refers to HHs whose food consumption costs in proportion to the overall budget are tending to zero. Actually, it is impossible to find out extreme values for relatively small families, but this approach allows for the measurement of poverty in spite of per-item on-going prices, exchange rates, geographical peculiarities and other determinants needed for comparison while using other approaches. Hence, for the purposes of the study, poor households are defined as those households whose monthly expenses for food make more than 60% of their overall incomes. The calculation is based on 2 main variables: monthly costs for food and other consumption; monthly total income generated from different sources. For analytical purposes, the whole sample is divided into two main categories: poor (food expenses more than 60% of total) and not poor (food expenses less than 60% of total). As a matter of fact, poor response-rates to

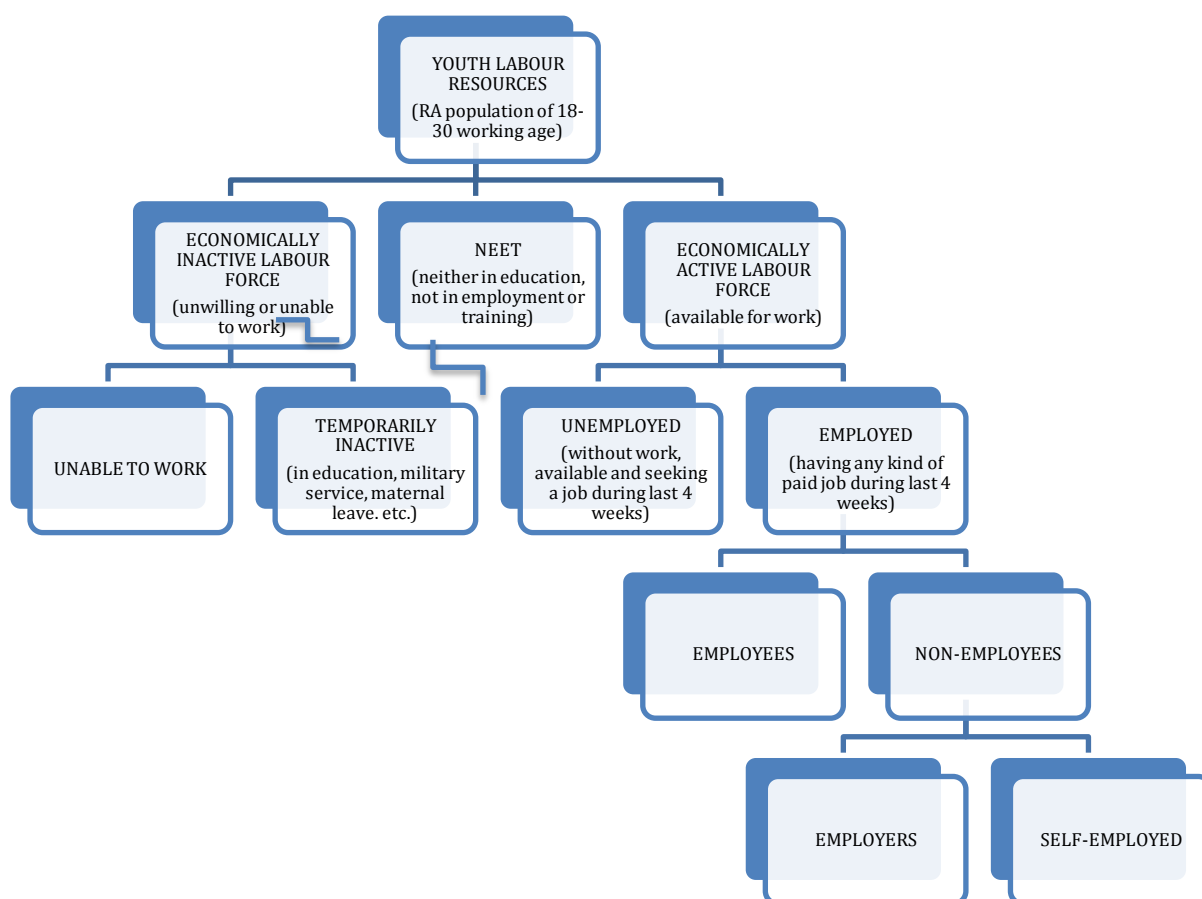
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income-costs related questions among the youth, limited to some extent the HH poverty status analysis.

The definitions and measurement of labour force and employment were based on a scientifically approved approach developed by ILO and adapted by StatCom of RA. This approach defines labour resources as the entire population of working age in the country, which is comprised of two main segments: economically active and inactive labour forces. Each of them is divided into more specific groups of population, including employed, unemployed and NEET (see Figure 3).

Throughout the report, the analytical scheme presented in Figure 3 outlines the logic of data processing and presentation.²¹

Figure 3. Mapping of Labour Resources



²¹ Key definitions are presented in the Glossary of the report.

COUNTRY CONTEXT

Main Macroeconomic Indicators

The Republic of Armenia is a landlocked country in the strategically important location of the South Caucasus in Eurasia (for details see Table 4).

Table 4. Country Basic Info

<i>Income Group 2018:</i>	<i>Lower middle income</i>
<i>Region:</i>	<i>Europe & Central Asia</i>
<i>Currency Unit:</i>	<i>Armenian dram</i>
<i>System of Trade:</i>	<i>General trade system</i>
<i>Population 2018 Q1:</i>	<i>2969.9 thousand of persons²²</i>

Despite the fact that Armenia initially suffered from the legacy of a centrally-planned economy and the breakdown of former Soviet trading models, since 1995, the country was able to carry out wide-ranging economic reforms that translated into solid economic growth. The economy of the country heavily depends on investments and remittances from the Armenian diaspora. However, the political and economic transition has allowed Armenia to benefit from increasing support from international organizations like the World Bank (WB), European Bank of Reconstruction and Development (EBRD), Asian Development Bank, etc. The country was heavily affected by the international economic crisis in 2009, the Eurozone crisis and later the deteriorating financial situation in Russia, upon which Armenia remains highly dependent.²³

²² Statistical Committee of RA, latest available data at <http://docs.armstat.am/nsdp/>

²³ <https://www.worldbank.org/en/country/armenia/overview> ; The Economic Situation in Armenia: Opportunities and Challenges in 2017, Frederick Elbert Stiftung, Compass Center, Yerevan, 2017

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Table 5. Basic Macro-Economic Indicators, RA 2013-2018

INDICATOR	2013	2014	2015	2016	2017	2018/Q1
GDP production by NACE 2 classification, bln, AMDs	4,555	4,828	5,043	5,067	5,568	1,1121
GDP real growth rates, to previous year, percent	103.3	103.6	103.2	100.2	107.5	109.6
Consumer Price Index, %	105.8	103	103.7	98.6	101	103.7
External Trade Turnover, mln. USA dollars	5864.6	5971.7	4724.6	5065.2	6142.9	607.2
External Trade Turnover, in comparison to same period of last year (%)	104	101.8	79.1	107.2	121.3	125.8
Export, mln. USD	1478.7	1547.3	1485.3	1791.7	2149.8	206.7
Export, in comparison to the same period of last year (%)	107.1	104.6	96	120.6	120	121.7
Import, mln. USD	4385.9	4424.4	3239.2	3273.5	3993.1	400.5
Import, in comparison to same period of last year (%)	102.9	100.9	73.2	101.1	122	131.7
Total Population, as of the beginning of the year, thsd. Persons	3,026.9	3,017.1	3,010.6	2,998.6	2,986.1	2 969.9
Gross external debt, mln. us dollar	8,732	8,540	8,918	9,953	10,524	10,687

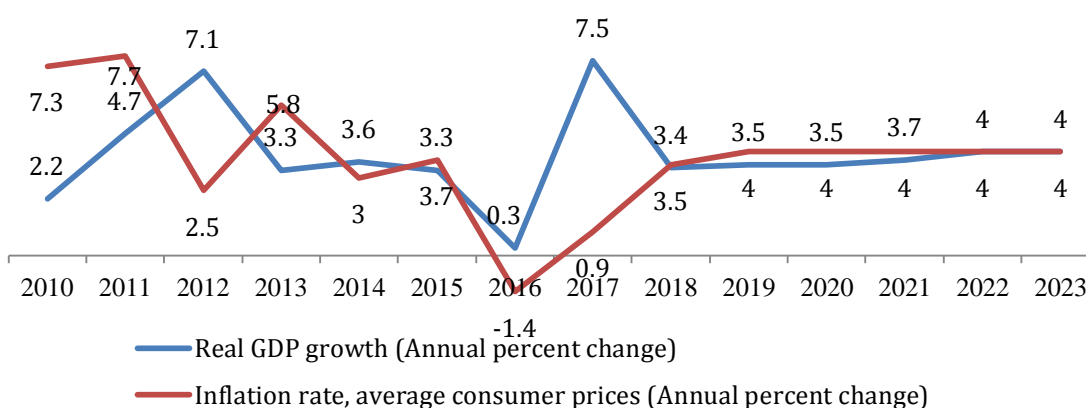
Source: Official data from Statistical Committee of RA and the Central Bank of RA, www.armstat.am, www.cba.am

Real GDP growth in Armenia during 2013-2017 has drastically changed by more than 2 billion USD or around 1 trillion Armenian Drams (AMD), achieving the level of 5.6 trillion AMD or around 11.5 billion USD. In 2016, GDP growth was weak (0.3%) due to fiscal tightening (See Figure 4). The highest level of economic growth for recent 5-6 years was reported in 2017 with a rate of 107.5%, while the lowest rate was calculated in 2016 at 100.2%, which to some extent explains the relative growth of indicators for 2017.

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In developing and transition economies, the projections of GDP growth for 2018-2023 are estimated at around 4,9-5,1%, while estimates for 2019-2023 indicate a modest growth of 3.5-4% of GDP, which is lower than the average growth for middle income countries by around 1 percentage point.²⁴

Figure 4. Real GDP growth and Inflation rate, average consumer prices of the RA 2010-2023 (annual percentage change and future trends)



Source: IMF – World Economic Outlook Database, Latest Available Data and Projections²⁵

As a result of a monetary policy undertaken by the country the average consumer prices index stayed at a relatively low level. A significant deflation rate of 98.6% was reported for 2016, while a rapid increase was reported in 2013 with a rate of 105.8%. According to IMF-estimates, the inflation index for the upcoming years till 2023 in Armenia will stay at a controlled interval of around 3.5-4%. The trends in external trade turnover for past two years are rather positive with an indicator of 120%. Meanwhile, external debt has been steadily rising, reaching 10 billion 687 million USD in Q1 of 2018, including debt to international organizations.²⁶

The decrease in the current population size across Armenia has been reported by the Statistical Committee of RA based on Census 2011 data and other relevant statistics (see Figure 5). According to other official sources, such as World Population Review by UN, Armenia's population is estimated at 2.969 million in the first quarter of 2018, down from the 3.018 million

²⁴ The forecast and the models did not take into account the revolutionary political change within the country consequenced by civil unrest in April-May of 2018.

²⁵ IMF World Economic Outlook: Cyclical Upswing, Structural Change report, April 2018
<https://www.imf.org/en/Publications/WEO/Issues/2018/03/20/world-economic-outlook-april-2018>

²⁶ Data available at: <http://docs.armstat.am/nsdp/>, www.cba.am



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confirmed during the 2011 census.²⁷ Armenia is urbanizing at a rate of 0.5%, but has seen a population decrease by about 6% over the most recent 4 years. Population declines are usually explained by external migration rates, which are very high across Armenia. For example, for 2017, the population declined by 2002 due to migration. This means that the number of people who leave Armenia to settle permanently in another country (emigrants) prevail over the number of people who move into the country in order to settle there as permanent residents. However, a comparison of official data from the NSS of RA from 2010 to 2015, show that the net migration rate²⁸ was at level of -5,7 migrants per thousand population in 2017, up from -4,16 migrants per thousand population in 2010.²⁹ There is lack of accurate statistics on the issue of labour and seasonal migration, main data is collected by means of surveys, while official numbers from the Ministry of Territorial Administration and Development database and other state registries are yet under review. Based on HH surveys conducted by StatCom of the RA and the International Organization for Migration (IOM), the presence of emigrants in all the age groups representing the entire RA population is unfolding, however there is a high concentration of emigration among active age groups (20-54), with the largest share of migrants in the age group of 25-29.³⁰ The same tendency was revealed by UNFPA migration surveys, showing that the largest share (14.6%) of the surveyed household members located in foreign countries are young people aged from 25 to 29.³¹ Women comprise about 52% of the population of Armenia (for more detail see Figure 6). The population is mainly urban (63.5%), with the capital Yerevan comprising more than one-third of the total population (35.8%). Slightly more than one-third (36.4%) of the population live in rural areas.³² Based on the medium variant of the UN projections, the population will be nearly 3 million in 2020.

²⁷ <http://worldpopulationreview.com/countries/armenia-population/>

²⁸ The number of immigrants minus the number of emigrants over a period, divided by the person-years lived by the population of the receiving country over that period. It is expressed as net number of migrants per 1,000 population.

²⁹ <https://www.indexmundi.com/g/g.aspx?c=am&v=27>

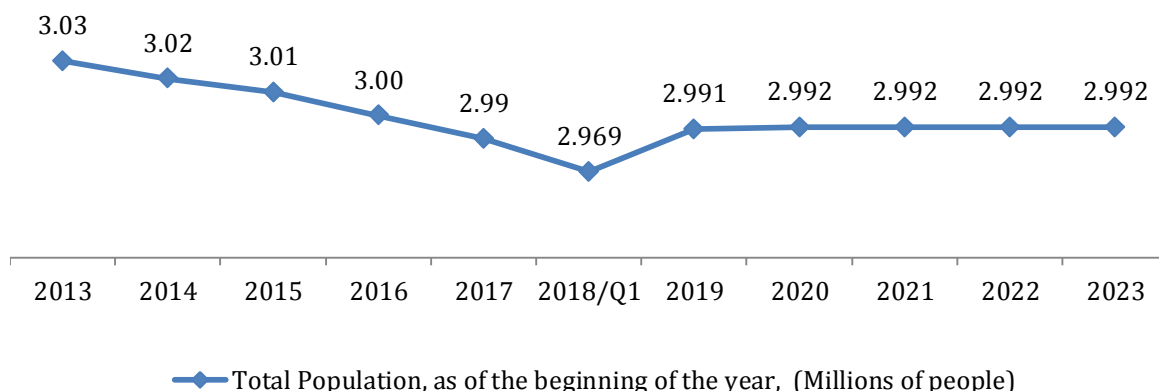
³⁰ Report on Household Survey on Migration in Armenia, IOM Mission in Armenia, NSS RA, UNECE, 2014

³¹ Report on Sample Survey on External and Internal Migration in RA, UNFPA Armenia, NSS RA, 2008

³² The Demographic Handbook of Armenia, 2017, http://www.armstat.am/file/article/demog_2017_2.pdf

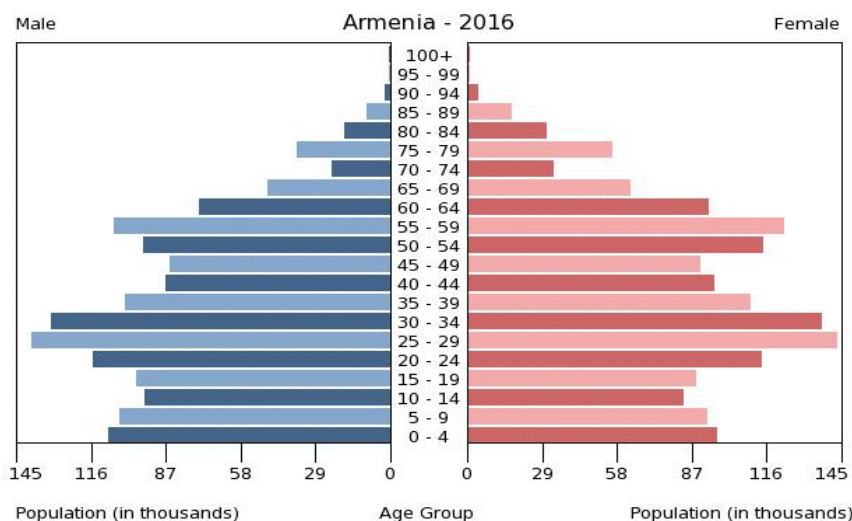
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Figure 5. Population (millions of people)



Source: Statistical Committee of RA, Latest Available Data and Projections

Figure 6. Population Pyramid



Source: CIA World Factbook

Armenia ranks 102nd on the World Economic Forum’s 2016 Global Gender Gap Index, which covers 144 countries (Iceland, Finland, Norway, and Sweden top the rankings).³³ The country has one of the lowest rankings in the Europe and Central Asia region and among the group of lower-middle-income countries. According to the components of this Global Gender Gap Index, the indicators that present the biggest challenges in Armenia are political empowerment, the

³³ WEF (World Economic Forum). 2016. Insight Report: The Global Gender Gap Report 2015. Geneva: World Economic Forum



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estimated earnings gap, labour force participation, and the sex ratio at birth.³⁴ Seventy-eight percent (78%) of all emigrants are men, and only 22% are women; out of all male emigrants, 93.9% are aged between 15 and 59; and out of all female emigrants, 83.5% are aged between 15 and 59.³⁵ Based on gender assessment reports,³⁶ it should be indicated that in the communities of origin, when husbands migrate, the women who remain behind, may change their status. For example, as women become the de facto heads of households, they may gain more decision-making power over the allocation of household resources for the education and health of their children. At the same time, women may become more vulnerable to poverty when their husbands do not send remittances. Compared to men, women tend to send a larger proportion of their income home, and on a more regular basis, possibly because of gender-based expectations regarding the support of parents.³⁷ An additional indicator of the status of women in society is control over their own earnings. Women in urban areas are three times more likely to make decisions about their earnings than women from rural areas (34% and 11% of women respectively).³⁸ The gender dimensions of poverty become clear when comparing the differences between families headed by men and by women. Female-headed households are more likely to be poor.³⁹ Female-headed households with children under 6 years old are the most at risk for poverty and extreme poverty.⁴⁰ The concept papers on gender equality in Armenia identify such critical issues as gender-based discrimination in the labour market, wage disparities between women and men, access to economic resources, and social protection for low-income female-headed households. Specific groups of women (e.g., those with children and those heading households) are at the greatest risk of extreme poverty. Cultural norms still dictate that property is usually inherited by and registered to male family members, and making financial decisions is usually considered a

³⁴ Armenia Country Gender Assessment: Poverty and Equity Global Practice, the WB, 2016
<http://documents.worldbank.org/curated/en/250481491242159715/pdf/113990-WP-PI57626-PUBLIC-Armenia-Gender-Assessment-2016.pdf>

³⁵ UNDP. 2009. Human Development Report 2009, Overcoming barriers: Human mobility and development Basingstoke, Palgrave Macmillan, http://hdr.undp.org/sites/default/files/reports/269/hdr_2009_en_complete.pdf

³⁶ Gender, Agriculture And Rural Development In Armenia, FAO, Budapest 2017

³⁷ Ibid.

³⁸ NSS RA, Ministry of Health & ICF International. 2012. Armenia Demographic and Health Survey 2010. Calverton, Maryland, MEASURE DHS & USAID, <https://dhsprogram.com/pubs/pdf/FR252/FR252.pdf>

³⁹ Social Snapshot and Poverty in Armenia: Statistical Analytical Report, NSS RA: Yerevan, 2017

⁴⁰ Armenia Country Gender Assessment, ADB, 2016, p.23.

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“male” role in the household.⁴¹ All above-mentioned gender inequalities were taken into account in the course of the current gender-focused research.

The Labour Market in Armenia

Table 6 provides selected labour market indicators for the working-age population in Armenia for the years 2013-2017. The projections of the International Labour Organization (ILO) report for 202-203 million people to be unemployed in 2018 worldwide and pointed out the tendency of a decrease in global unemployment rates during the last 10 years.⁴² While national indicators show that the Armenian labour market was characterized by low participation and high unemployment rates. At the national level, the labour force participation rate has been rapidly decreasing since 2013, with the employment-to-population ratio at 49.2% and the unemployment rate at 18.9 % for 2017.

Table 6. Basic Labour Market Indicators, RA 2013-2017 (year averages, thsd. people)

	2013	2014	2015	2016	2017
Labour resources	2189.8	2180.2	2106.6	2011.4	2021.4
Active Labour Force	1389.3	1375.7	1316.4	1226.3	1230.8
Employed	1164.7	1133.5	1072.6	1006.2	1011.9
Unemployed	224.7	242.1	243.7	220.2	218.9
Inactive Labour Force	800.5	804.5	790.3	785.1	790.6

Source: Statistical Committee of RA yearly data on Labour Market in Armenia

The data reveals that during the past 6 years labour resources in Armenia decreased by more than 170,000 people, with some positive prospective attained only in 2017. This kind of drastic change might be explained both by some demographic trends, particularly the aging of the population and by permanent external migration rates. Most importantly, this change creates significant obstacles for further economic growth and needs serious and effective policies for labour resource management. Furthermore, the official number of the employed has decreased by 152.000 people, which can be explained both by lack of available workplaces and by the likelihood of unofficial or unregistered jobs existing in the market. This assumption ought to be validated by official statistics, which apparently do not report any figures on the “shadow market”;

⁴¹ Ibid, p. xiv.

⁴² World Employment and Social Outlook: Trends 2017, International Labour Office – Geneva: ILO, 2017, p. 33
http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_541211.pdf.



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while in case of regulations on job registration, the labour market indicators, as well as the GDP indicators, could go up. Besides that, the absolute number of the male working-age population is smaller than that of females (905.2 thsd and 1.1 mln, respectively),⁴³ a situation largely explained by male-dominated emigration patterns. Yet, more men are employed than women (528.200 compared to 478.000 women).⁴⁴ Furthermore, official statistics show that gender differences within labour market indicators are much more pronounced in urban than in rural areas. According to the Armenia Country Gender Assessment 2016, the participation gap between men and women in the labour market is around 17 percentage points. The difference in earnings between men and women has declined significantly over the past decades; however women still earn an average of 36% less than men.⁴⁵ This pattern can be explained not only by discrimination in hiring and firing, but also by skill mismatches and women's preference/choice for certain types of jobs, especially those that allow more time for household work.

More specifically, a closer view on the quarterly dynamics of the data on employment suggests that there is a seasonal determination of main trends, thus, in the first quarter of 2017 the number of employed was lowest counting less than 1 mln. people. An exploration of the dynamics of inactive labour force indicators reveals a decrease of 52.000 people in absolute number in comparison to 2012, but the unemployment-to-population ratio is still very high.

An examination of the national figures on unemployment reveals a segmentation of indicators by area of residence, by age and by gender. Obviously, the number of unemployed in rural areas is smaller than the one in urbanized settlements with 5.7% in comparison to 26.8% respectively. This might be explained by the fact that the rural population has more opportunities for self-employment including agricultural activity, and is reported by the official statistics as wage-earners, regardless of whether the job was permanent, temporary or seasonal, and anyone making a small input in family farm might be reported as employed. The highest unemployment rate is reported among youth aged 20-24 years-old (see Table 7).

⁴³ Labour Market In The Republic Of Armenia, 2015-2016, NSS RA, 2017
http://www.armstat.am/file/article/trud_2017_1.pdf

⁴⁴ Labour Market In The Republic Of Armenia, 2015-2016, NSS RA, 2017
http://www.armstat.am/file/article/trud_2017_4.1.pdf

⁴⁵ Armenia Country Gender Assessment, 2016 The State of Gender Equality in Armenia, p.7,
<http://documents.worldbank.org/curated/en/153131489418520050/pdf/113503-WP-PUBLIC-PI57626-ArmeniaGenderAssesment-Summary.pdf>

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Table 7. Unemployment Rate by Age, Gender and Urbanity In RA (in %)⁴⁶

Year	Total		Male		Female		Urban		Rural	
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
Total	18.5	18.0	17.6	18.1	19.5	17.8	27.0	26.8	6.7	5.7
15-19	25.6	40.5	24.3	33.3	27.2	51.1	42.9	75.1	7.4	15.8
20-24	34.5	35.7	29.8	28.9	40.1	44.9	42.4	45.9	22.8	20.8
25-29	24.3	20.2	20.1	18.4	29.8	23.1	29.9	23.4	14.4	13.9
30-34	21.9	18.4	17.8	16.2	27.1	21.4	28.3	24.2	10.4	7.2
35-39	17.7	17.3	15.5	16.0	20.1	18.5	23.6	23.9	6.8	6.7
40-44	16.8	17.4	15.4	20.1	17.9	14.9	26.2	25.9	3.5	3.6
45-49	14.5	14.6	15.8	15.3	13.4	14.0	25.2	25.3	3.2	1.7
50-54	13.3	14.5	12.7	16.6	13.8	12.6	23.3	27.2	1.5	1.5
55-59	13.8	14.0	17.0	16.1	10.3	12.1	22.3	24.2	2.6	1.5
60-64	12.2	13.7	15.4	17.7	8.7	8.9	21.3	23.8	1.0	2.0
65-69	10.1	7.5	10.7	9.7	9.5	4.7	18.4	14.7	0.8	0.5
70-75	4.6	10.5	8.0	13.9	0.6	6.6	10.4	22.5	0.0	0.0

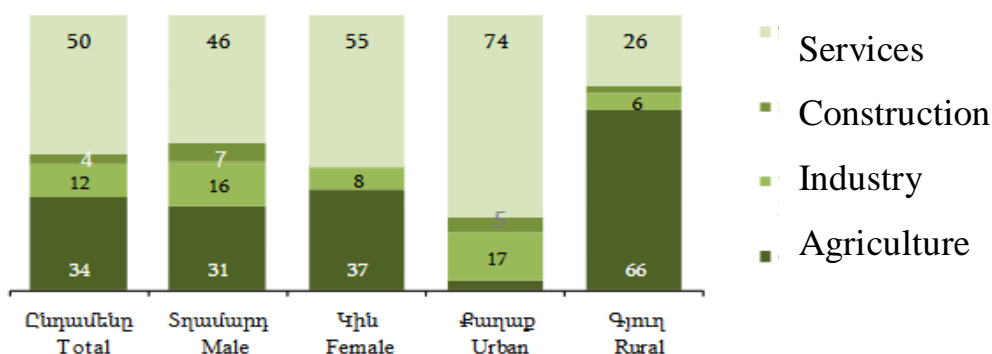
Source: Statistical Committee of RA, Latest Available Data

The changes in the age composition of the population determine other related changes in the social-demographic descriptive of Armenian society. In particular, the number of economically inactive population intensively grows with a larger proportion of elderly people in the country (if the mean age of population in 1990 was 28 years old, in 2016 it is 38).⁴⁷ As to the main sectors of economic activity, the vast majority of the working age population is employed in service and agriculture, though there are some differences for gender groups and obvious differences among urban-rural populations (see Figure 7).

⁴⁶ The Demographic Yearbook of RA, NSS RA, 2017, p. 73, or <https://data.worldbank.org/indicator/SL.UEM.1524.MA.NE.ZS?end=2017&locations=AM&start=1991&view=chart>

⁴⁷ The demographic handbook of Armenia, 2017, NSS RA p. 47 http://www.armstat.am/file/article/demog_2017_2.pdf

Figure 7. Employed by Major Sectors of Economic Activity, 2016 (in %)



Source: Labour Market in the Republic Of Armenia, 2015-2016, NSS RA (StatCom of RA), 2017

Education System in Armenian

Education has always received priority in Armenia – a country with a 99.8% literacy index.⁴⁸ The government of Armenia declared education as one of prerequisites for the sustainable development of the country, preservation of human capital and its reproduction.

The educational system in Armenia presents a unity of institutions and enterprises, which are functioning on the following levels:

- ✚ pre-school education intended for children aged 2–6;
- ✚ general secondary education, comprising of primary school (grades 1–4), middle or basic school (grades 5–9) and high school (grades 10–12);
- ✚ specialized, vocational and higher education establishments;
- ✚ and teacher training and in-service training institutions.

The system is structured so that the primary school cycle lasts 4 years, basic general lasts +5 or 9 years in total, and secondary general lasts 3 years (4-5-3 or 12 years). Basic education is compulsory and free-of-charge (as of 2017 it is 12 years at schools). Graduates of basic and high school have the right to continue their education in vocational or higher educational institutions (see Table 8). There are also private sector educational institutions: schools, colleges and universities that provide their services on a fee-paying basis (catering to the demand for education), but also making a substantial contribution to the development of the educational network. 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

⁴⁸ <https://data.worldbank.org/indicator/SE.ADT.LITR.ZS?locations=AM>

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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 craftsman). Middle-level VET lasts from two to five years (the qualification level of specialist).⁴⁹

Table 8. Mapping of Education Levels

Name of education level in Armenia	Approximate correspondence to ISCED level	Education level used in current research	Age at entry	Duration (years)	Compulsory education
Primary, incomplete primary	Level 1 Primary	Elementary or basic school education	6	4	Yes
Basic education	Level 2 Lower Secondary	Secondary general education	10	5	Yes
General or Senior Secondary	Level 3 Upper Secondary	Secondary general education	15	3	Yes
Vocational	Level 4 Vocational	Vocational education	18	1-3	No
Secondary specialized, incomplete higher	Level 4 Post-secondary, non-tertiary education	Vocational education	15	2-4	No
Tertiary, higher	Level 5 Tertiary	Higher education	18	4	No
Post-graduate	Level 5 Tertiary	Post-graduate studies	22	2	No

⁴⁹ See Education, Training And Employment Developments 2016, European Training Foundation, 2017.



Source:

http://www.uis.unesco.org/Education/ISCEDMappings/Documents/Central%20Asia/Armenia_ISCED_mapping.xls

As in other CIS countries the population in Armenia is well-educated, moreover, interestingly, women are slightly better educated than men. Furthermore, while more men have vocational education than women (with 11% in comparison to 5% respectively, reported for 2016), on the level of higher and post-doctoral education the proportion of females obtaining a higher education (first and second stage diplomas) is several times higher (university diploma possessed by 16% of women, and 14% of men in 2016).⁵⁰ Despite the large-scale reforms supported by the international donor community in Armenia, numerous studies point to a backsliding in the quality, access and integrity in education. Meanwhile, the state budgeting for education is also decreasing with around 2.2% of GDP allocated for education in 2018. This indicator is very low in comparison to the 7-10% of GDP expenditure for education in EU countries.⁵¹

YOUTH LABOUR MARKET IN ARMENIA: SURVEY RESULTS⁵²

Characteristics of youth in the sample

The table below presents the basic distributions of the surveyed young population by age, gender, area of residence and marital status (see Table 9). The distribution of the youth population shows that young people of the age group of 18-24 made up a slightly larger share within the sample than those aged 25-30 (with 53.8% of 18-24 year-olds and 46.2% of 25-30 year-olds). At the same time, the fairly equal distribution of age groups by sex generates a basis for a gender-sensitive analysis of the data. A larger proportion of young people from urban areas are targeted by the sample (61.9% lived in urban area), with slightly more young women (63%) living in urban areas, compared to 60.8% of young men. At the same time, along with other, previously conducted surveys and statistical data on the female-to-male ratio, the current study affirms that a higher proportion of females is reported in the surveyed age groups. Namely, the age group most concerned with sex discrepancy are the 18–24 year-olds with 115 females per 100 males. This can be explained by

⁵⁰ Women and men in Armenia 2015-2016, NSS RA, 2017 http://www.armstat.am/file/article/gender_2017.pdf

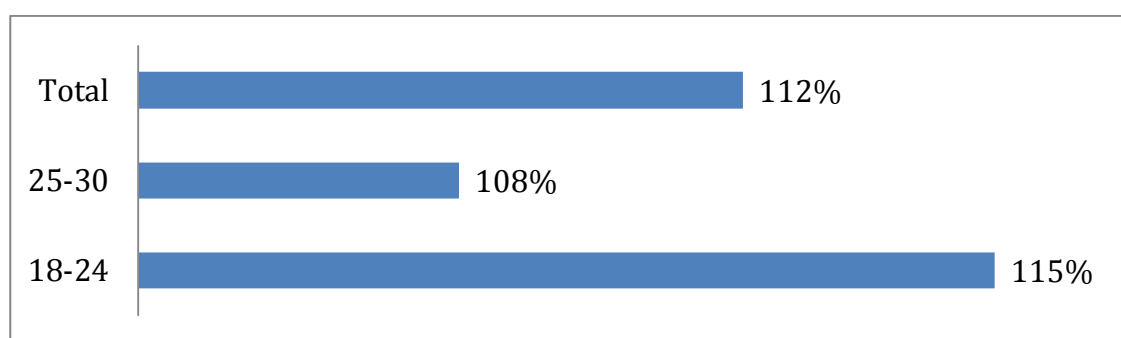
⁵¹ <http://www.oecd.org/education/Sweden-EAG2014-Country-Note.pdf>,
<https://data.worldbank.org/indicator/SE.XPD.TOTL.GD.ZS>

⁵² This chapter is based on SVTS survey methodology and analytical approach developed by Nicolas Serrière and presented in “Labour Market Transitions of Young Women and Men in Armenia” International Labour Organization’s 2014 report.

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various factors, such as military service and outgoing migration, but overall, the female-to-male ratio for youth in Armenia is still skewed in terms of imbalanced population by sex (see Figure 8). In this regard, migration trends are also a deciding factor: according to IOM surveys in Armenia, of the total number of emigrants 82.1% are males and 17.9% females,⁵³ which denotes a high level of masculinization of migration in the country which needs to be addressed and further problematized by migration research and RA migration policies particularly targeting the youth.

Figure 8. Female-to-male Ratio of youth (per 100 male)



The average number of 18+ household members was 3.8, with 49.2% of all households in the sample reporting no children in their own composition.

At the same time, young women get married earlier and make up a larger share in the sample than married young men. The share of unmarried among men exceeds the same share among women by around 25 percentage points, which is clearly explained by the difference in the average age of marriage among the male and female population. The average age at marriage defined by respondents is 21 years-old for females and 25 years-old for males.

Table 9. Sample distribution by age, sex, area of residence and marital status

	Total		Male		Female	
	Number	%	Number	%	Number	%
Age Group						
18-24	455	53.8	212	53.0	243	54.5
25-30	391	46.2	188	47.0	203	45.5
Total	846	100.0	400	100.0	446	100.0
Area of residence						
Urban	524	61.9	243	60.8	281	63.0

⁵³ Report on Household Survey on Migration in Armenia, IOM Mission in Armenia, NSS RA, UNECE, 2014

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Rural	322	38.1	157	39.3	165	37.0
Total	846	100.0	400	100.0	446	100.0
Current marital status						
Never Married	569	67.3	321	80.3	248	55.6
Married/Lives Together	264	31.2	79	19.8	185	41.5
Widowed	1	0.1			1	0.2
Separated/Divorced	12	1.4			12	2.7
Total	846	100.0	400	100.0	446	100.0
Average age at marriage						
	22.1		24.7		21.0	

The share of young people with disabilities in the sample is 1.2 % or 10 respondents, of whom 8 respondents are young males aged 18-24; the distribution of young people with disabilities in the sample across area of residence is fairly equal: half living in urban and another half in rural areas.⁵⁴

Table 10. Youth with disabilities in the sample

Youth with disabilities or a disability status ⁵¹			
Disability or disability status	Yes	No	Total
	1.2%	98.8%	100.0%
Age of persons with disabilities	18-24	25-30	Total
	80.0%	20.0%	100.0%
Sex of persons with disabilities	Male	Female	Total
	80.0%	20.0%	100.0%
Cluster code for persons with disabilities	Urban	Rural	Total
	50.0%	50.0%	100.0%

The characteristics of sample distribution by place of permanent residence are presented in the Table 11: 37.6% of respondents permanently live in Yerevan, another 28.1% in other cities of

⁵⁴ This small number of cases does not allow for making any statistically strong calculations in the report for youth having disabilities. Official statistics affirm that in Armenia, among children with disabilities, boys outnumber girls, while, there is an approximately an equal number of men and women officially certified as having disability status (or those who receive disability social benefits). This is often explained by military obligations and using the disability status to skip mandatory military service for young men.

⁵⁵ See previous footnote.



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Armenia and 34.2% in Armenian villages. Interestingly, young females mostly live in Yerevan, while a lot of males live in Armenian villages (see Table 11).

There was an intention to look into the mobility within Armenia, which is considered to be a complex phenomenon. Survey data on mobility tend to confirm that internal mobility among youth population is not too intensive: only 17.6% of respondents had moved from their original place of birth for various matters. Interestingly, the survey responses reveal limited movement among youth for employment matters: only 13.4% moved to their current residence to work or for employment-related reasons (see Table 11). On the other hand, more than half (50.3%) of youth had moved from their original residence for family matters, namely to get married. The share is two times higher for young women (61%) compared to men (28.6%). At the same time, the share of females who moved to other place of residence to work is extremely low (8%). The numbers figure out the overall mobility of the female population, which is somehow excluded from labour mobility processes: hence, the internal labour mobility (as well as outgoing migration) is mostly a masculine phenomenon in Armenia.

Another important finding on mobility is the rate of extremely high willingness to move to other places of residence in case of job opportunities among unemployed youth: more than 60% of those who did not work during last 4 weeks are ready to move to another city in Armenia and around one-third of unemployed young people are willing to move to village areas for work. Moreover, there is a statistically significant correlation between the place of permanent residence and the willingness to move for job: those who live in Yerevan are less willing to change their place of residence, than those who live in other cities of Armenia and in Armenian villages. But even among Yerevan residents the share of those who are eager to move to other city, if they are proposed a job, is large – 42.3% (see Annex I Table 1). Considering the difference between the figures of desirability to move for work and the actual labour mobility within the country (61.3% versus 17.6%), most probably there are little incentives and opportunities to move to other cities/villages to find work for the youth. Anyway, this tendency clearly outlines the need for support of internal labour mobility within the country on a state policy level, as based on the survey results, it becomes obvious that young people are ready to change their place of residence to get a job fitting their requirements, even moving from larger settlements to smaller ones, but there is lack of opportunity to do so.

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Table 11. Original residence & Willingness and Reason for moving (in %)

Permanent Residence	% from total	Male	Female
Yerevan	37.6	36.5	38.6
Other City Of Armenia	28.1	28.3	28.0
Village	34.2	35.3	33.2
Other	0.1	-	0.2
Total	100.0	100.0	100.0
If you are proposed a job fitting all your requirements	% from total of unemployed respondents	Male	Female
Another city in Armenia	61.3	78.2	46.9
Another village in Armenia	33.1	48.2	20.0
Another country	56.7	72.7	43.1
Reason of moving to current residence	% from total of respondents having moved to another place of residence	Male	Female
For Family Matters	50.3	28.6	61.0
For Education/Training/Apprenticeship	29.5	38.8	25.0
To Work/For Employment-Related Reasons	13.4	24.5	8.0
Other	6.7	8.2	6.0
Total	100.0	100.0	100.0

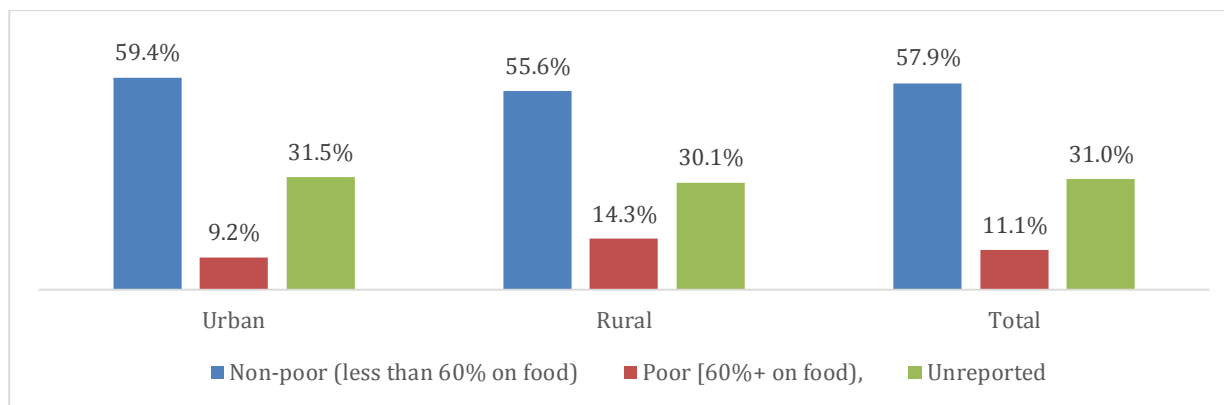
67.3% of the sample have never married, which to some extent might predetermine their economic profile, as in most of the cases they live with their parents (with each forth living in an expanded family having more than 5 HH members) and only in around 2% of cases, young people live alone/separately and take care of their own costs. Another calculation performed with the data to estimate the economic status of the family⁵⁶ targeted by the survey, allowed to distinguish 3 main groups of youth: the poor, the non-poor and so-called “unreported” (see Figure 9). Examination of households’ poverty status and area of residence shows that the share of poor

⁵⁶ See pp. 28-29 for details on approach

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households is larger in rural than in urban areas. The share of relatively well-off households is larger in urban settlements (see Figure 9).

Figure 9. Youth by poverty status and area of residence (in %)



The definition and estimation of the first two groups is presented in detail in the methodology section of the report, while the “unreported” group, standing at more than 30%, represents a specific tendency among the young population either to be unwilling to share any information related to family budgets or uninformed about HH incomes and costs. Based on our experience of nationwide surveys, this relatively low response-rate for questions related to family budget might illustrate a remarkable tendency among the youth in Armenia: on the one hand, an emerging segment of young people do not want to report their finances, on the other hand, there is a group, mainly comprised of unmarried both men and women, living in non-nuclear families, who do not possess any detailed information regarding the family budget. Lack of knowledge in personal and family earnings is pointing out to likelihood of being excluded from budget-related decision-making in the family, therefore the figure should be taken as a warning and a path forward to launching some training on cost-effective budgets and family budget planning for the youth.

Educational attainment

School education is compulsory in Armenia and none of respondents reported never attending school or education level less than secondary general, which overall shows very good basic and general school enrollment results. At the same time, the largest share of young people possess a higher education status, having a university diploma (51.9%), the next largest group is represented by respondents with a secondary general education (33.3%). It is worth noting, that the share of females with a higher education is larger than that of males, which is true both for urban and rural areas (see Table 12). At the same time, more young males reported secondary general education than females and more males were involved in post-graduate studies than females. Hence, the

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gender imbalance in education is obviously observed on the level of post-graduate education (with around 60% skewness in favor of young men) and at a vocational education level (with around 80% skewness in favor of young women) (see Annex I Table 4). Respondents from rural areas did not report post-graduate education and overall there is a statistically significant relationship between the education level and place of residence (see Annex I Table 2): rural youth report less education attainment than urban youth (with more than half of rural young people possessing only secondary general education as the highest completed education level).

Table 12. Youth by educational status, sex and area of residence (in %)

Current education status	Total	Urban		Rural	
		Male	Female	Male	Female
Secondary general education	33.3	29.2	15.7	59.2	44.8
Vocational education	14.3	11.1	19.2	9.6	15.2
Higher education	51.9	58.4	64.8	31.2	40.0
Post-graduate studies	0.5	1.2	0.4	-	-
Total	100.0	100.0	100.0	100.0	100.0

According to survey results, the top five fields of study reported by respondents include:

- ✚ Social Science, Economics, Law (23.5%),
- ✚ Humanitarian Science and Languages (11.9%),
- ✚ Health and Pharmacy (11.2%),
- ✚ Pedagogy (10.6%),
- ✚ IT/Communications (10.1%).

Interestingly, there are some differences in educational preferences by area of residence (see Table 13): more rural youth have professional education in the field of IT than those from urban areas (14.4% versus 8.3%), while humanitarian sciences and languages are about three times more popular among the urban young population than among the rural young population (14.5% versus 5.6%). Some differences are found while comparing pedagogy (with more interest among rural youth), arts (with more interest among urban youth) and crafts (twice larger share among rural population).

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Table 13. Youth by field of education and area of residence (in %)

What kind of professional education/studies did you take?	Total	Urban	Rural
Accurate and natural sciences	6.8%	7.1%	6.1%
Health and pharmacy	11.2%	11.5%	10.6%
Social science, Economics, Law	23.5%	24.2%	21.7%
IT and communication	10.1%	8.3%	14.4%
Humanitarian science and languages	11.9%	14.5%	5.6%
Architecture, construction	4.1%	4.4%	3.3%
Agriculture, vets	1.8%	1.8%	1.7%
Pedagogy	10.6%	9.2%	13.9%
Military Science, Police	2.8%	2.3%	3.9%
Tourism and services	1.1%	1.4%	.6%
Arts	4.6%	5.3%	2.8%
Crafts	5.7%	4.6%	8.3%
Other	5.9%	5.3%	7.2%
Total	100.0%	100.0%	100.0%

Another difference is revealed regarding the levels of education by professional fields of study. The top four specializations or fields of professional education for young people with vocational education and HE levels are presented in the table below. Interestingly, IT is among the 3 most popular fields of professional education, reported by youth listing vocational level of education as their highest completed status.

Table 14. Top four fields of professional education on TVET and HE+ levels (in %)

TOP 4 for Vocational education (college, TVET, etc.)		TOP 4 for HE and Post-graduate	
Health and pharmacy	23.9%	Social science, Economics, Law	27.5%
Social science, Economics, Law	14.5%	Humanitarian science and languages /linguist, East-Studies, etc./	14.5%
IT and communication /radio-physics, Informatics, IT engineering, etc./	12.0%	Pedagogy	12.8%
Crafts	11.1%	IT and communication /radio-physics, Informatics, IT engineering, etc./	9.2%

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The choice of specialization registered significant gender differences (see Figure 10). The biggest differentials in favor of men are revealed in accurate and natural sciences (with 14.3% among men as opposed to 4.4% of women) and IT/communications (chosen by 20% of men as opposed to 4.4% of women). At the same time, there are clearly outlined “feminine” fields of study, such as pedagogy (15.6% of women as opposed to 1.4% of men) and humanitarian science and languages (16.7% of young women as opposed to 5.7% of young men). Extremely low popularity of pedagogy among male population may have negative impacts on gender socialization at schools and other educational institutions, where the vast majority of young staff members would be females.

Figure 10. Professional education fields within sex groups (in %)

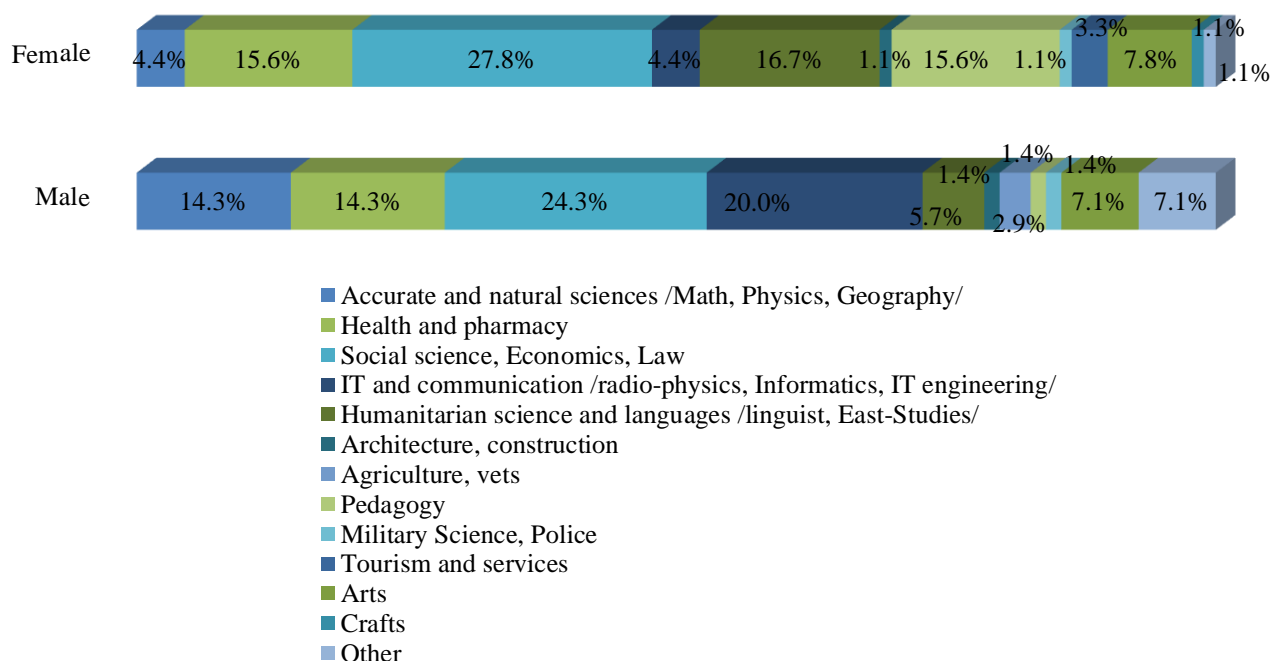
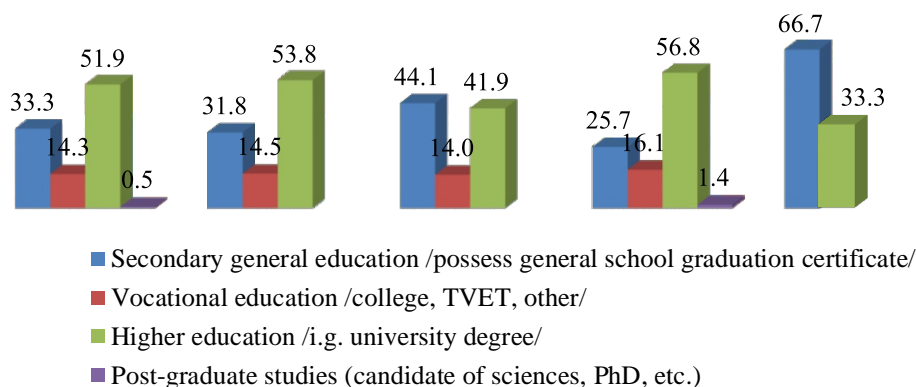


Figure 11 shows the relationship between the completed educational level of youth and their main labour activity status. Over one half (53.8%) of the inactive labour force are young people with a higher education. Among the unemployed, youth respondents with a higher education comprise more than 41% with another largest share of young people having a secondary-general education (44.1%). The less educated youth, with a secondary-general level of education, are exceptionally numerous among self-employed or non-employees (66.7%). While comparing the distribution by education attainment over the sample with the same distribution across the group of unemployed, the discrepancies between main tendencies in the sample are outlined especially in regard to

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young people with a secondary general education. Their share in the group of unemployed is large: they comprise 44.1% of unemployed, while only 33.3% of the total sample.

Figure 11. Labour Activity Status by Education Level



The rate of non-formal and additional education is relatively low: approximately one-quarter or 24% of respondents received an additional non-formal education or training during last 3 years. Though overall, more women received additional education and training than men (59.6% of females as opposed to 40.4% of males), more men from rural areas are involved in additional education than women from rural areas (see Table 15). The share of the urban population that received training is larger than that of rural population (70.4% as opposed to 29.6%). There is also a statistical relationship between the level of completed education and getting involved in additional training and qualification: the higher is the completed education level of respondents, the more likely they are to participate in additional education and training (see Annex I Table 3).

Table 15. Respondents with non-formal or additional education and training by area of residence and sex (in % from the sample)

Area of residence	Sex		
	Male	Female	Total
Urban	68.3%	71.9%	70.4%
Rural	31.7%	28.1%	29.6%
Total	100.0%	100.0%	100.0%

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Activity status of youth in labour market

Overall, the distribution of youth in the labour market by economic activity status across the sample is presented in Figure 12. Main findings are the following:

INACTIVE LABOUR FORCE RATE IS 41%.

every four in ten young people in Armenia account for the inactive labour force

THE UNEMPLOYMENT RATE IN THE LABOUR FORCE IS 27%

Unemployed youth accounts for around one-sixth (16%) of the total youth.

THE EMPLOYMENT RATE IS 43%.

only four in ten get jobs in the labour market, of whom 8.3% are either employers or self-employed

While looking into distribution by sex, we discovered a gender gap in the segments of inactive labour force (with more than half of all young women unwilling or unable to work for various reasons, which will be discussed further) and in the segment of employment (where only 32% of female youth are engaged in comparison to 55% of male young population, for details see Annex I Table 6). This finding is especially important while linking it to the data on educational attainment of the youth presented in the previous section. Hence, we can assume that although young females are more likely to have completed a higher level of education than men, they are less likely to become part of the active labour force and to work either as an employee or as non-employee. This evidence indicates that a problem of ineffective education management might exist, whereby the society spends more resources to educate women, but does not empower women to access to or get involved in labour market, leaving them behind the economically active human resources.

Figure 12. Youth population by main economic activity and sex (%)



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The share of the youngest group is two times larger among the inactive labour force, which might be explained by the age of compulsory military service which is defined as 18+ in the RA, and being involved in higher education, which normally occurs between the ages of 18 to 22 (see Table 16). At the same time the unemployment is very close to average across the sample within age groups, affirming that the likelihood of seeking a job and not finding it is relatively equal regardless of the young respondent's age.

Table 16. Status in Labour Market during last 4 weeks by age and place of residence (in % of total)

Labour Market Status during last 4 weeks	Age			Place of permanent residence			
	18-24	25-30	Total	Yerevan	Other City Of Armenia	Village	Total
Inactive labour force	51.2%	29.2%	41.0%	40.7%	41.2%	41.5%	41.0%
Unemployed	16.6%	15.6%	16.1%	6.6%	21.0%	22.3%	16.1%
Employee	25.4%	45.4%	34.6%	47.0%	31.5%	23.7%	34.6%
Non-employee	6.8%	9.7%	8.2%	5.7%	6.3%	12.5%	8.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Based on the distribution of labour resources by place of permanent residence (see Table 16), we can assume that the smaller the place of permanent residence is, the more likely it is to be unemployed (the largest share of unemployed with 22.3% is reported in village types of settlements in the sample). At the same time, the non-employee rate of 12.5% is higher than the average across the sample for the respondents from villages, which might be determined by more possibilities for self-employment and agricultural activity in rural area for the youth.

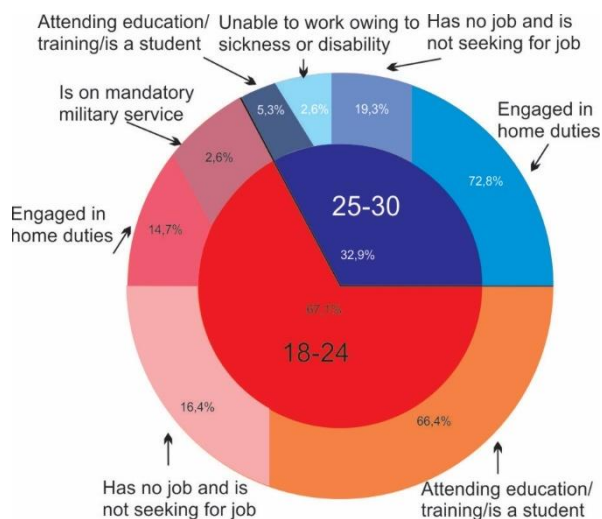
Youth outside the labour force

As mentioned above, the youth outside the labour force comprises more than 41% of the total sample. The lion share (67.1%) in the composition of inactive youth segment is represented by the youngest group of respondents aged 18-24. This is quite unsurprising if we begin to consider the main reasons for inactivity, as revealed by the surveyed youth. Figure 13 illustrates that the main reason for being counted as economically inactive for this age group was the participation in education or training (66.4% of inactive young people aged 18-24), while for the elder age group of

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25-30, the main reason is being engaged in home duties, including child care (72.8% of inactive young people aged 25-30).

Figure 13. Composition of Inactive Labour force by age (in%)



Overall, young women are much more likely than young men to be inactive due to family responsibilities, child care or housework (47.5% and 3.7%, respectively), while male respondents are more engaged in education (64.8% of males compared to 37.8% of females) and are on mandatory military service (comprising 1.7% in total sample and 5.6% of inactive young men) (see Table 17 and Figure 14).

Table 17. Status of Economically Inactive Labour by Sex

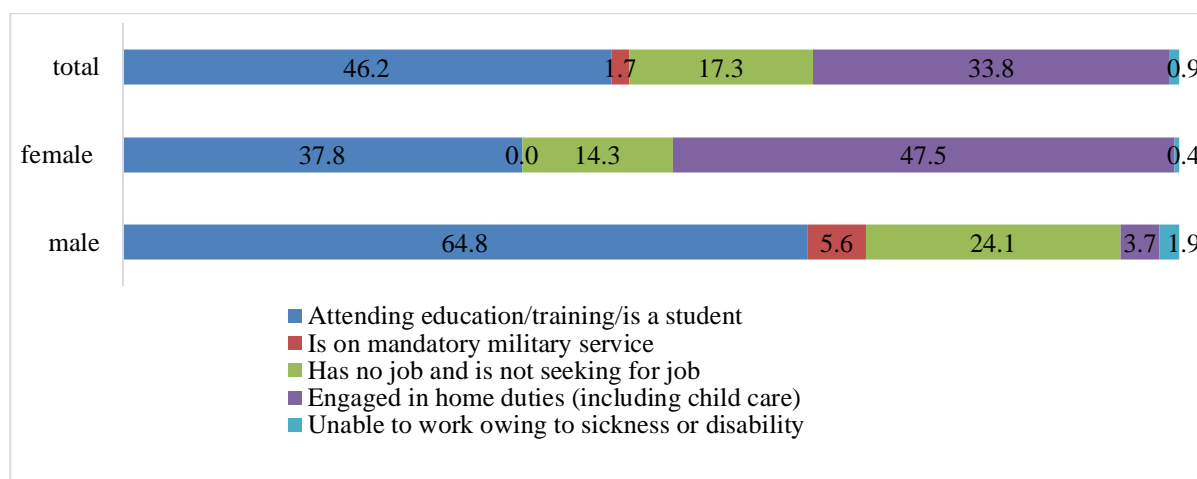
Main occupation status during last 4 weeks of economically inactive youth	Sex		
	Male	Female	Total
Attending education/training/is a student	64.8%	37.8%	46.2%
Is on mandatory military service	5.6%	0.0%	1.7%
Has no job and is not seeking for job	24.1%	14.3%	17.3%
Engaged in home duties (including child care)	3.7%	47.5%	33.8%
Unable to work owing to sickness or disability	1.9%	0.4%	0.9%
Total	100%	100%	100%

Only 0.9% of young people do not work because of illness, injury or disability (see Figure 13). At the same time, strikingly, aside from attending education/training and being engaged in home duties, the most dominant reason for young people to be inactive is their unwillingness to work in

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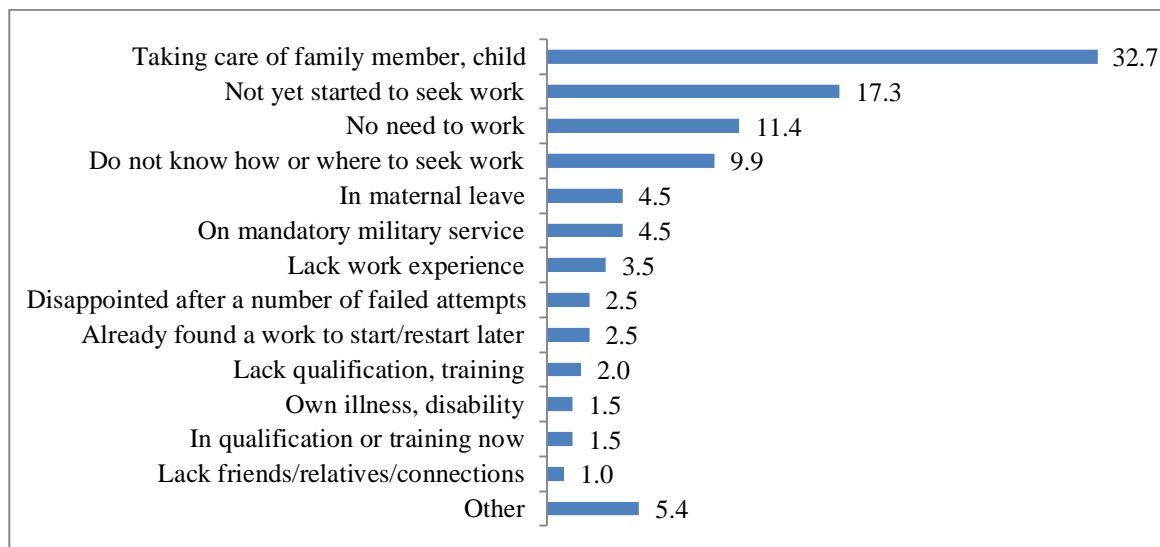
the near future (17.3% of all inactive young people in the sample have no job and are not seeking a job due to a personal choice). Of those who are not currently studying and are economically inactive, around one-quarter or 24% stated that they were not willing to look for work or trying to establish their own business within the coming years (see Annex I Table 7). This allows us to estimate the minimum inactivity rate among Armenian youth in the near future, serving as a measure of the minimal size of the young population who will not supply labour for the production of goods and services, and most probably will stay inactive during upcoming years. This minimum line for young people outside the labour force will stand at a 9% expectancy level.

Figure 14. Occupation status of Inactive Labour by sex (in%)



To analyze more closely the reasons for all those young respondents who did not seek a job during last four weeks, excluding the group of current students engaged in formal education/studies, a question on why they have not taken any steps to find work during the last four weeks was asked (see Figure 15). Again around a total of 33% of economically inactive respondents do not work as they have to take care of the family member, child or are on maternity leave. The gender gap here is obvious (see Annex I Table 8), as all of them are female respondents. Most probably this includes young mothers who not only do not have an opportunity to access pre-school and early care institutions for their children, but also those who traditionally are not allowed to work by other members of the family. This group of females should be specifically addressed by a labour policy to discover those who are available for work, possess education and skills, but have no possibility to organize child care and therefore stayed outside the labour resources.

Figure 15. Reasons for not seeking job (%)



For analytical purposes, we can combine all those respondents who demonstrated open potential or likelihood to get transferred from the inactive to active labour force: those who already found work to start at a later point in time and those who are currently involved in informal qualification or training, but are willing to start work soon. Sadly, this group accounts for only around 4%. On the other hand, there’s a large group of young people who need assistance or “a push” to start actively seeking work: these are respondents saying that they did not yet start doing anything, those who do not know how and where to seek a job and those who lack work experience, connections, education or training. In total, this segment comprises of 33.2% of all inactive youth in the sample. This is the target group open for interventions, the group in need of awareness raising, training and orientation.

The share of so-called discouraged youth, openly stating that they do not seek for work as they were disappointed after several unsuccessful attempts, is relatively low, standing at 2.5% of all inactive respondents. Interestingly, there is a large group of young respondents saying that they simply do not need to work (11.4%), mostly these are young women (65.2% in the group), whose costs and family budgets are managed by their parents or spouses. This finding once again raises alerts for the misuse or waste of education resources on women in case of an absence of support and empowerment for their access to, or transfer from, education to the labour market.

Another indicator presenting the share of young people who are not economically active is the so-called NEET, which is a percentage of the total number of young people who are not in employment, education or training in the corresponding age groups, by gender. In our survey,

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young people in education include those attending part-time or full-time formal education institutions, but exclude those in non-formal education or additional training of short duration. Therefore, in our case NEET youth can be either unemployed or inactive and not involved in education or training. For our sample, the NEET youth comprise 38% of total. Young people who are neither in employment nor in education or training are mostly women (66.2%) and more young people within an older age group (52.5%). All those people are at risk of becoming socially excluded individuals with incomes below the poverty-line and lacking the skills to improve their economic situation. The distribution of NEET youth by age and gender is presented in Table 18.

Table 18. NEET youth by age and gender (in %)

NEET Youth by Age			NEET Youth by Gender		
18-24	25-30	Total	Male	Female	Total
47.52	52.48	100.00	33.85	66.15	100.00

Unemployed youth

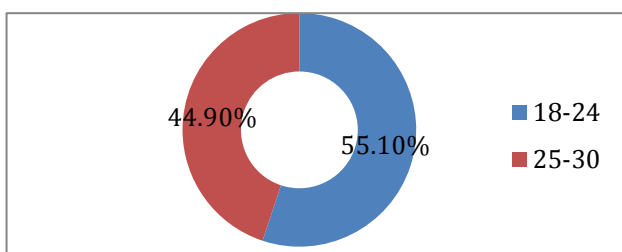
As mentioned in section above, unemployed youth includes all persons aged 18-30 who, during the survey reference period, are: a) without work; b) currently available for work; and c) seeking work. Based on survey results, the youth unemployment as the percentage of the total sample stands at a level of 16.1% (with 17.8% among young men and 14.6% among young women). If we use the strict definition to account only for those who have been making specific steps to find a job during last four weeks, this indicator will decrease by 1.9 percentage points down to 14.2% (see Annex I Table 9). The unemployment rate as a percentage of unemployed youth in the active labour force stands at a level of 27.2% (with 24.3% among young men and 31.4% among young women). The analysis presented below will cover unemployed youth corresponding to a wider definition, relaxing the last four-week period for active work search.

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The distribution by age shows that respondents from the younger age group of 18-24 are more likely to appear in the composition of unemployed youth (see Figure 16, 55.1% and 44.9%, accordingly).

Examining unemployment by level of educational attainment (see Figure 17) confirms that both men and women with a postgraduate education are unlikely to stay unemployed (no unemployed respondents are reported under this group). Female youth unemployment slightly exceeded male rates in group with a vocational education (16.5% of female as opposed to 14.3% of male). Furthermore, it is striking to note the extremely high rates of unemployment for young people with a secondary general education (21.3%). Around one-quarter of young men and around 19% of young women with a secondary education are without work and seeking work. Although overall, young people with a higher education are in the best position regarding finding work (at 13%, their unemployment rate is the lowest), men fare worse than women in this group: approximately 14%

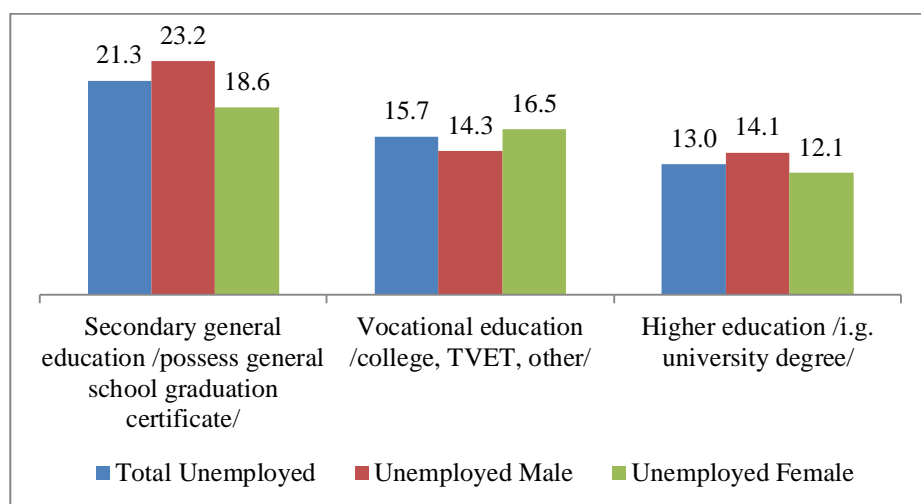
Figure 16. Unemployed Youth by Age



of all young men with higher education are unemployed. Hence, while comparing the rates across the sample by education with the same rates among men and women, it becomes clear that young men with a secondary and higher

education need more assistance in finding jobs, while women with a vocational education are less likely to find work in the labour market.

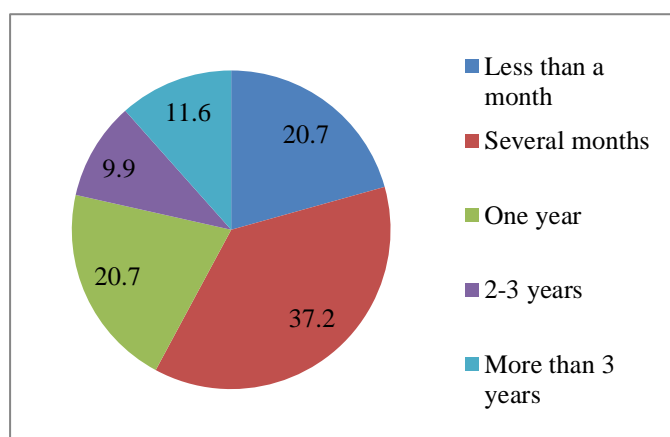
Figure 17. Unemployed youth by educational attainment and sex (in %)



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To examine the duration of unemployment among youth in Armenia, a question asking respondents about how long they have been seeking a job was posed. The survey data shown in Figure 18 indicates that long-term unemployment (a year and more) is widely spread. Every four in ten or 42.2% of young unemployed respondents have been looking for work for more than one year, with 11.6% looking for a job for more than a three year period of time. These figures are alarming, because people staying without work for more than one year are very likely to fall behind the labour market trends with outdated skills and lack of innovative knowledge. In order to get professionally re-trained, these young people will need more support at a social policy level.

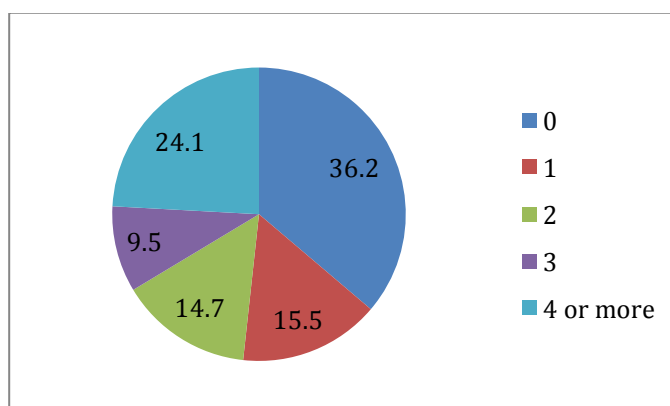
Figure 18. Duration of Unemployment (in %)



Along the same lines, it is significant to understand how often young people were given a chance to apply for a job, even if they had been rejected. Figure 19 illustrates that in more than one-third of the cases, unemployed young people didn't even have a chance to apply for work (36.2% of unemployed applied for job 0 times), though they have been seeking work actively.

Another quarter of respondents on the contrary, applied for work more than 4 times during their unemployment period. The average number of unsuccessful attempts across the sample is 2.8 times with women being less successful than men (the averages are 3.08 and 2.59, respectively). The larger the place of permanent residence of the respondents, the higher the average number of times applied and rejected is (Yerevan - 3.83, other city – 2.9, villages – 2.12, respectively).

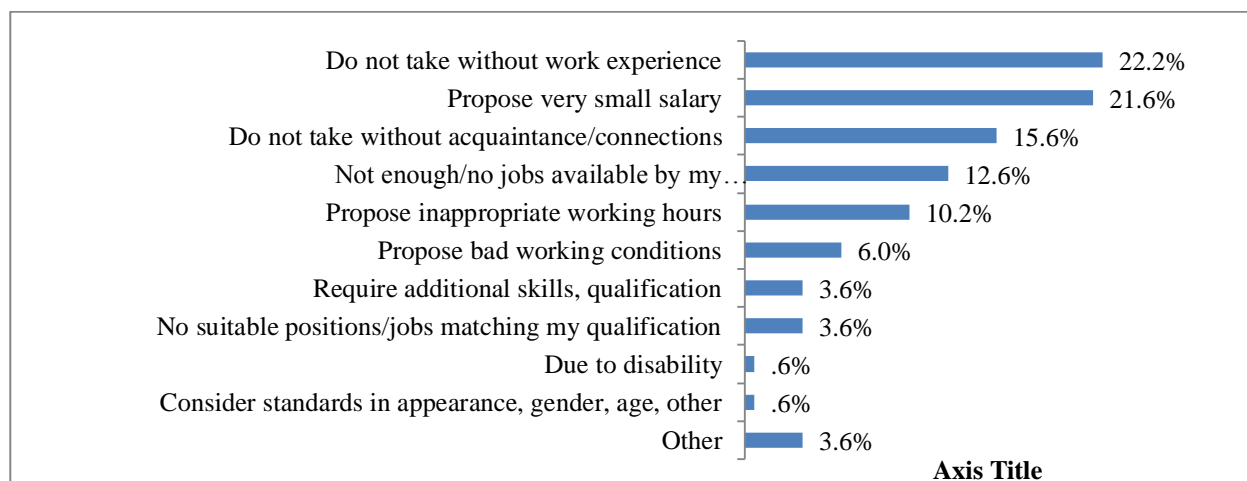
Figure 19. Times applied and was rejected (in%)



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Unemployed respondents were asked to name the reasons for their failure in finding jobs by means of a multiple-response question. The results are presented in Figure 20, which illustrates that the lack of experience, low salaries and lack of connections are among the top 3 subjective justifications for unsuccessful experiences in the labour market. It is worth noting that less than 1% of responses refer to appearance, age or gender considerations; qualification mismatch accounts for around 4% of the answers. For analytical purposes, some of the options might be grouped under demand-side determinants, namely a) the size of the salary, b) lack of jobs in specific professions, c) inappropriate working hours and d) working conditions. While another large group of determinants might be combined under the supply-side, including a) the lack of experience, b) lack of skills and qualifications, c) lack of links and connections of the job-seekers. From this perspective, the demand-side determinants, subjectively defined by unemployed respondents, in total account for more than half of all responses (50.4%), while the supply-side determinants for only 41.4% of responses. The rest of determinants are on cross-board between demand and supply. These figures, in a sense, demonstrate that, even though overall unemployed youth seems to identify the major problem-bearers on the demand-side, around one-quarter of them accepts that they also lack some capacity to access employment and do not overestimate their own value in the labour market. Staggering indicators for a lack of work experience and skills among unemployed point out to the huge need for internships, practical probation work and additional informal training for unemployed youth in Armenia.

Figure 20. Reasons for failure in finding job (% from responses)



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The unemployed respondents were asked to define the minimum level of income per month, below which they would not accept a job. That line across the sample stands at 130.000 AMD with a slight difference in favor of urban salary 132.000 as opposed to 128.000 in rural areas. A gender gap in income distribution is clearly illustrated by the difference in an acceptable minimum level of salary for males and females: the minimum line of expected monthly wage for young women is 1.6 times lower than that of young men (see Table 19).

Table 19. Minimum level of salary per month to accept job (in AMD)

Average for total	Average for Rural	Average for Urban	Average for male	Average for female
130.000	128.000	132.000	164.000	100.000

According to recent statistics, the minimum monthly wage in Armenia stands at 55.000 AMD (113 USD), while the average monthly wage is around 170.000 AMD (352 USD)⁵⁷, which shows that most of the surveyed young women and men are looking for jobs with salary two times higher than minimal and closer to the average amount.

Employed youth

By employment rate, in the framework of the current research, we consider a percentage of respondents in the total sample, who have done any kind of paid work during last four weeks. As already mentioned, the employment rate stands at 43% across the sample.⁵⁸ The survey distinguished several statuses in employment, which are figured out in Table 20. The table shows that almost three-quarters of young employed people surveyed (71.8%) are wage and salaried workers. They compose more than 30% of the total youth in the sample: every third young man in Armenia is a salary employee. The share of so-called vulnerable workers or own-account and self-employed workers is large, with 11.6% among employed youth and 5% in the total sample. The third most common employment status for young people is on-demand paid work with an employer (9.1% of employed youth). Private and enterprise owners comprised a small share of 7.5% of employed young people in the sample.

⁵⁷ <https://tradingeconomics.com/armenia/minimum-wages>

⁵⁸ For comparison purposes, we can refer to the most recent official statistics from the Labour Market in the Republic of Armenia, 2017 Survey, available at the StatCom RA, for the young population aged 15-29, according to which, the employment rate for this segment stands at 33.6% across Armenia, with 22.1% for the age group of 15-24 and 53.4% for the age group of 25-29. Unfortunately, any other age disaggregation is not publicly available to make a relevant comparison with the current survey findings.

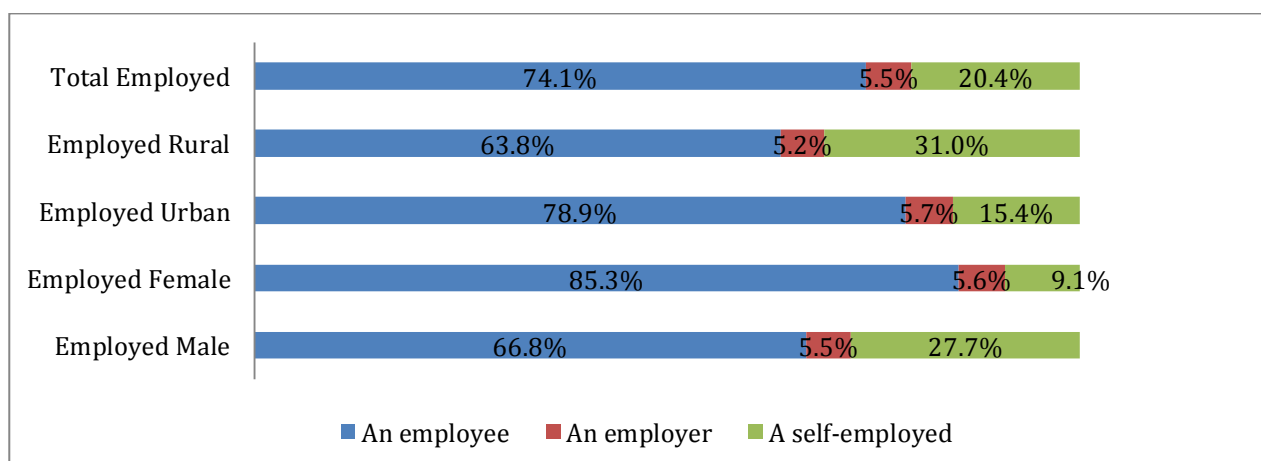
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Table 20. Status in Employment

Status in employment	% of total	% of employed
Works for monthly salary/wage with an employer	30.6	71.8
Works for on-demand payment with an employer	3.9	9.1
Works as self-employed/own-account worker	5	11.6
Is a business owner/entrepreneur/private owner, doing non-employed work	3.2	7.5

For further analysis, we have combined all respondents currently working with an employer for a payment under a larger group of “employees.” The next two groups are defined as employers and self-employed (see Figure 21). Astounding variations exist between the sexes, with one-third more young women than young men being employed by an employer (85.3% and 66.8%, respectively), but around three times fewer are working as self-account workers compared to males (9.1% of women as opposed to 27.7% of men). The urban–rural distinction is particularly highlighted within the employee and self-employed groups, showing that working for wage or on-demand payment for an employer remains more popular in urban areas. Hence, young men and rural youth are more likely to become vulnerable workers. It is interesting to note that in contrast, the share of employers, who most probably cover business owners or top managers doing non-employed work, is nearly equal both by sex and by area of residence (see Figure 21).

Figure 21. Youth by type of current job (in %)



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While examining the legal status of employees, it becomes clear that one in five or 22.7% of employee-respondents do not have any signed contract with their employer (see Table 21). This figure allows us to estimate the approximate share of the “shadow” labour market in Armenia, which is apparently hiding taxes and putting young workers into a vulnerable position without registration of provided services. Interestingly, young males are more likely to get involved in non-contractual relations with an employer than females: 67.2% are without contract among males as opposed to 32.8% among females (see Table 21).

Table 21. Legal Status of Employees by Sex

Legal status of an employee	Male	Female	Total
In contract with an employer	51.0%	49.0%	100.0%
No contract with an employer	67.2%	32.8%	100.0%
Total employees	54.6%	45.4%	100.0%

To estimate employment by sectors of economic activity, the official definitions adopted by StatCom of the RA and elaborated based on the Statistical classification of economic activities in the European Community (NACE 2 typology) have been used by the research team. Overall across the sample, the largest employment sectors for youth in Armenia coincide with the traditional leaders of the post-soviet economy, namely micro-level services, public administration and defense, wholesale and retail. Survey results on the main sectors of employment reveal specific differences between the sexes (see Table 22). The gender gap is obvious especially in the fields of education (being a top sector of employment for young women with 26.6% as opposed to only 2.3% among employed men), and construction, agriculture, where men are more likely to work than women. Females are more likely to be employed in wholesale/retail and healthcare/social services than males. This evidence serves to reaffirm the gender imbalanced professional education, which has been discussed in previous sections.

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Table 22. Youth Employment by Sector

	Total	Male	Female
Micro services /hairdresser, self-employed, maid/	16.5	16.4%	16.8%
Public administration and defense	12.9	15.9%	8.4%
Wholesale and retail	12.9	10.5%	16.8%
Education	11.8	2.3%	26.6%
Construction	8.3	13.6%	-
Agriculture, forest and fish production	6.1	10.0%	-
Telecommunication and IT	5.2	6.8%	2.8%
Healthcare and social support services	4.1	1.4%	8.4%
Processing industry	3.9	5.0%	2.1%
Transportation and vehicles	3.9	5.9%	0.7%
Crafts /shoemaker, tailor, etc./	2.5	2.7%	2.1%
Finances and insurance, real estate activity	3.3	3.2%	3.5%
Culture, entertainment and recreation	1.9	0.9%	3.5%
Tourism	1.7	0.5%	3.5%
Electricity, gas, water supply	1.7	2.7%	-
Other	3.3	2.3%	4.9%
Total	100.0	100.0%	100.0%

Another set of gender differences in employment is presented in Table 23 below. Although more than one-quarter of employed young people are doing jobs which require qualified professional skills, the share among females is two times larger than the share among males. At the same time, the data shows that women traditionally are two times more likely to be found performing administrative and assistant jobs compared to men. Men are more likely to conduct simple and special manual skill jobs, while women are employed in administrative and qualified professional positions. Though young women demonstrate higher educational attainment and are doing more qualified work than young men, they are rarely observed in managerial positions requiring managerial skills. The share of males working at managerial positions is two times larger compared to the share among females. This contradictory tendency is pointing out to gender obstacles

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created by the society for vertical mobility of women at a certain level: young women are restrained from involvement at decision-making and high-ranking positions.

Table 23. Youth Employment by Type of Work

Type of work	Total	Male	Female
Simplest manual skills /such as manual worker/	21.8%	28.6%	11.2%
Special manual skills /such as craftsmen/	13.5%	17.7%	7.0%
Technical skills /such as machinery/	12.1%	14.1%	9.1%
Administrative skills /such as office assistant/	21.5%	15.5%	30.8%
Qualified professional skills /such as doctor,	27.3%	19.5%	39.2%
Managerial skills /such as any management position/	3.9%	4.5%	2.8%
Total	100.0%	100.0%	100.0%

To estimate the satisfaction of youth employed in the Armenian labour market, the respondents were asked to score the level of satisfaction within various dimensions of their current work, using a five-point scale. Surprisingly, the highest score goes to employer's or manager's attitude, which is assessed fairly high (see Table 24). Young people are, more or less, satisfied with the work hours and the workload. Sadly, the lowest estimates are provided for the match between the job and their professional capabilities, as well as for a lack of potential in professional and career growth.

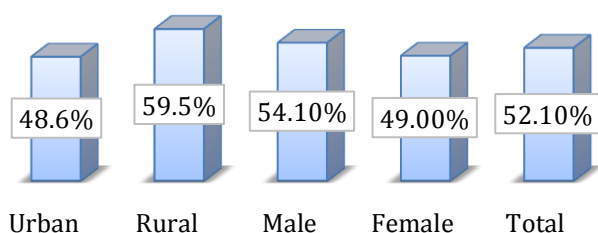
Table 24. Job Satisfaction Scores

Estimate of satisfaction with	Average score	Std. Deviation
Salary/income	3.21	1.141
Work hours	3.67	1.132
Work load	3.39	1.243
Match to professional capabilities	3.02	1.642
Employer's/manager's attitude	4.33	1.099
Professional growth/career potential	3.12	1.489

Overall, more than half of respondents are ready to change their job if given a chance, which shows that they are not fully satisfied by their employers. Moreover, men are more willing to get another job than women, and youth in rural areas are more willing to change work (see Figure 22).

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Figure 22. Willingness to change job if given a chance by residence and sex (%).

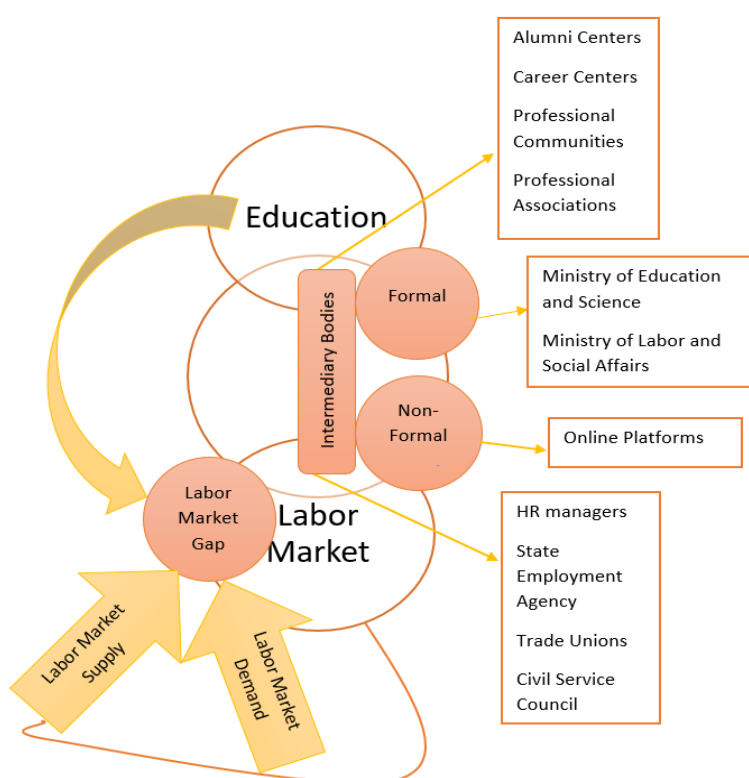


QUALIFICATIONS MISMATCH AND SKILLS GAP IN THE ARMENIAN LABOUR MARKET

Overall Trends

Based on research results and expert opinions, an overview of the demand-supply chain linking the labour market and education has been elaborated. The diagram presented below (see Figure 23) summarizes the experts’ mapping of the demand-supply chain in the labour market with core elements and intermediaries. As illustrated, the main challenge is the lack of facilitation on the buffer zone between the labour force moving from education institutions towards the employment sector, which should have contributed to filling in the gaps and ensuring a better link between demand and supply.

Figure 23. Demand-Supply Chain in Armenian Labour Market





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A lack of direct cooperation between educational institutions and the labour market has been defined by experts as the main challenge in the chain. The demand-supply qualification mismatch is among major issues in the labour market operating chain. According to the experts, the employers openly blame the educational system as it does not provide highly qualified specialists fitting the needs of the labour market. On the other hand, the educational institutions place the blame on the employers who are not actively involved in the management of education, are not eager to co-fund syllabus preparation, organizing internships or the provision of practical skills to the students. Although various forums, conferences, discussions for the main players are being organized, there is a need for strategic changes and a broadening of frames of cooperation. The interlink between the education and labour market is mostly one-sided and direct. It lacks regulation through facilitating bodies, i.e. state and non-state employment agencies, alumni and career centers, etc. Moreover, the feedback from the labour market is also problematic not only because of the unwillingness of employers to intervene, but also because of their inability to self-assess the sector needs and predict basic changes in the characteristics of an employee they would like to hire in the future. Although the problems cannot be solved by simply scaling up career centers or professional orientation agencies, the effectively functioning intermediary bodies would greatly contribute to the mitigation of labour market gaps. Access to the labour market should be facilitated through channels of state and not-state regulations in order to improve the demand-supply chain.

According to the experts, during recent years, the State Employment Office encompasses a wide range of initiatives, for example job 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. It 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 of 2017–2020. In the VET sector, social dialogue is well defined in the official documents, as well as the participation of social partners in working groups and advisory



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boards, such as Sector Skills Councils. Social partners' representatives participate in the meetings of the National Council for VET, which has a tripartite structure. Sector Skills Councils are involved in the approval and validation of qualification standards. Further, the parties of the social partnership agreement, 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 organized at both the central and local levels, and appoint their representatives to the Sector Skills Councils. The importance of career guidance is becoming increasingly recognized, and since 2013, a network of career guidance services has 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 (MoLSA). In 2015–2016, the Centre began its analysis of vacancies published in a wide range of web portals and is improving its capacity. 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 MoES has been developing a model and implementation plan for a sector-wide VET planning and management system. The Law on Employment, adopted in 2014, gave a strong impetus to an active labour market policy.⁵⁹ Hence, though the State Employment Agency implemented a wide range of dynamic labour market programmes, including new activation measures for specific economic sectors and the Government has further adopted a new monitoring system and indicators for employment programmes, the effectiveness of facilitation in the supply-demand match is still far from what is desired.

The survey tried to track some of facilitation agents by means of questions about the job seeking and job finding channels. Figures 24 and 25 illustrate specific differences between the channels that are most widely used by people seeking jobs and those that had been successfully adopted while finding jobs. The data comes to prove the implication about a lack of facilitation in the labour market demand-supply chain: the most popular way both to seek and find jobs is by directly applying to employers for work without any third-parties. Interestingly, the non-formal assistance of friends and relatives is in top 3 of channels for access to the labour market with one-fifth of unemployed and around one-fifth of those who found jobs, using this channel. Though a smaller number of the unemployed are working as interns or doing probation work to find a job (4% of unemployed respondents), this channel is rather productive, and the share of people getting

⁵⁹ Education, Training and Employment Developments: Armenia 2016, European Training Foundation, 2017



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employment through it stands at 9% level. It allows us to once again conclude that internships and probation work are a good path forward in transfer from unemployment to work in the Armenian labour market. Disappointingly, the state employment office and other state support agencies are not taken seriously by unemployed young people: only around 4% of them are seeking jobs through respective official registration and application. It is worth noting, that the evidence from the survey reveals extremely low success of the State Employment Office in job facilitation: less than 0.5% of employed young people found work through state support channels. A slightly higher percentage of young people are registering at non-state employment offices, though the indicator is still low standing at around 5%, with less than 0.5% succeeding in actually finding work.



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Figure 24. Job seeking channels (in % from unemployed).

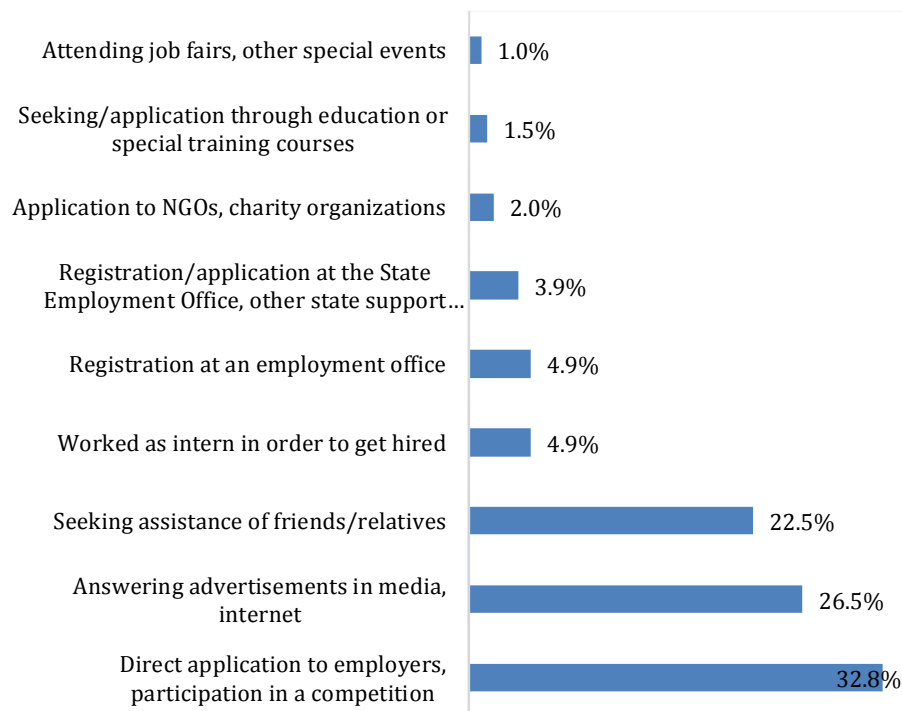
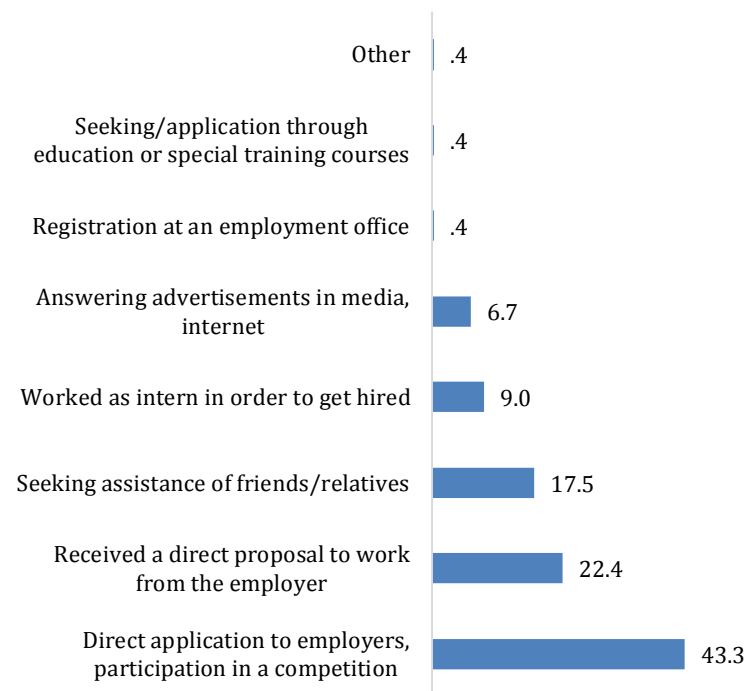


Figure 25. Job finding channels (in % from employed)



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The facilitation gap in the labour market chain linking the young active labour force to employers is compelling and requires a dedicated and holistic analysis in order to move forward. In this context, survey data may be useful to illustrate the qualification mismatch on the level of educational attainment and professional skills. For this purpose we've used the approach developed by ILO experts⁶⁰ to link the data on education to the data on occupational skills, applying the normative measures of occupational skills categories from the International Standard Classification of Occupations (ISCO) developed by the ILO. Workers with the assigned level of education are considered to have a well-matched occupation requiring a corresponding level of skills (see Table 25 for the matching). Respondents who have a higher level of education than defined by the standards of occupational groups are considered overeducated and those with a lower level of education are considered undereducated. For instance, a university graduate working at a low-skilled occupation is overeducated, while a secondary school graduate working as a high-skilled professional is undereducated.

Table 25. ISCO Major Groups of Skills and Education Levels

Education Level	Occupational skills group
No schooling	Simplest manual skills /such as manual worker/
Elementary or basic school education	
Secondary general education	Simplest manual skills /such as manual worker/ Special manual skills /such as craftsmen/
Vocational education	Technical skills /such as machinery/ Administrative skills /such as office assistant/
Higher education /i.g. university degree/ Post-graduate studies (candidate of sciences, PhD, etc.)	Qualified professional skills /such as doctor, economist/ Managerial skills /any management position/

The results of the surveyed youth in Armenia indicate that only around a half of young workers are in occupations that match their level of education (53.7%) compared to workers who work in occupations for which they are overeducated (33.6%) or undereducated (12.7 %) (see Figure 26).

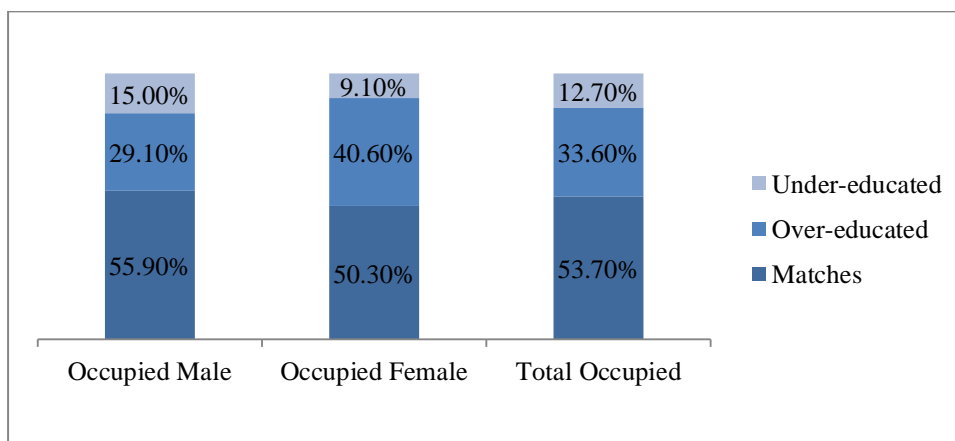
⁶⁰ Serrier Nicolas, Labour Market Transitions of young women and men in Armenia, ILO, Youth Employment Programme, Employment Policy Department. - Geneva: ILO, 2014, pp. 32-34

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This qualification mismatch becomes more pronounced while examining the distribution within sex groups. Overall, young male workers are slightly more well-matched, than young female workers (55.9% and 50.3%, respectively). At the same time, there are more overeducated workers among women respondents than among men and vice versa, young men are more undereducated than young women. The tendency of over-education might be explained by the overall high educational attainment level of youth in Armenia, given that more than half of all youth in Armenia have a higher education level.

This mismatch forces youth to take up available work that they are overqualified to perform. Besides, there is evidence showing that more than half or 53.8% of young occupied people with a higher education are overeducated compared to the skills required by their job type (see Annex I Table 10). Clearly, there is a need to put more effort into TVET enforcement and engaging more youth to gain TVET level education, this is especially crucial for young women (more than two-fifths of all occupied women are overeducated). Expert interviews also came to confirm this finding: according to the experts, TVET education is not considered as valuable and its potential is not fully realized both in terms of demand and supply, i.e. on the one hand, the youth is not motivated to study in vocational educational institutions, and on the other hand, the employers themselves do not perceive the whole range of activities of TVETs.

Figure 26 . Qualification mismatch by sex (in % from).



The distribution of overeducated and undereducated occupied youth by sectors of economic activity is presented in Table 26. Qualification mismatch is mostly expressed in the sectors of wholesale/retail (where more than half of occupied youth are overeducated), the processing industry (where 42.2% are overeducated) and electricity/gas/water supply (with skewness both towards over- and under-education).

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Table 26. Qualification mismatch in sectors of economic activity (% of occupied)

	Matches	Overeducated	Undereducated	Total
Public administration and defense	40.4%	36.2%	23.4%	100.0%
Education	79.1%	16.3%	4.7%	100.0%
Healthcare and social support services	66.7%	20.0%	13.3%	100.0%
Culture, entertainment and recreation	57.1%	28.6%	14.3%	100.0%
Tourism	0.0%	100.0%	0.0%	100.0%
Other micro level services	40.0%	45.0%	15.0%	100.0%
Crafts /shoemaker, tailor, etc./	66.7%	22.2%	11.1%	100.0%
Agriculture, forest and fish production	77.3%	22.7%	0.0%	100.0%
Processing industry	35.7%	42.9%	21.4%	100.0%
Electricity, gas, water supply	33.3%	33.3%	33.3%	100.0%
Construction	80.0%	20.0%	0.0%	100.0%
Wholesale and retail	38.3%	51.1%	10.6%	100.0%
Transportation and vehicles	42.9%	21.4%	35.7%	100.0%
Telecommunication and IT	68.4%	21.1%	10.5%	100.0%
Finances and insurance, real estate activity	75.0%	25.0%	0.0%	100.0%
Other	33.3%	41.7%	25.0%	100.0%
Total occupied	53.7%	33.6%	12.7%	100.0%

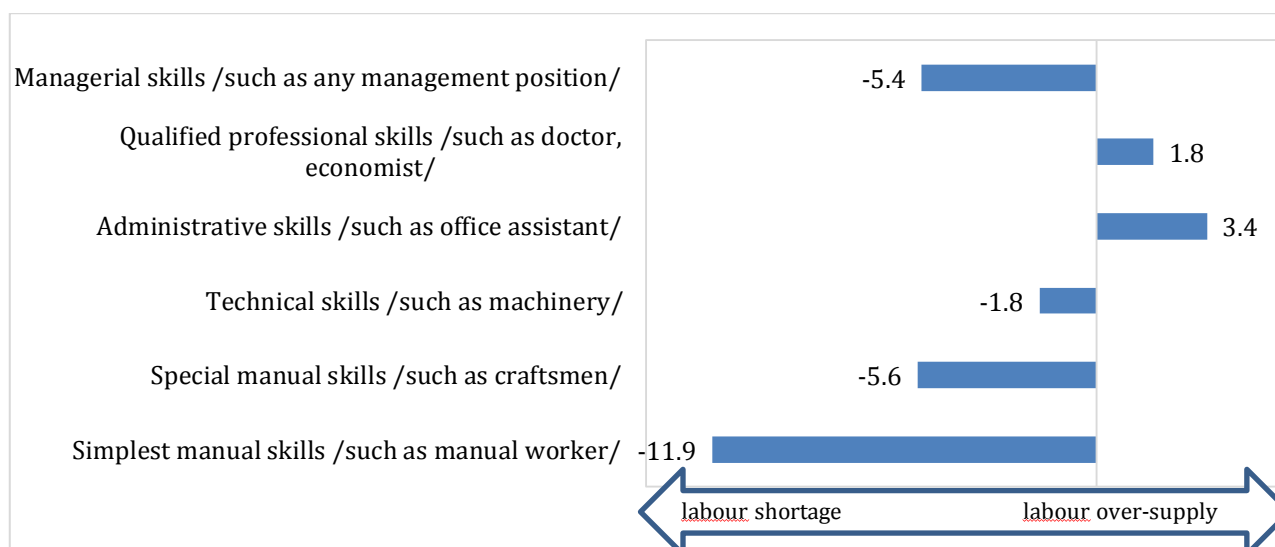
Another way to demonstrate the gap in the demand-supply chain, is to compare the occupations for which unemployed youth are most likely to apply and those held by employed youth.⁶¹ The occupational distribution of surveyed working youth can be taken as an indication of the demand for young labour, while the distribution of types of jobs in search by unemployed youth can be taken as an indication of the supply-side of the labour market. Figure 27 illustrates the results of comparing the two sides to identify possible supply and demand mismatches. Bars to the right with positive values denote skill groups with a possible oversupply of labour; conversely, bars to the left

⁶¹ Serrier Nicolas, Labour Market Transitions of young women and men in Armenia, ILO, Youth Employment Programme, Employment Policy Department. - Geneva: ILO, 2014, pp. 36-37.

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with negative values denote skill groups with a possible shortage of labour. Given the high level of educational attainment among youth in Armenia, naturally the most pronounced shortage is revealed in groups of simplest manual and special manual skill jobs, while the qualified professional and administrative market is oversupplied (with indicators of 1.8 and 3.4 percentage points, accordingly). In terms of skill transfer, the most interesting indicator is revealed for the shortage in managerial skills (standing at -5.4 percentage points). The shortage of young professionals with managerial skills puts learning and training in management and public administration among the most in-demand fields of education.

Figure 27. Scenarios of shortage or oversupply of labour (in percentage points)



Along the same lines, it is interesting to compare the most in-demand fields of work defined by young people with those provided by the experts. During expert interviews, most of the specialists in the field emphasized that often decisions young people made about their future professional career resulted from family pressure and stereotypes rather than the predictability of the workforce and close analysis of the market demand. Hence, students in Armenia often make career choices based on the most popular career among their peers. There is a need to improve and scale-up the mechanisms of professional orientation at the level of transition from school to the labour market. Young people often become unable to understand the changing needs of the market because of the unavailability/inaccessibility of respective sources. As a result, they face serious challenges during the transition to employment and pursuing decent career paths in Armenia. Table 27 combines the top 7 in-demand jobs named by respondents for their communities based on their personal experience (for detailed distribution see Annex I Chart I)

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and by experts for the Armenian market in general. The table shows that though there are some differences in prioritization, in the respondents' opinion overall, it is easier to find manual and technical skill occupations, especially in retail and service delivery, while the experts put more emphasis on managerial, marketing, tourism and engineering, where the need for professional education and hard skills is explicit.

Table 27. Top 7 In-demand Jobs: Respondents Versus Experts

PRIORITY	TOP SEVEN IN-DEMAND JOBS BY RESPONDENTS	TOP SEVEN BY EXPERTS
1.	Trade, sales specialist, product specialist, delivery services	Engineering, IT
2.	Micro Services (hairdressing, massage, cleaning and other)	Tourism
3.	Construction work, worker	Services
4.	Agriculture, farming	Logistics
5.	Engineering, IT	Marketing
6.	Education, pedagogy	Management
7.	Food, restaurant services	Agriculture, farming

The gap between the education supply and labour market demand is determined not only by the mismatch between directions of professional education, but also by its quality and relevance. Hence, another indicator of qualification mismatch in the survey is the personal estimation provided by the respondents for the quality of education they have received and its compliance with employers' requirements. Both currently occupied and currently studying respondents were asked to what extent the knowledge and the skills obtained at educational institutions match the employer's/job and labour market requirements (see Annex I Tables 11-16). Table 28 combines the data about the overall usefulness of the theoretical knowledge, hard and soft skills provided by educational institutions to current students and current young employees for the labour market. The data reveals that overall, for young people currently in study, the knowledge and skills obtained seem to be of more value, than for young people who are employed. Particularly, TVET level students are especially fond of the theoretical knowledge and hard skills they obtain at educational institutions, with only around 7% saying that the soft skills they receive do not match labour market requirements. The rest of the education stock is assessed as useful. HEI students

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demonstrate a higher level of dissatisfaction with the knowledge and skills they receive compared to TVET students.

However, the picture drastically changes when comparing the data for respondents who are already occupied in the labour market. More than half of currently employed young people with a vocational and tertiary education level consider both the theoretical knowledge and hard skills obtained absolutely or mostly useless for their current job. Moreover, it becomes clear that those with a higher education are in a better situation than those with a TVET level. Interestingly, around 13.9% of all current students surveyed and 18.1% of all employed young respondents stated that they did not obtain any soft skills at all, including general practical skills in communication, negotiations, analytics, leadership, etc. This finding explicitly demonstrates the need for a review and upgrade of curricula and learning courses with special emphasis on hard and soft skills in-demand.

Table 28. Usefulness of Knowledge and Skills for Labour Market (in %)

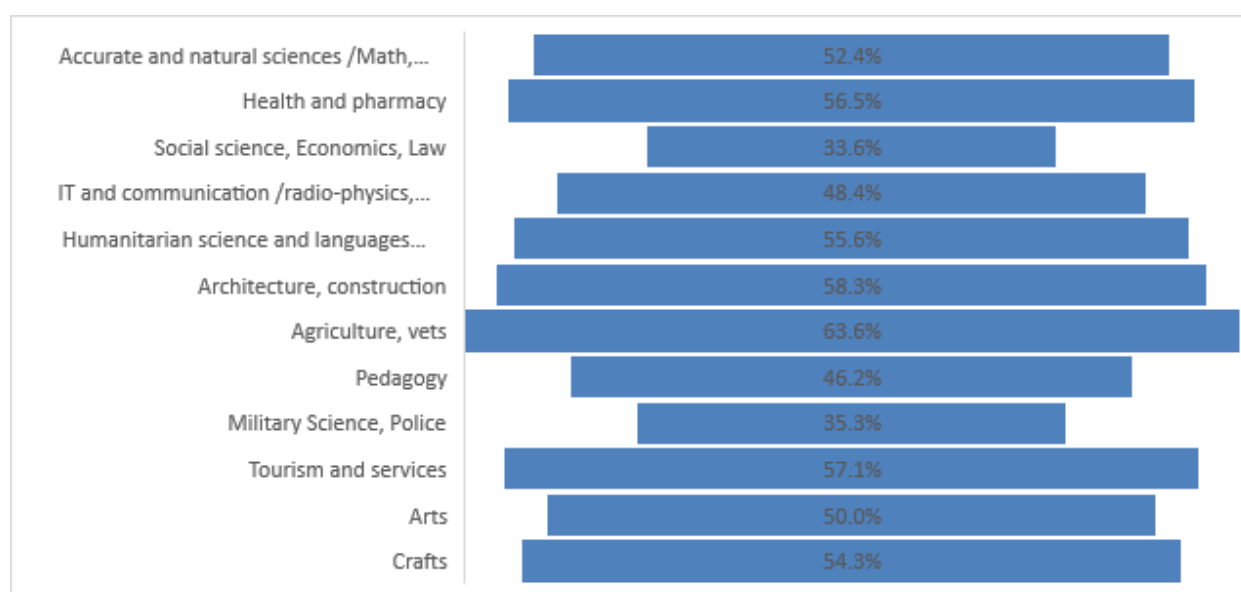
Obtained educational stock	Absolutely and Mostly Useless for Current students (% of current students in education groups)			Absolutely and Mostly Useless for Currently Employed (% of currently employed in education groups)		
	TVET	HEI	Total	TVET	HEI	Total
Theoretical knowledge	0.0	8.2	8.2	53.8	35.4	41.0
Hard Skills	0.0	17.5	15.9	59.6	37.4	43.0
Soft Skills	6.7	8.3	8.9	37.2	24.4	28.5

In this regard, it is important to note that transversal skills that are typically considered as not specifically related to a particular job, task, academic discipline or area of knowledge and that can be used in a wide variety of situations and work settings, are not well-imbedded into formal education frameworks. For instance, the skill of self-presentation, such as CV or reference letter writing, job recruitment and competence interview skills were obtained by less than half of surveyed youth at educational institutions. Though there is no significant relationship between the level of educational attainment and the provision of knowledge and skills for self-presentation and job recruitment, the lack of skills for job recruitment is especially pronounced at the level of

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secondary and post-graduate education (see Annex I Table 18). There are some professional fields of study which significantly lack a focus on self-presentation skills, such as agriculture/vets, architectures/construction, tourism and services (see Figure 28). To some extent, this tendency reduces the job opportunities of young people with respective education levels and professional studies in the labour market.

Figure 28. Did the educational institution provide you with necessary knowledge and skills for job recruitment, such as CV writing skills, reference or letter of interest writing skills, competence interview skills? by professional education field (in %)

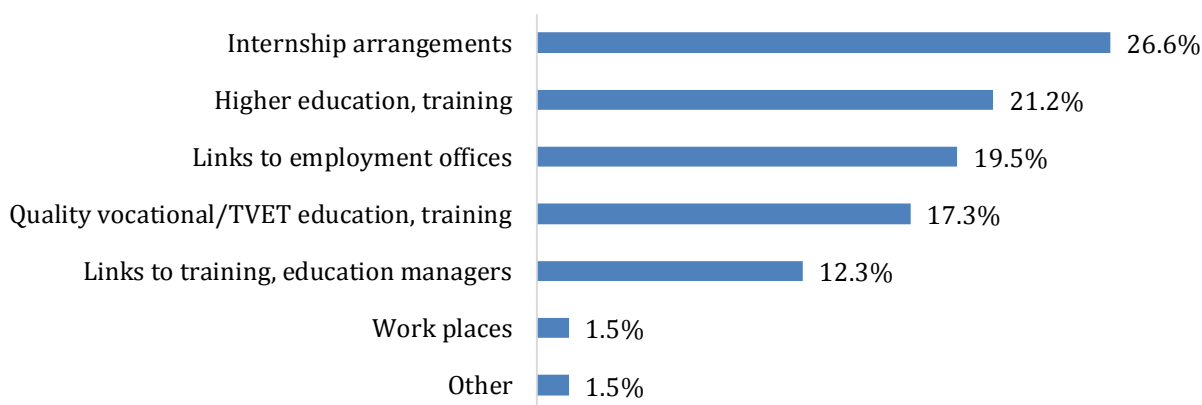


Based on expert assessment, the sphere of non-formal education is developing in parallel to formal education. The youth understands the effectiveness of short-term programs in the changing world and participates more actively in various programs and trainings. Complex trainings are funded by international donors, most of which usually have follow-ups, systemic thinking development and transversal skills provision. As already mentioned in other sections of the report, the share of young people with non-formal or additional education is not high: around one-third of surveyed youth were involved in trainings and qualification support programs. However, more than half of participants stated that non-formal or additional education provided them with knowledge and skills more suitable for their jobs than formal education. Moreover, non-formal education is especially useful and suits job requirements of participants with a TVET education level: 84% of training participants with a vocational and tertiary level of education considered them more useful than those obtained in formal education institutions (see Annex I Table 17). Moreover, while

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asked about the assistance or support that young people need in Armenia to improve their opportunities in the labour market, internship arrangements (26.6% of responses) and additional education and trainings at a higher education level (21.2%) and at TVET/vocational education level (17.3% of responses) were most popular among the surveyed respondents. Besides, young people need support to get connected to employment offices and training/education managers (see Figure 29).

Figure 29. Needs to improve labour opportunities (% of responses)



The above-mentioned findings come to support the need for more investment and efforts to be inputted into additional and non-formal education for youth in Armenia. Consequently, the survey allowed for the revealing of the share of those who are willing to get involved in training courses and their interest towards particular training courses. Figure 30 shows that every second respondent is willing to participate in additional training or qualification courses. There is also an interest towards support and training to start business or entrepreneurial activity. Nearly half of the young people surveyed are willing to get support and training in business (see Figure 31).

Figure 30 Willingness to Participate in Additional Training or Courses (in %)

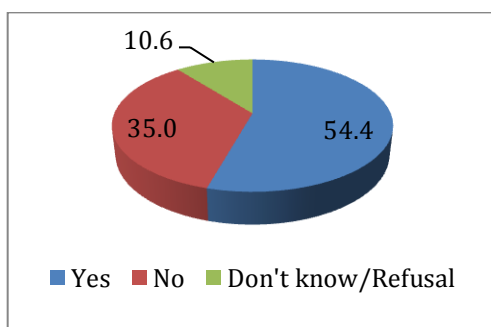
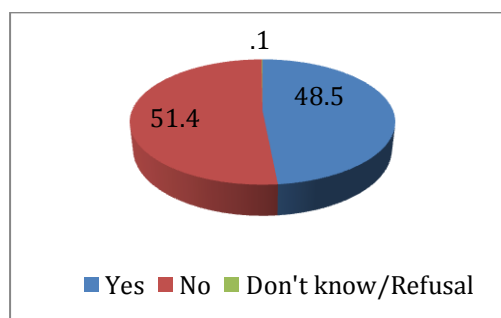


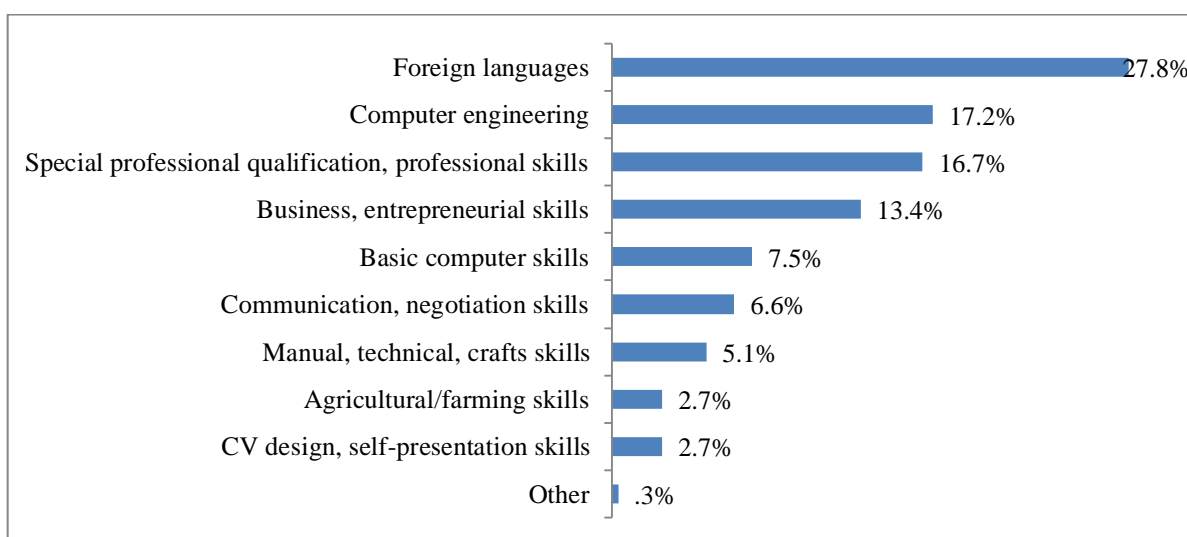
Figure 31 Needs for Entrepreneurial Skills Training or Support (in %)



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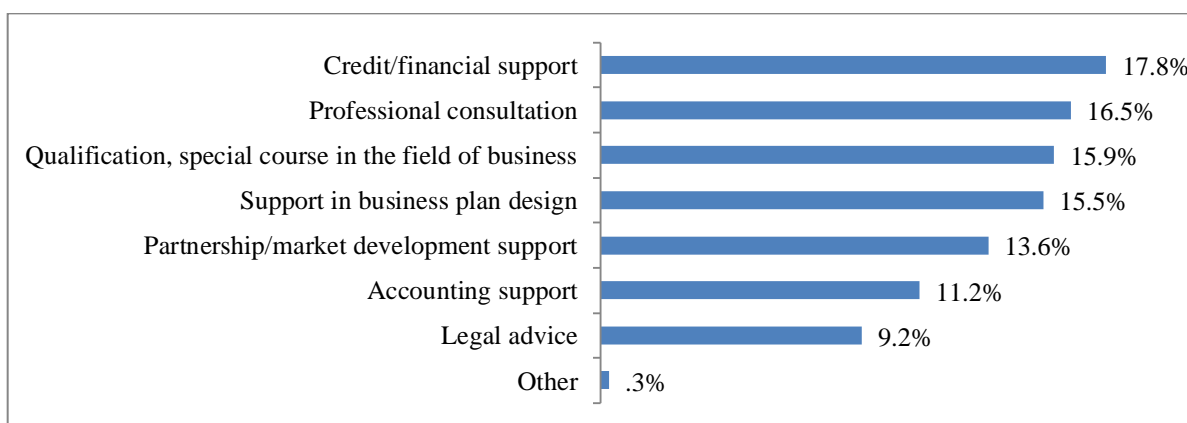
Foreign languages, computer engineering, special professional qualification courses with hard skills, business, entrepreneurial and basic computer skills are the top five interests of youth in Armenia (see Figure 32).

Figure 32. Needs for Additional Training or Courses (in % from responses)



More specifically, in order to start or to develop entrepreneurial activity the youth is looking forward to the special skills or support presented in Figure 33, such as credit and financial support, professional consultation, etc.

Figure 33. Needs for Support or Additional Training and Courses to Start Entrepreneurial Activity (in % from responses)





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Labour Demand in the IT sector

In 2000, the Government of Armenia declared the IT sector a priority in the development of the Armenian economy and followed up with a number of specific actions. In 2000, the Union for Information Technology Enterprises⁶² was established to protect the rights of the sector's companies and to promote business. In 2002, the Government of Armenia and the WB established the Enterprise Incubator Foundation⁶³ to support the development of the information technology industry in Armenia. Then, in 2008, the Government adopted a new ten-year industry development strategy, the main goal of which was to build a developed information society in Armenia, make Armenia part of the global network of knowledge creation, and form a strong and advanced information technology sector.⁶⁴

Based on the most recent data, although nearly 90% of IT companies were founded during the time period of 2000-2017, in this short term, the industry has seen an increase in the number of local start-ups and foreign company branches. The law, along with respective amendments to the tax legislation, defined tax privileges for newly established and start-up entities, including a zero-percent profit tax rate and a 10% income tax rate. In 2017, the number of actively operating ICT companies reached almost 650 (800, if we include start-ups), which indicates that an annual growth rate of more than 10 % was maintained.⁶⁵

The growing importance of the software development sector's role in the Armenian economy is confirmed by basic economic indicators. Hence, in 2017, the total turnover of the Armenian Software and Services sector amounted to around 612.7 million USD, indicating an average annual growth of 20%. The average annual growth in the industry amounted to 29.8% from 2010 through 2017.⁶⁶ The industry's share in total exports increased from 8% in 2010 to 16% in 2017,⁶⁷ with a focus on the expansion and development of export-oriented businesses.

Though the main companies are concentrated in Yerevan, the number of companies operating in two other regions of Armenia has increased from year to year due to the development of

⁶² More detailed: <http://uite.org/>

⁶³ More detailed: <http://www.eif.am/>

⁶⁴ State of the Industry Report: Information and Telecommunication Technologies Sector in Armenia, Enterprise Incubator Foundation, 2017

⁶⁵ Ibid

⁶⁶ Ibid

⁶⁷ Based on export indicators of 2015 (data from the Central Bank of the Republic of Armenia)



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educational and scientific infrastructure, such as the Gyumri Technology Center⁶⁸ (opened in September 2014), the Vanadzor Technology Center⁶⁹ (opened in October 2016), the TUMO Center for Creative Technologies⁷⁰ (opened in 2011, providing 12-18 years-old students with extracurricular education in digital media).

During the 2016-2017 academic year, a total of 7,352 students – or 9% of the total student population at all Armenian universities – were enrolled in departments related to informational and high-tech specializations. Armenian ICT companies mainly specialize in embedded software development, semiconductor design, customized software, outsourcing, financial software, multimedia, web design, information systems, and system integration.⁷¹

The number of workers employed in the IT sector reached 15,350 in 2017, which reflects an increase of approximately 21% compared to 2015. Therefore, this sector is extremely important in terms of the development and balancing of the Armenian labour market. It not only creates vast opportunities for the youth in Armenia to get well-paid jobs, but also provides good potential for self-development and an emerging career. For instance, among local companies, the average monthly salary of a junior technical specialist amounts 300-400 USD, while the salary of a senior specialist may be as high as 3,500 USD. Foreign-owned companies pay technical specialists up to 3,500 USD.⁷² Moreover, the combined annual salary growth rate was calculated at 2% for foreign-share companies, and reached 49,735 USD per employee (with 30,483 USD for local companies).

Given this context, the research focused on the demand side of IT labour market, tackling the main needs of and feedback from the employers in the field. A total of 24⁷³ representatives aged 24-55 (8 male and 16 female key informants at respective positions with an average of 11 years work experience in the field) at large IT companies, of which 12 local and 12 foreign branches, have been targeted by the research team. The average number of years in the market for the companies is 12 years, with start-ups having less than one year experience and large foreign companies with more than 30 years in the market.

⁶⁸ More detailed: <http://gtc.am/>

⁶⁹ More detailed: <http://vtc.am/>

⁷⁰ More detailed: <https://tumo.org/>

⁷¹ Source: <https://www.export.gov/article?id=Armenia-information-technology>

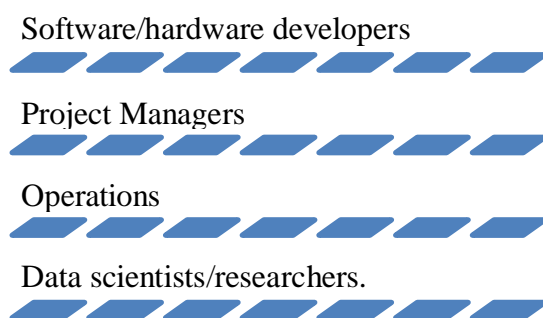
⁷² State of the Industry Report: Information and Telecommunication Technologies Sector in Armenia, Enterprise Incubator Foundation, 2017

⁷³ For detail on selection see Methodology section and for the full list of companies Annex 3.



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Some features of organization profiles allowed to confirm the overall positive dynamics in the IT labour market, as most of the companies (19 of 24 surveyed) have increased the number of paid workers during 2018 in comparison to the last year (in average, the growth for the surveyed companies is 6.2%, with a maximum growth of 50%).⁷⁴ The top 4 most widely spread jobs in the IT sector, where majority of specialists are currently employed at surveyed companies, starting from the most popular, are presented below:



The KII results, allow us to come up with some predictions for the sector. First of all, all of the surveyed companies stated that they were planning to hire new employees during next 3-4 years, which once again illustrates the vast potential for youth employment in IT. The in-demand specialists for the IT sector, starting from the most to the least prioritized, are listed below, based on the KII results:

⁷⁴ This data is statistically non-significant and is generated to describe the profile of the qualitative sample of the research only.

Table 29. In-Demand Jobs for It Sector

TYPE OF JOB IN DEMAND FOR IT SECTOR	PRIORITY LEVEL
Front End Developer	1
Backend Developer	1
Hardware and automation engineers	2
Mobile Developer	3
Automation QA Engineer	4
Manual QA Engineer	5
Project Manager	6
UI/UX Developers	7
Database developer	8
Technician-installers	9
Dev-Ops Engineer	10
3D Modelers	11
Agile/Scrum Master	11
Data scientist	12
Artificial Intelligence Scientist	12
Control automation	13
IT marketing	14

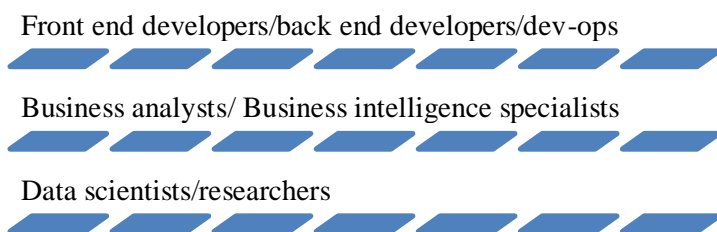
At the same time, IT companies are, for the most part, not planning to hire young specialists with a technical and vocational education (only 6 out of 24 key informants mentioned that they were open to recruit youth with medium special level of education). In their words, there is a large supply of professionals with a higher education and if making a choice between higher and TVET levels, most probably, companies would prefer the first one. On the other hand, there is an underestimation and serious concern about the quality of the TVET level of IT education. Most of the companies do not even consider young people with less than a higher education level to fit the IT sector requirements. Moreover, when asked to talk about specific specialists with a technical and vocational education they need to hire at the company, employers named simple types of jobs indirectly linked to IT, such as work at the call-center, technical support specialists, technicians to support in-house cable repair, sales specialists, and only two of the



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key informants mentioned job opportunities for engineers and network administrators with a TVET level of education.

20 out of 24 surveyed companies experienced serious obstacles in finding and engaging young employees who meet their requirements. The situation is especially difficult for branches of foreign enterprises, as in 11 cases of 12, the key informants talked about a serious qualification mismatch and lack of skills among young specialists and particularly at entry level jobs. The most difficult to fill vacancies to fit the company standards are mostly at senior level positions which require at least one-year experience. Based on the summary of employers’ responses, the prediction of deficit vacancies for upcoming years is presented shortly below (the full list is presented in Annex I Table 18):



The gender dimension of job recruitment in the IT sector is not considered to be a major factor for the employing companies. Most of the companies reported that they never had gender related requirements while hiring for jobs. The distribution of current employees by sex comes to confirm employers’ opinion, as in average, the share of female employees at surveyed IT companies stands at 41.1%, with a minimum share of 18.8% and a maximum of 63.3%. In one-quarter of 24 companies (or in 6 cases) the female to male ratio is equal with half female and half male employees. The same tendency is explored during the FGDs with recent IT graduates and other young people searching for jobs in IT sector. Most of them said that the most dominant factor for recruitment is knowledge. This is especially true for large companies, but some gender imbalance in favor of men shows up at small-sized companies or startups. In some cases, if the chances of women and men are equal in matching the job requirements, unmarried young women without children are taken as the last option, as there is “a risk” of getting married and going on a maternity leave. At the same time, the youngest male candidates are usually assessed in terms of obligations of mandatory military service. Hence, widely speaking, the chances of the youngest candidates both women and men are less than those of the adult group of the youth.



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“This is a dynamically developing company and recruitment is essentially important for us. The top priority for us is hiring qualified professional staff: there is no discrimination by age or sex.”

KII with HR manager at an IT company

“...Though there is now some sex imbalance at our company (more male employees), this is due to the fact that there are many female employees in maternal leave right now. But for our company it is very important to ensure gender balanced recruitment and we always tend to have equal number of male and female employees.”

KII with Talent Service Specialist at an IT company

“...I noticed that right now at the company where I’m working they are searching for specialists, and they are assessing only the personal capabilities, despite of being male or female.”

FGD, 23 years-old female, IT graduates HEI, Yerevan

“In my opinion, the employers are looking at professionalism, they take those who are better: if it is a man, then they hire a man, if it is a woman, they hire a woman. For example, at our company the developers are both men and women, but for example, the girls are better in UI/UX and in design, but I have never witnessed any discrimination. Maybe there is something like that at some places, but not too many”

FGD, 24 years-old male, IT graduates HEI, Yerevan

*“-Sure there are stereotypes, that this is a masculine job and that one is feminine, but not in IT...
-Yeah, right. There are not in IT.*

-I’ve never faced. I know both from my experience and from my brother’s, the gender is not important, the knowledge is important...”

-Let’s imagine there are two candidates: a woman and a man. I’m quite sure that it is more likely that they will hire a man...Simply because the girls should get married one day and have a baby and should go to maternity leave. This can become a factor in favor of men.

-Right, but from this perspective, young males also are disadvantaged, because they are supposed to go to the army.

FGD, IT graduates, Gyumri, Shirak province

While comparing the knowledge and skills provided to young people with a higher and TVET education in IT, it becomes obvious that both are not in line with employer’s standards, especially in terms of the provision of hard skills (see Table 30). In the employers’ opinion, a TVET IT education does not provide any hard and soft skill fitting job requirements. A higher education is also far from the standards of employing companies in regard to the theoretical knowledge and skills provided. Each second employer considered education in IT not in line with their own requirements.

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Table 30. Non-Compliance Rate of knowledge and skills provided by HEI and TVET in IT (in %)

	Non-Compliance Rate of TVET (absolutely and mostly not in line with employer's requirements)	Non-Compliance of HEI (absolutely and mostly not in line with employer's requirements)
Theoretical Knowledge	75.0%	47.8%
Hard Skills	100.0%	91.7%
Soft Skills	100.0%	57.9%

Overall, on a five-point scale, the general level of capabilities of young candidates with a higher education, who apply for jobs in surveyed organizations, is lower than four (see Table 31). But most transversal skills are scored less than moderate or less than 3. The key informants insisted that education providers should elaborate more on special qualification and practical skills for IT specialists: the level of capabilities on average stands at 2.6, which is a poor result. Clearly, there is a need to update the curricula and to include more innovative and current knowledge. Employers spoke about old and out-of-use theoretical knowledge and programs being taught at universities and especially in the regions, as well as a lack of practice. For instance, due to a lack of computers and equipment, some of the topics are explained using simple boards and hand-writing or using several computers for a large group of students.

Table 31. Estimates of Capabilities of the Candidates for Jobs in IT

Capability	SCORE
Arithmetic, knowledge in maths	3.9
Basic intelligence	3.7
Fluency in foreign languages	3.4
Special professional theoretical knowledge	3.3
Communication skills	3.3
Creativity	3.1

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CV design skills	3.1
Self-presentation skills	2.9
Special professional qualification, practical skills	2.6
Manual, technical, crafts skills	2.5
Business, entrepreneurial skills	1.9

In the employers' opinion, most importantly, young graduates do not understand what kind of services they are able to provide, where and how effectively they can use their knowledge, how and when they can receive international certificates and find better opportunities for career development. The theoretical knowledge is often fragmented; the skills provided are not balanced, with a lot of gaps or an overload of unnecessary details.

The most scarce and most demanded skills in the IT sector, according to study results, are presented in Table 32 (the full list is presented in Annex I Tables 19, 20).

Table 32. In-demand and Scarce Skills in IT

IN-DEMAND SKILLS AND CAPABILITIES	SCARCE SKILLS AND CAPABILITIES
GENERAL CAPABILITIES	
Self-consciousness and desire for professional achievement and development	fluency in foreign languages
Analytical and working skills	hard-working/passionate in work
SPECIAL SKILLS IN	
QA	Data scientist
Java	Algorithm experts/math analysis
big data engineer	Big data engineer
core platform	Business intelligence analyst/ Artificial intelligence
JavaScript	Any Dev-ops
Any Dev-ops	UX Developers
Data science	QA/ QA automation
Marketing/digital marketing	

For this purpose, the employers consider additional qualification and training, including those provided by non-formal education institutions, very significant. Basic needs for trainings in the

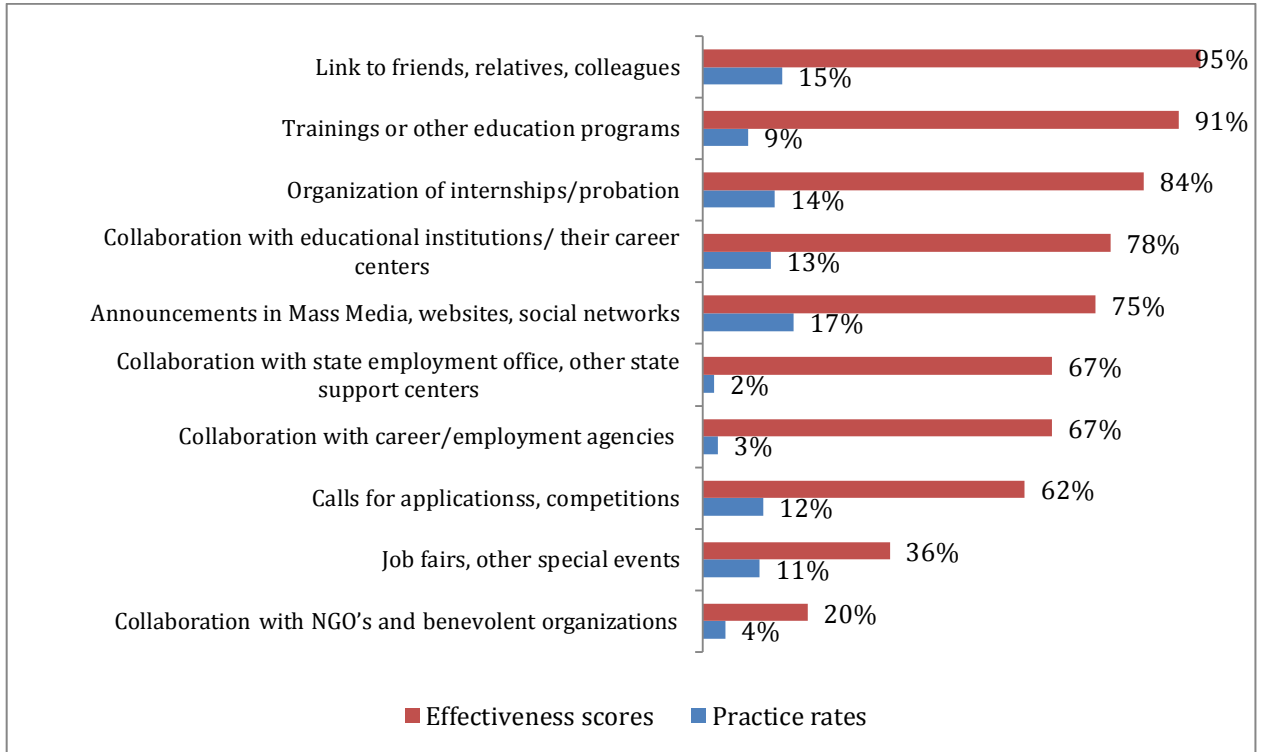
field of IT for youth to improve their opportunities in the labour market are listed in Table 33 starting from the most prioritized (the full list is presented in Annex I Table 21).

Table 33. Needs For Additional Qualification And Training in IT

NEEDS FOR ADDITIONAL QUALIFICATION AND TRAINING	NUMBER OF MATCHES BY EMPLOYERS
1. negotiation skills/communication/ business communication trainings	6
2. presentation skills, self-presentation, including CV composition	6
3. practical skills workshops	5
4. team work trainings	4
5. trainings in engineering	4
6. foreign languages	3
7. marketing/ digital marketing	3
8. management	2
9. sales/ customer services	2

Interestingly, the channels considered to be most effective for the recruitment of employees for the IT sector, aside from links to friends, relatives and colleagues, are mostly related to facilitating agents of the labour market, such as training programs, internships and collaboration with educational and career institutions, employment offices, etc. (see Figure 34). However, the listed channels are not widely used by the companies for various reasons, and most importantly because of lack of links to the facilitators, their non-proactive and diffuse manner of work. The KIs spoke about the huge amount of effort and time needed for this type of collaboration from their side, which they were not willing to input, instead going ahead with less time-consuming and targeted channels, such as announcements in the media, directly finding candidates fitting the criteria through other companies, friends and colleagues. At the same time, they are open and ready to accept the facilitation from third-parties, especially from educational career and graduate centers, if it is initiated proactively and does not require too much effort and resources to be spent on company's side.

Figure 34. Methods of Staff recruitment in IT: Effectiveness and Adoption (in % of responses)



Labour Demand in Tourism Sector

Armenia is one of the countries that recognized tourism as a priority on the state level. One of the responsible state bodies, the State Tourism Committee of Armenia, was established as the policy making agency for tourism. It has adopted a strategy for tourism promotion which highlights the different areas of tourism development in Armenia including recreational, rural, spiritual, and cultural. Over the past five years, Armenia has seen considerable growth in its tourism sector as a result of a more focused government policy towards tourism development as well as through numerous private sector initiatives.⁷⁵

The overall goal of the state policy in tourism is to increase its contribution to the sustainable development of the national economy and equal territorial economic growth, while at the same time alleviating poverty through: sustaining high levels of growth in the number of incoming and internal tourists; increasing tourism generated income by offering higher value products and services; creating new job opportunities in the sector.⁷⁶

⁷⁵ Source: <https://www.export.gov/article?id=Armenia-tourism-and-travel-services>

⁷⁶ The main principles and logframes are defined in Tourism Development Vision 2030 papers, Official website of the Ministry of Economic Development and Investments of RA: <http://www.mineconomy.am/en/89>



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Armenia's tourism industry has shown significant growth in the past 5 years, with an average annual growth of about 9% of incoming tourist arrivals.⁷⁷ According to the Ministry of Economy in 2016, around 1,259,657 people entered Armenia with a tourist status, an increase of 5.7% compared to 2015.⁷⁸ The number of incoming tourist arrivals to Armenia in 2017 was 1,494,779 (a 18.7% growth in comparison to 2016). The direct contribution of travel and tourism to GDP was USD 477.7 mln, 4.4% of total GDP in 2017.⁷⁹

Given the fact that in 2017 the tourism sphere directly supported 44,500 jobs (3.9% of total employment) in Armenia,⁸⁰ it is considered as a potentially growing and favorable labour market for youth in Armenia. This includes employment by hotels, travel agents, airlines and other passenger services and the activities of the restaurant and leisure industries directly supported by tourists. The specialists of the tourism industry study in various educational institutions of Armenian both on HE and TVET levels. Over 2,000 hospitality companies work in Armenia, including hotels, B&Bs, restaurants, transportation companies, tour operators, and travel agencies.

Total of 22 key informant interviews,⁸¹ with representatives of large and medium companies from the tourism sector, have been administered. Relevant staff representatives aged 21-55 (10 male and 12 female key informants at respective positions with an average of nine-year work experience in the field) participated. The average years in the market of the surveyed companies is 10 years, with startups having less than one-year experience and large companies with more than 25 years in the market. Three foreign branches of large companies have been included in the qualitative sample.

Surprisingly, analysis of organization profiles did not accumulate data on positive dynamics in tourism sector in terms of an increase of the number of employees compared to last year, as most of the companies (15 of 22 surveyed) have not increased the number of paid workers during 2018 in comparison to the last year. Moreover, 8 companies reported a decline in the number of workers. On average, the decline for surveyed companies stands at a level of 12%,

⁷⁷ Ibid

⁷⁸ Source: <https://www.export.gov/article?id=Armenia-tourism-and-travel-services>

⁷⁹ Travel & Tourism, Economic Impact 2018, Armenia, <https://www.wttc.org/-/media/files/reports/economic-impact-research/countries-2018/armenia2018.pdf>

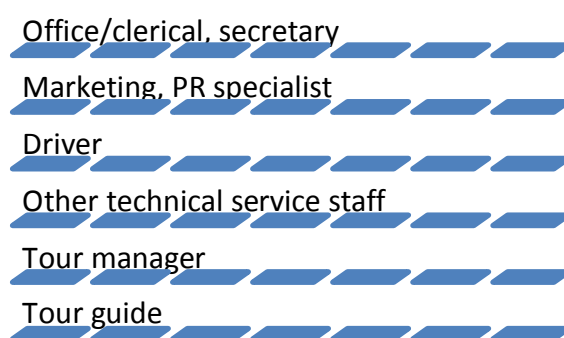
⁸⁰ Ibid

⁸¹ For detail on selection see Methodology and Annex 3.

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while the maximum growth in the number of workplaces is 4%.⁸² Simultaneously, 21 out of 22 surveyed companies stated that they were planning to hire new employees during next 3-4 years. These contradictory tendencies can be explained by a more pronounced shadow nature of the labour market in the tourism sector, where the employers are more likely to hire non-registered workers, thus hiding from a heavy taxation burden.

The top 6 widely spread jobs in the tourism sector where the majority of the young specialists are currently employed at surveyed companies, starting from the most popular, are presented below (for more detail see Annex I Table 26):



Interestingly, during the FGDs with recent graduates, it was found out that the education and the majority of positions in the tourism sector are perceived as female occupations. Most of the students at the surveyed faculties are females and in the words of the participants, there is a deficit of male specialists with a special education in tourism. The employers also mentioned that there are positions (such as remote tour guides, night administrators, etc.) where they prefer to hire male specialists, but most of the graduates with a special education in tourism are women.

Female	Male
City tours	Hiking tours
Translation/interpreting	Business administrators

While looking at the distribution of employees at surveyed tourism sector companies by sex, it becomes clear that though on average, 42.3% of employees are women, the deviation between the numbers is essential. Thus, in one-fifths of surveyed companies there are no female employees reported at all, and in another half of companies there are more female workers than male (the share of women is 50% and more). The main difference between the IT and

⁸² This data is statistically non-significant and is generated to describe the profile of the qualitative sample of the research only.



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Tourism sectors is that there is a clearly set differentiation between jobs: some are perceived as jobs for men (security, drivers, outgoing tours) and the others are clearly jobs for women (housekeeping, administration, etc.). Young women are taken as the most disadvantaged especially for work at hotels, as according to the employers, they often cannot work full-time because of child-care and other duties at home.

...There is a stereotype here in Hrazdan, that working at a hotel is something bad, associated with a kind of “dirty” services, but those who worked with us already know that it is not. However, when I am talking to recent graduates to hire for job, though they are specialized in tourism, from their face it becomes clear that they are not ready to work at a hotel. “Our parents will not allow us” – they usually say. This is especially true for women”

KII, Hotel HR manager, Kotayk province

-The most difficult for us is to recruit for the housekeeping section. We have both men and women there. It is quite impossible to find men for this type of jobs. There are very big and heavy vacuum cleaners, that can be used only be males. When they hear the word “vacuum cleaner”, that’s all...This is a matter of mentality, of 5 candidates only one would agree to do this type work. They would prefer carrying heavy stones, than housekeeping...

KII, Hotel HR manager, Tsakhadzor, Kotayk province

-It should be mentioned that most of females working in our sector are of older age group. Young women cannot work, because of home routine: kindergarten, children, etc. There is need to hire twice younger women to work at hotels and restaurants..., but often it is hard for them and they simply do not apply. There is lack of kindergartens, no place to end children for care, how can they work?

KII, extreme tours manager , Apaga, Tavush province

Though the list of jobs in the sector covers positions which can be occupied by young people with less than a higher education, around half of the surveyed companies are not planning to hire young specialists with a technical and vocational education. Only 10 out of 22 key informants mentioned that they were looking forward to recruit youth with a TVET level of education. When asked to talk about specific specialists with a technical and vocational education they need to hire at the company, respondents named the following types of jobs listed in Table 34 (for the full list see Annex I Table 25).

Table 34. Vacancies for youth with TVET education in Tourism Sector

Vacancies from most prioritized
1. certified cook/chief
2. car repair specialists
3. drivers
4. technical support/mechanics
5. housekeepers
6. waiters/barmen
7. finance and accounting
8. sales specialists

The KII with representatives of tourism companies in Armenia gave insight into the demands formulated by the employers and their follow-up of the professionalism of the young specialists transited from education to the tourism labour market. Based on the study results, the in-demand specialists for the tourism sector, starting from the most to the least prioritized, are listed below, based on the KII results (for the full list see Annex I Tables 23, 24):

Table 35. In-Demand Jobs for Tourism Sector

TYPE OF JOB IN DEMAND FOR TOURISM SECTOR	PRIORITY LEVEL
Hotel administrator	1
Tour guide	2
Marketing, PR specialist	3
Office/clerical, secretary	4
Tour manager	5
Driver	6
Other technical service staff	7

At the same time, 18 out of 22 surveyed companies (including all 3 foreign companies surveyed) experienced serious obstacles in finding and engaging young employees who meet their requirements. Based on the summary of employers' responses, the prediction of deficit vacancies for upcoming years is presented shortly below (the full list is presented in Annex I Table 27):

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- tour guides
- marketing managers
- drivers trained as tour guides
- housekeepers/waiters
- graphic design specialists
- coms/PR managers
- administrators fluent in foreign languages

Although tourism sector employers are more satisfied with the quality of education provided to young specialists in their field than representatives of IT companies, the non-compliance rates are especially high for the provision of hard and soft skills. Interestingly, young employees with a TVET education are more in line with employers' standards in terms of skills possessed, than those entering with a higher education (see Table 36).

Table 36. Non-Compliance Rate of knowledge and skills provided by HEI and TVET in Tourism (in %)

	Non-Compliance Rate of TVET (absolutely and mostly not in line with employer's requirements)	Non-Compliance of HEI (absolutely and mostly not in line with employer's requirements)
Theoretical Knowledge	16.7%	38.9%
Hard Skills	28.6%	57.9%
Soft Skills	66.7%	31.6%

The FGD participants also discussed a mismatch between the knowledge and skills they are provided at educational institutions and standards formulated by the employers in the Tourism sector. An overload of theoretical knowledge, which is non-compliant with practical work, and a lack of practical skills were emphasized by recent graduates both from Yerevan and from the regions. The quality of courses at educational institutions in languages and special computer programs, such as Amadeus, does not satisfy the students.

-Of the knowledge we have received during our studies only 10% was needed for the actual work. When you start being in job, the practical experience is helping you to go ahead. While what you have learned is totally another level. For instance, the fact that I started working here, the things I have been required at the workplace, only around 10% is matching the knowledge I gained from the HEI.

- One of my course friends, who has also been studying at tourism department and who is now working at a hotel in Dilijan, says that practically nothing matches what we had been taught. He is working in a position of administrator and says that everything they tell us during the lessons is totally different from how it is in reality. Nothing is relevant: the only thing is the foreign language that is the same. Before starting job he had a probation period, and was explained how and what he should be doing. In his words, the knowledge provided by the university mainly does not fit the labour requirements.

*- . . . I am dissatisfied not by what I am **not being taught**, but by what I am taught and what I don't need. Though I cannot tell what I need.*

FGD Tourism graduates HEI, Tavush province

Though overall, the capabilities of young applicants at entry level seem more or less satisfying, the requirements of employers in the tourism sector of Armenia, based on the KII assessment (see Table 37), indicate that there are still many gaps in specific knowledge and skills (see Table 38).

Table 37. Estimates of Capabilities of the Candidates for Jobs in Tourism

Capability	SCORE
Basic intelligence	4.2
Fluency in foreign languages	3.9
Communication skills	3.8
Basic computer skills	3.8
Arithmetic, knowledge in math	3.8
Self-presentation skills	3.5
Special professional theoretical knowledge	3.5



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Creativity	3.4
Manual, technical, crafts skills	3.4
Special professional qualification, practical skills	3.3
CV design skills	3.2

Table 38. In-Demand and Scarce Skills in Tourism

IN-DEMAND SKILLS AND CAPABILITIES	SCARCE SKILLS AND CAPABILITIES
GENERAL CAPABILITIES	
multi-tasking	prediction/competitors' assessment
SPECIAL SKILLS and KNOWLEDGE IN	
Consumer services/innovative communication skills	Consumer services/innovative communication skills
Geography, maps	Social media tools
Housekeeping	Branding
Branding	Geography, maps
Social media tools	Administration
Basic computer skills/MS Office skills	Cooking, chief
Drivers trained as tour guides	Housekeeping
Management/coordination	

According to recent graduates, this gap in skills can be solved only by means of practical work and internships to be organized for students. The FGD participants consider the lack of internships to be one of the most serious problems in their sector. Though practical work is supposed to be mandatory for all students, it is often administered as a formal and symbolic activity, which is aimed towards providing a very vague vision of the sector through visits to some museums, sightseeing and in very rare cases to gain real-time experience of how the companies in the sector are operating. The respondents described their role in practical work as a role of “visitors,” while they needed the experience of “implementers.”



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-We went to practical work only once during the whole course of the studies. But for tourism sector it is important for me to have more practical studies. Because it is one thing to listen to, and another to see how it works. Then it is easier for one to get engaged in the sector, to become interested and get shown correctly how it is done and receive explanations. For example, I have to tell about places of tourism in Ijevan, but I have never been there. I have only heard and read about them... It is totally different if you have seen everything on place.

FGD Tourism graduates TVET, Tavush province

- We are supposed to go for practice at minimum to the tour agencies, but what we are usually doing is just visiting the monuments and making photos with them...-For instance, we go to museum, as other simple visitors do. We are told when Charents (Armenian poet) has been born, who was his wife, etc. As if we were visitors or tourists ourselves, but we can read about those details from books and there is no need to call this activity a practical work.

FGD Tourism graduates HEI, Yerevan

Most of the internships are not free-of-charge and though the universities cover the costs for short-term practice, most of the young people could not afford practice for more than 6 months. At the same time, work experience is listed among employers' major requirements in applications for a job recruit. Large employers, who provide internships and work in probation on a regular basis, generally do not pay to the students. High rates of unemployment empower the employers not to launch any staff re-qualification or skills transfer from more experienced staff to younger specialists. FGD participants insisted that partially paid internships or at least some incentives (such as reimbursement of transport costs) could be very useful for graduates at entry level.

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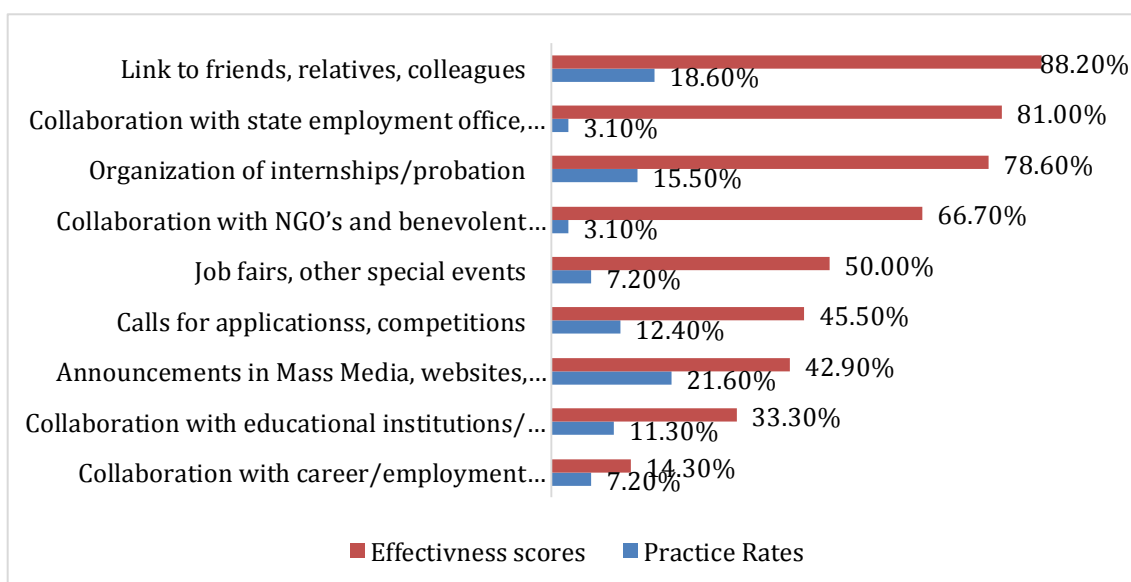
-...Experience! The most important thing is lack of experience. Today everywhere you enter, they ask you about your experience. So if you have no experience, then until your pension you will stay as you are: jobless!

-I have never seen any company, which has old-age staff and is organizing training to hire some younger specialists providing them by a skills-exchange from the elder staff. There is a tendency of aging of staff and lack of willingness to pass the expertise to the youth. Well-experienced specialists should be stacked to young ones for the pass-over of the knowledge, which is never done in tourism sector.

FGD Tourism graduates HEI, Tavush province

Collaboration with facilitators linking the demand-supply chain in the labour market for the tourism sector is assessed as very effective by employers, but in most of the cases they do not practice the engagement of third-parties as job recruitment agents much (see Figure 35). There is some activation of collaboration between the private sector and Educational institutions, facilitated through the State Employment Office and other stakeholders in the regions, particularly in terms of trainings and various additional education programs in the Ijevan and Tavush regions.

Figure 35. Methods of Staff recruitment in Tourism: Effectiveness and Adoption (in % of responses)





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The FGD participants were very much satisfied by a lot of new opportunities they received through programs such as job fairs, trainings and information campaigns. At the same time, the lack of good specialists in the regions is obvious to the youth, especially as a result of a comparison made between the trainers from Yerevan and their local instructors. Unfortunately, state employment agencies were mostly negatively perceived by young graduates, none of them registered or applied for jobs through state bodies. Some of the participants associated the state bodies with corruption risks, speaking of informal payments practiced for job placement and support. Career centers are playing a good role as an information dissemination channel, but none of FGD participants heard about any success stories of graduates gained through the support from career centers.

-As soon as they (the state employment agencies) provide you by a job, they ask for a profit for their support depending on the salary at the new workplace. It is a specific percent from the salary, for instance, if you are going to receive 100 000-150 000 AMD, then around 30 000 AMD should be paid back to them as an expression of gratitude for your employment. And that is all that they do...

FGD Tourism graduates HEI/TVET, Yerevan

The main directions for improvement in the qualification of young specialists for the tourism sector are illustrated in Table 39 (the full list is presented in Annex I Table 22).

Table 39. Needs For Additional Qualification And Training in Tourism Sector

Needs for additional qualification and training	Number of matches by employers
Skills in instruments and programs for sales, written and oral communication, media tools	6
Computer literacy skills	5
Knowledge of International experience in tourism, success stories of local and international companies	5
big data, marketing and basics of Armenian tourism market	3
Innovation in PR	3
Country presentation skills	3



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Self-development/self-presentation/job interview and CV composition skills	2
Finance and accounting	2
Administration and project management	2

People with Disabilities

Registered persons with disabilities make up 6.2% of the RA population, with 53% being men and 47% women. Young people aged 17-39 comprise around one-fifth or 16.4% of all of the PWD population in Armenia.⁸³ The main legal act concerning people with disabilities in the RA is the Law “On the Social Protection of Disabled People” which was adopted in 1993. Taking into account the fact that the approaches set forth by the law do not comply with the internationally accepted principles of social inclusion of persons with disabilities, the new draft law “Rights Protection and Social Inclusion of Persons with Disabilities” was developed in 2015. Armenian law guarantees every person who turns 18 with the right to full legal capacity.⁸⁴ However, upon reaching adulthood, a person with mental disabilities can be deprived of legal capacity by a court decision, and the court identifies a guardian for this person to make decisions on his or her behalf/⁸⁵ According to reports on human rights, persons with disabilities face discrimination and obstacles to the execution of their rights almost every day in Armenia.⁸⁶ Employment is one of the most important elements of social integration and self-reliance for people with disabilities, including young women and men. It is also the most important tool for improving their living standards, ensuring upward social mobility and, thus, a higher socio-economic status within the society. Armenian legislation grants certain privileges to working PWD: providing a partial reimbursement of a disabled employee’s wages and tax deductions for the employers.⁸⁷ Nevertheless, the unemployment rate among PWD in Armenia stands high at

⁸³ <https://www.globaldisabilityrightsnow.org/infographics/disability-armenia>

⁸⁴ https://www.hrw.org/news/2017/03/01/human-rights-watch-submission-armenia-committee-rights-persons-disabilities#_ftn1

⁸⁵ https://www.hrw.org/news/2017/03/01/human-rights-watch-submission-armenia-committee-rights-persons-disabilities#_ftn2

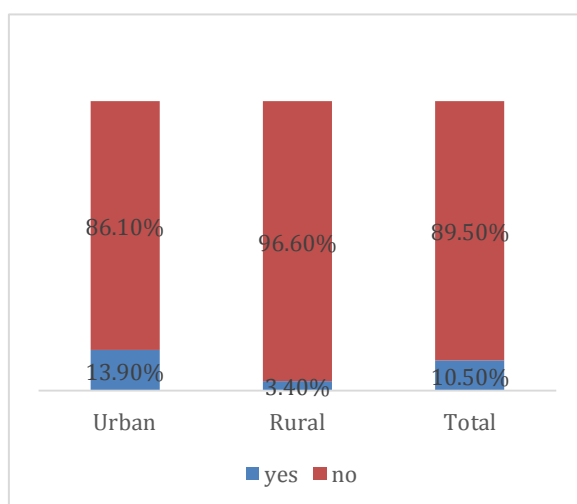
⁸⁶ Human Rights Defender of RA: <http://www.ombuds.am/en/categories/persons-with-disabilities.html>

⁸⁷ The RoA Government 13 July 2006 Decree # 996 that introduced partial compensation of PWD wages and thus provided an incentive to employers to hire and employ PWD was an important development in the field of PWD employment.

92%,⁸⁸ even though various state programs have been implementing job placement programs for people with disabilities and various donor projects have been implemented to support the employability of PWD, such as the EU-funded and Save the Children-implemented “Social Innovations for the Vocational Education and Employability of Young People with Disabilities” (SIVVE) project.⁸⁹

Our survey data indirectly comes to confirm the low employment figures: young employed respondents were asked whether there were any persons with special needs or with disabilities employed at their workplace. Only 10.5% of employed youth reported a PWD employed at their workplace. The figures for rural areas are strikingly low, standing at some 3.4% (see Figure 36).

Figure 36. PWD employed at respondents’ workplaces by area of residence (in %)



Another set of results regarding the employment of PWD has been received from employers’ interviews: a total of 71 employees with disabilities were reported by the surveyed companies, which comprises around 0.7% of the total number of employees registered in the surveyed enterprises of both sectors. Moreover, only one company from the tourism sector employed PWD, while out of 24 IT companies 9 reported job placement

for PWD.

According to the research results, those mechanisms, expected to act as incentives for employers to hire more PWD, though are encouraging the employers, still sadly are inadequate and insufficient. During expert interviews, some of the experts proposed a quota system, which is an effective policy tool and which could significantly improve the young PWD employment situation in Armenia. In general, the experts describe the activities designed to develop the skills of youth with disabilities as fragmentary and dependent on funding, which means that projects are not self-sustainable and are dependent on external funding from international

⁸⁸ <https://www.globaldisabilityrightsnow.org/infographics/disability-armenia>

⁸⁹ <http://eunewsletter.am/social-enterprises-to-promote-employment-of-young-people-with-disabilities/>



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donors. Along the same lines, the experts representing the state sector, emphasized the lack of willingness and pro-action from the side of young people with disabilities to register at respective agencies and to apply for various programs. To support this assumption, the experts refer to small number of participants taking part in various trainings and courses organized specifically for the PWD by state employment office.

The FGDs come to reaffirm this finding, as most of the participants complained about the lack of interest among their peers towards state supported programs and trainings, first of all, due to a lack of information and lack of evidence to convince them that there are results achieved and that the courses for youth with disabilities in Armenia are effective enough. According to FG participants, youth with disabilities are not aware of success stories for PWD in labour, instead they are convinced that, due to an overall lack of jobs in the labour market, it is several times more difficult to get a job for them, as they are disadvantaged in comparison to the rest of young specialists. Often, they are rejected from positions with justifications directly referring to their disability, which is discouraging and unacceptable.

Once we were suggested a job at an insurance company. They came and presented, asking to apply.

I did apply, but they simply said that they did not hire disabled. Then I've tried to apply in written form, but was officially rejected with the same justification.

PWD with higher education, Shirak province

When I used to work as a manager, my employer said: “-You know your abilities better than me, so go ahead and decide what you can do”. Everything depends on the employer.

PWD with higher education, Shirak province

Two of us (me and a friend of mine) applied for a job at a tailor workshop. We are from the same college and have similar skills. At first they told that both of us can attend, but when they got to know that i have problems with eyes, they simply rejected clearly telling that it is because of my disability.

PWD with TVET education, Shirak province

However, recent graduates with disabilities both in Yerevan and in regions, consider knowledge, skills and capabilities the most decisive criteria of selection in Armenian Labour Market, particularly for jobs requiring a high-level education, such as jobs in the IT sector. Regardless of physical issues, there are more opportunities to work from home or to do work



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distantly (data from KII with IT enterprises reaffirms this finding). In contrast, there are more barriers to find work for those who have a secondary specialized education. Employers are more skeptical to hire persons with disabilities for any type of jobs which require manual and technical skills.

One of the main findings from the FGDs with recent graduates from a TVET and HE level having disabilities, is that intolerance and stereotypes towards people with disabilities are more pronounced and hindering in the system of education, than in the labour market. Moreover, the higher the level of educational system they enter is, the easier it is for them to survive. The FG participants described their life as a continuous struggle, which is especially brutal when entering general education and then endeavoring to go on to TVET and higher education. In their words, a very small share of those who managed to receive any general education managed to transit to higher levels. For the “luckiest braves” the universities and TVET generally do not create additional obstacles. An inclusive environment is important, but the people’s attitude around them is more sensitizing.

-Often, everything comes from home. Parents say: “no need to study. Stay at home”. They say that one will not succeed anyway and it discourages a lot. Even if there is a will, it is very hard...

-Right, in those cases any kind of desire for study and need for achievement simply disappear...

FGD, PWD with higher education, Shirak province

Young people mentioned that they often struggled not only with the systems, but also with their own families. Parents and elder members of families and communities were not encouraging them to study and families usually have serious doubts about opportunities for them in the labour market.

Therefore, the paradox is that the better one’s education is, the better are one’s opportunities to find jobs in the labour market, but the entries to education are full of bottlenecks and barriers for people with disabilities.



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-For most of us the trainings and education are inaccessible. For instance, the courses are organized at a room without any facility for special needs. At universities the environment is not inclusive. As there are a few students with special needs, they simply do not take our needs into account. If in thousand years one stranger appears, naturally he is taken as someone coming from the moon. This is especially hard when it comes to practical works or internships...

-The problem is the lack of knowledge, if one has got relevant knowledge, then it is not hard to find a job even with disability.

FGD, PWD with higher education, Yerevan

For those who receive higher education there are more opportunities in the labour market. Now person's knowledge is starting to be valued everywhere. Years ago, when PWD having higher education applied for work, they were granted first of all by their disability status. Now the things are changing. Employers are seeking for clever ones, everyone is struggling for better education and better chance in life now, including us.

FGD, PWD with higher education, Shirak province

The access to quality education and training is especially limited for youth with disabilities in the regions. There is lack of trainings and non-formal ways to improve one's skills in Armenian regions, and due to difficulties with transportation and mobility, youth with disabilities carries a double-burden and finds itself in a more vulnerable and deprived position. Lack of information and special programs for them is another serious obstacle: in participants' words, a lot of young people with disabilities are not aware of their rights and opportunities in labour relations, including legal regulations and priorities they are provided by the Government and legislation in Armenia.

While talking about the channels of finding jobs and successfully transitioning from education to labour market, the FG participants say that, though there are some state programs and support from State Employment Office and other agencies, they preferred to collaborate more with NGOs dealing with the rights of people with disabilities than with state agencies. This is explained by easier access, joint interests and insight into their needs from the side of non-governmental organizations. None of the participants have ever contacted career centers or



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employment agencies to find jobs, preferring direct applications through their own networks or disability NGOs.

Overall, the NGOs are considered active and effective by the participants in the provision of targeted support to young people with disabilities, but their links to the labour market still need improvement. Though the NGOs often collaborate with employers and disseminate information on vacancies and job recruits available for youth with disabilities, the facilitation is one-sided. They need to work closer with the employers to track their needs and to monitor the results of facilitation. Thus, it was very hard to be hired through NGO application systems, because of the high standards set out by the employers and PWDs' inability to fit those requirements. Hence, PWDs are more likely not to be hired for a job because of a lack of knowledge and skills, rather than because of intolerance and prejudice.

-For instance, I never saw any advertisement or during any job-fairs any special jobs or offers to PWD. Therefore, one applies for any kind of advertisement, but in many cases the employer is simply not ready to hire PWD. The best way for us is to go to NGO; they can provide at least some specific information....

-...Yes, but there is another thing as well. There are sometimes courses and trainings for PWD, but when you see any other training which is interesting to you, it might be difficult to attend for various reasons, including accessibility and attitude...

-As in comparison to other people we start learning later, sometimes it is hard also because of the difference in age as well. There is one guy, he is 27-28 years old and he is good in it. He works as a freelancer and had some good results. But once there was a good training he was interested in and when he went there, saw that only very young students and teens were participating. Everyone was staring at him and seemed to laugh at him... in the end he was forced to leave.

FGD, PWD with higher education, Shirak province

In this regard, several questions to estimate youth's attitudes and stereotypes towards PWD were asked during the survey. Interestingly, it is found out that youth in Armenia demonstrate a very high level of positive attitude towards the employment of PWDs and is ready for an inclusive working space. Thus, the majority of respondents (90.8% of total sample) stated that

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they would react absolutely positive and mostly positive, if young people with disabilities worked at their workplace. The share of negatively reacting is less than 1% (see Figure 37).

In addition, the respondents were asked whether they agreed with a statement, that firstly people without disabilities should receive jobs and only afterwards they should think about persons with special needs or with disabilities. Around one-quarter or 20.2% of young people surveyed agreed with this judgment, while every second respondent considered that PWD should not be disadvantaged for jobs (see Figure 38).

Figure 37. How would you react, if young people with disabilities worked at your workplace? (in %)

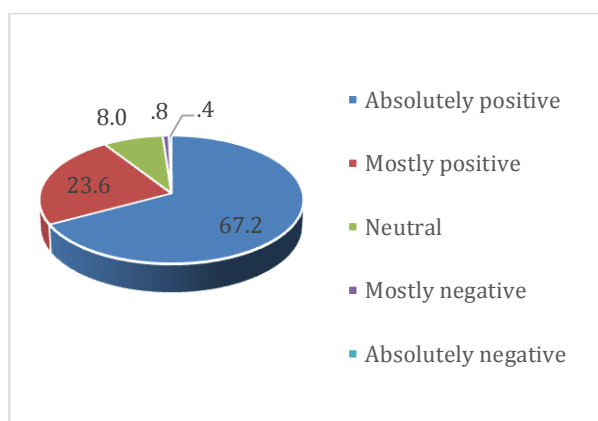
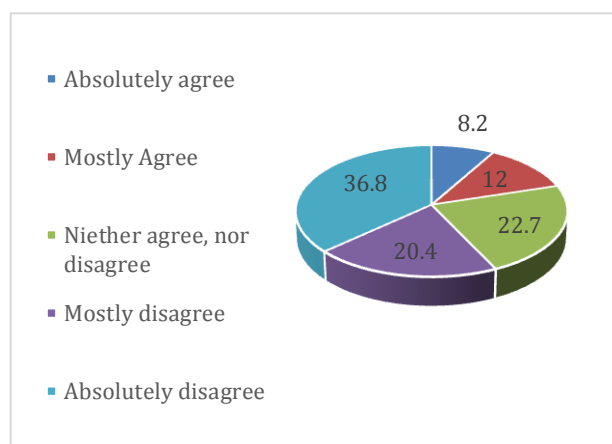


Figure 38. Statement: Firstly people without disabilities should receive jobs and only after that one should think about persons with special needs or with disabilities (in %)



CONCLUSIONS

The report assessed the modern youth labour market needs, analyzing how existing skills of the youth, as well as the available opportunities, match the market demands in Armenia, according to measures collected during a nationwide survey, a desk-review and a qualitative study. The main conclusions and findings from the research are presented as follows:

Youth Labour Resources:

1. **Inactive Labour Force:** *Every four in ten young people in the sample accounts for the inactive labour force (Youth economic inactivity rate is 41%).* Over one half (53.8%) of inactive labour force are young people with a higher education. *Young women are much more likely than young men to be inactive due to family responsibilities, child care or housework (47.5% and 3.7%, respectively),* while male respondents are more engaged in education (64.8% of males compared to 37.8% of females) and are on mandatory military service. The minimal inactivity rate as a percentage of youth who will not supply labour for the production of goods and services and most probably will stay inactive during upcoming years stands at a 9% expectancy level. *The target group open for interventions, the group in need of awareness raising, training and orientation as “a push” to start actively seeking work composes one-third or 33.2% of all inactive youth.* The share of so-called discouraged youth, openly stating that they do not seek work as they were disappointed after several unsuccessful attempts, is relatively low, standing at 2.5% of all inactive respondents.
2. **Unemployment:** *The unemployed youth composes around one-sixth of total youth in the sample (the total unemployment in the sample is 16%, the unemployment rate as a percentage of labour force is 27.2%).* The youth unemployment rate is very close to average across the sample within age groups: the likelihood of seeking a job and not finding it is relatively equal regardless of young respondent’s age. At the same time, *the smaller the place of permanent residence is, the more likely one is to become unemployed.* Both men and women with a postgraduate education are unlikely to stay unemployed. Female youth unemployment slightly exceeded male rates in the group with vocational education (16.5% of female as opposed to 14.3% of male). Young men with a secondary and higher education need more assistance in finding jobs. The figures of those, who need support on a social policy level to get re-trained and receive an upgrade of skills and professional knowledge representing long-term unemployment, are staggering: *two in five young unemployed respondents have been looking for work for more than one year.* The larger the place of permanent residence of respondents is, the higher the average number of times they have applied to and been rejected from jobs. Though unemployed youth seems to identify the major problem-bearers of rejection from jobs on the demand-side, *around one-quarter of them accepts that they lack some capacity to access employment. Most of the surveyed young women and men*



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are looking for jobs with salary two times higher than minimal and closer to the average amount.

3. **Employment:** *Only four in ten young people in the sample get jobs in the labour market (the employment rate is 43%).* Every third young man in Armenia is a salary employee. The share of so called vulnerable workers or own-account and self-employed workers is large with 11.6% among employed youth and 5% in the total sample. *Young men and rural youth are more likely to become vulnerable workers. One in five or 22.7% of employee-respondents do not have any signed contract with their employer, working in the shadow labour market. Young men are more likely to get involved in non-contractual relations with an employer than young women.* Overall across the sample, the largest employment sectors for youth in Armenia coincide with the traditional leaders of post-soviet economy, namely the micro-level services, public administration and defense, wholesale and retail. Young people are, more or less, satisfied with the work hours and the workload, but are dissatisfied by the match between their job and professional capabilities, as well as by a lack of potential in professional and career growth. Overall, *the youth is not fully satisfied by their employment: more than half of respondents are ready to change their job, if given a chance, with men more willing to get another job than women, and youth in rural areas are more willing to change work than those from urban settlements.*
4. **NEET Youth:** *The NEET youth holds 38% of the total sample, with more women (66.2%) and more young people from an older age group (52.5%).* All those people are at risk of becoming socially excluded individuals with incomes below the poverty-line and lacking the skills to improve their economic situation.
5. **Labour mobility:** Most probably there are little incentives and opportunities to move to other cities/villages to find work for the youth, despite the willingness and desire for mobility: *more than 60% of those who have not worked during last 4 weeks are ready to move to another city in Armenia and around one-third of unemployed young people*



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are willing to move to a village area for work. The actual labour mobility within the country is non-intensive, standing at 17.6% level.

6. **Economic Literacy:** The likelihood of being excluded from budget-related decision-making in the family is astounding, as an emerging segment of young people (namely, a group of unmarried youth, living in non-nuclear families) demonstrates a lack of knowledge in personal and family earnings.

There is a problem of ineffective education management, whereby the society spends more resources to educate women, than to empower them for the transition from education to the labour market, living them behind the economically active human resources. For instance, although young females are more likely to have completed a higher education than men, they are less likely to become part of the active labour force and to work either as an employee or as non-employee. *There is large share of economically inactive young women who are available for work, possess education and skills, but stay outside the labour resources because of family responsibilities or child care.* Overall, the generation of young women risk being left outside the labour force or trapped in vulnerable or low quality employment, due not to the lack of education, but due to gendered expectations of their roles as caregivers. In the group of economically inactive youth saying that they simply do not need to work, the majority (65.2%) are young women, which once again alerts for the need of women empowerment for support in transitioning from education to the labour market, otherwise leading to a misuse of educational resources.

7. The gender gap in the labour market is especially staggering in the economic sectors of education (being a top sector of employment for young women with 26.6% as opposed to only 2.3% among employed men), and construction, agriculture, where men are more likely to work than women. Females are more likely to be employed in wholesale/retail and healthcare/social services, than males.
8. There are gender obstacles created by the society for the vertical mobility of young women at a certain level: *though young women demonstrate higher educational attainment and are doing more qualified work than young men, they are rarely observed*



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at managerial positions requiring managerial skills. The share of male youth working at managerial positions is two times larger compared to the share of females.

9. *Young women are disadvantaged in regard to their activity status, have a harder time than young men finding work and face a significant gap in pay.* Over-education and qualifications mismatch is another matter of concern to young women.

Education and Training:

10. **Educational Attainment:** Youth in Armenia demonstrated high educational attainment levels with no one reported with less than a secondary general education and more than half of young people possessing a university diploma. At the same time, *there's an emerging urbanity gap in education: rural youth reports less educational attainment than urban youth (with more than half of rural young people possessing only a secondary general education as the highest completed education level).*

11. **Non-formal education:** Non-formal and additional education rate is relatively low: *approximately one-quarter or 24% of respondents received an additional non-formal education or training during last 3 years.* Though overall, more women received additional education and training than men (59.6% of females as opposed to 40.4% of males), more men from rural areas are involved in additional education than women from rural areas. The higher the completed education level of respondents is, the more likely they are to participate in additional education and training. A non-formal education seems to be more suitable for the labour market compared to a formal education: *more than half of participants stated that a non-formal or additional education provided them with knowledge and skills more suitable for their jobs than a formal education. Moreover, the non-formal education is especially useful and suits job requirements of participants with a TVET education level.* 84% of training participants with a vocational and tertiary level of education considered them more useful than those obtained in formal educational institutions. *There is a need for more investment and efforts to be inputted into additional and non-formal education for youth in Armenia, as every second*



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respondent is willing to participate in additional training or qualification courses, with another half willing to receive support or training in entrepreneurship.

Supply-demand chain in the labour market:

12. The main challenge is the lack of facilitation in the buffer zone between the labour force moving from education institutions towards the employment sector, which should have contributed to filling in the gaps and ensuring a better link between demand and supply. *The interlink between education and the labour market is mostly one-sided and direct, it lacks regulation through facilitating bodies, i.e. state and non-state employment agencies, alumni and career centers, etc.*
13. *Disappointingly, the state employment office and other state support agencies are not taken seriously by unemployed young people: only around 4% of unemployed respondents are seeking jobs through respective official registration and application.* The results of State Employment Office in job facilitation are low: less than 0.5% of employed young people found work through the state support channels. A slightly higher percentage of young people are registering at non-state employment offices, though the indicator is still low standing at around 5%, with less than 0.5% succeeding in actually finding a work.

Qualification mismatch:

14. *Only around a half of young workers are in occupations that match their level of education (53.7%) compared to workers who work in occupations for which they are overeducated (33.6%) or undereducated (12.7%).* The tendency for over-education might be explained by an overall high educational attainment level of youth in Armenia, given that more than half of all youth in Armenia possess a higher education. The qualified professional and administrative market is oversupplied (with indicators of 1.8 and 3.4 percentage points, accordingly). In terms of skill transfer, there is a shortage in managerial skills (standing at -5.4 percentage points). *A shortage of young professionals with managerial skills puts learning and training in management and public administration among the most in-demand fields of education.*



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15. *There is also a gap in the quality and relevance of education: more than half of currently employed young people with a vocational and tertiary education level consider both theoretical knowledge and hard skills provided by an education system absolutely or mostly useless for their current job.* Interestingly, around 13.9% of all current students surveyed and 18.1% of all employed young respondents stated that they were not at all provided with any soft skills, including general practical skills in communication, negotiations, analytics, leadership, etc. *Transversal skills, such as the self-presentation skills, CV or reference letter writing, job recruitment and competence interview skills, are not well-imbedded into formal education frameworks, and were provided to less than half of surveyed youth at educational institutions.*

Labour Demand in IT and Tourism:

16. Participation in TVET does not appear to offer graduates a career path in IT, but rather providing a link to specific occupational roles in the sector of Tourism. *Hence employers in IT are not looking forward to hiring specialists with TVET and underestimate the scope of a vocational education in IT.* At the same time, employers clearly define the qualifications, which correspond to occupational roles in their sectors within the context of a career path that offers the possibility of progress (for IT: Front End Developers, Backend Developers, Hardware and automation engineers, Mobile Developers, Automation QA Engineers, Manual QA Engineers, Project Managers; for Tourism: marketing managers, drivers trained as tour guides, consumer services/innovative communication, graphic design specialists, etc.)

17. *Teaching programs are not fit for the private IT and Tourism sector standards: the private sector assessment for practical and theoretical knowledge of graduates is below moderate.* The TVET and HE programs do not accentuate self-development and self-educational capabilities of graduates, do not provide transversal skills and do not collaborate for essential upgrades with the labour market. The quality of courses at educational institutions in languages and special computer programs, such as Amadeus for Tourism, does not satisfy both the recent-graduates and the employers.



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18. *Demand for IT and Tourism specialists among youth in Armenia will continue to increase.* Currently, there is a huge demand in professional training programs for senior-level specialists in IT and for licensed and certified multi-tasking tour-administrators in Tourism.
19. *Although practical work is supposed to be mandatory for all the students in formal education, often it is administered as a formal and symbolic activity.* It does not provide real-time experience of how the companies in the sectors are operating. Many employing companies have no alternative but to provide on-job training, which they are eager to replace with professional internship and practical work, organized through the educational system in a more effective and sustainable way. Another challenge is the fact that long-term practical work is not free-of-charge and lacks funding.

Labour Market for young PWD:

20. *Certain privileges and mechanisms, expected to act as incentives for employers to hire more youth with disabilities, though are encouraging the employers, are still inadequate and insufficient.* 10.5% of employed respondents reported a PWD working at their workplace, with only 3.4% for rural areas. A total of 71 employees with disabilities were reported by the surveyed companies, which comprises around 0.7% of the total number of employees registered in the surveyed enterprises of the IT and Tourism sectors. Moreover, only one company from the surveyed tourism sector employed a PWD, while out of 24 IT companies, 9 reported job placement for a PWD.
21. The activities designed to develop the skills for youth with disabilities are fragmentary and dependent upon funding from international donors. *There is a lack of interest demonstrated by youth with disabilities towards state support programs and trainings, due to a lack of information and lack of evidence of success and results.* A lack of information and special programs for them is a serious obstacle, especially in rural areas and the regions: *young people with disabilities are not well aware of their rights and opportunities in labour relations, including the legal regulations and priorities they are provided by the Government and legislation in Armenia.*



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22. The more or less active and acceptable facilitators in the labour market for youth with disabilities are the disability NGOs: *none of the participants have ever contacted career centers or employment agencies to find jobs, preferring direct applications through their own networks or disability NGOs.*
23. Young PWD are more likely not to be hired for a job because of a lack of knowledge and skills, than because of intolerance and prejudice. Intolerance and stereotypes towards people with disabilities are more pronounced and hindering in the system of education, than in the labour market. Parents and elder members of families and communities were not encouraging them to study, and usually families have serious doubts about opportunities for them in the labour market. *Due to difficulties with transportation and mobility, youth with disabilities in the regions carry a double-burden and finds itself in a more vulnerable and deprived position in terms of both access to education, and transition to the labour market.*

RECOMMENDATIONS

The findings of the Report allow for a number of major recommendations addressed at Government Ministries, employers in the private and public sectors, education providers at all levels: mainstream, vocational and higher education, as well as other stakeholders engaged in education, employment and career orientation sectors.

- I. Strengthen the role and capacity of organizations facilitating the effective transition from the education system to the labour market, namely the university and TVET career centers, alumni networks, professional orientation hubs at school level, agencies implementing internship and practical work, by ensuring better collaboration between the government agencies and business sector representing chambers or organizations. This includes re-defining the existing functionalities of the career centers at educational institutions, granting them proactive and leading roles in the supervision of professional internships and bringing them into compliance with the employers' requirements through improved participatory mechanisms inputted for alumni networking;



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2. Create regional platforms for job search, as well as labour market forecasting mechanisms to track the vacancies and in-demand skills and to support internal labour mobility of the youth accordingly, providing incentives for young specialists to move to different areas within the country to access job opportunities;
3. Develop more targeted social policy support mechanisms, special programs and platforms for the growing number of long-term unemployed youth, implement awareness raising, training and orientation activities to mitigate the effects of long-term 'absence' from the labour market;
4. Further promote the provision of relevant and marketable skills and knowledge through non-formal education opportunities, and place greater focus in terms of funding on targeted courses with transversal and soft skills for young women with TVET education, young men with secondary and higher education, specifically rural youth and youth in general, in the regions of Armenia;
5. Develop and implement more and better-focused programs of support to entrepreneurship and self-employment in the regions, including logistical assistance and business consultation, managerial skills transfer, the launch of special trainings on cost-effective budgets and family budget planning for youth, with particular focus on young women in the regions;
6. Develop an effective model of gender-sensitive education management based on further research of gender gaps in education and the economic activity of young women and men in Armenia, basically empowering women with a higher education to improve and support their transition from inactive labour force to the labour market, including support in child care, access to pre-school institutions and career growth.
7. Develop and fund on-job training programs (with significant hard and soft skills training components) for the students at TVETs and HEIs in strong collaboration with the employers' unions and student councils, student NGOs, as well as design co-financing schemes for workforce development in the most in-demand sectors of the labour market, such as IT and Tourism, to address the qualification gap;



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8. Re-define and upgrade the scope and enhance the importance of IT and Tourism education out of HEI, as participation in VET does not appear to offer IT and Tourism graduates a career path; therefore, offer career progress through qualifications, which correspond to the occupational roles expected by the employers, particularly focusing on high-level training programs for junior and senior level specialists, off-job training programs for senior developers and data researchers in IT, and on licensed trainings in tour management and administration, multi-tasking specializations, such as driving + internal tour guidance + fluency in foreign languages and other combinations in the sector of tourism;
9. Raise awareness of youth with disabilities and their families with special focus on awareness raising activities in the regions of Armenia regarding their rights and privileges in the labour market defined by the national legislation; and to identify local success stories and disseminate positive experiences and lessons learnt, that would enhance the competitiveness of PwDs in the labour market;
10. Monitor and enhance the effectiveness of facilitated employment for a PwD, such as quota-schemes in employment, tax exemptions, free-of-charge vocational education, etc.;
11. Strengthen the institutional capacity of NGOs engaged in disability issues in the facilitation and vocational training of youth with disabilities.
12. In addition to the key findings of this Report and the above-mentioned recommendations, commission a separate nationwide assessment among the employers across Armenia which will provide representative and robust data on the major demands of employers in the labour market, key challenges they experience and other important issues with regard to recruitment and maintenance of qualified workforce.

ANNEX I. Additional Tables and Figures

Table I. If you are proposed a job fitting all your requirements, would you consider moving to

Another city in Armenia?: by current permanent place of residence

Current permanent place of residence	If you are proposed a job fitting all your requirements, would you consider moving to Another city in Armenia		Total
	Yes	No	
Yerevan	11 42.3%	15 57.7%	26 100.0%
Other City Of Armenia	25 56.8%	19 43.2%	44 100.0%
Village	37 75.5%	12 24.5%	49 100.0%
Total	73 61.3%	46 38.7%	119 100.0%

Table 2. Highest Education Level by area of residence

highest education level	Cluster code		Total
	Urban	Rural	
Secondary general education	115	167	282
	21.9%	51.9%	33.3%
Vocational education /college, TVET, other/	81	40	121
	15.5%	12.4%	14.3%
Higher education /i.g. university degree/	324	115	439
	61.8%	35.7%	51.9%
Post-graduate studies (candidate of sciences, PhD, etc.)	4	0	4
	.8%	.0%	.5%
Total	524	322	846
	100.0%	100.0%	100.0%

Table 3. In addition to mentioned formal education, did you attend any additional training/education courses during last 3 years?: by highest education level

In addition to mentioned formal education, did you attend any additional training/education courses during last 3 years?	highest education level:				Total
	Secondary general education /possess general school graduation certificate/	Vocational education /college, TVET, other/	Higher education /i.g. university degree/	Post-graduate studies (candidate of sciences, PhD, etc.)	
Yes	40	25	138	0	203
	14.2%	20.7%	31.4%	.0%	24.0%
No	242	96	301	4	643
	85.8%	79.3%	68.6%	100.0%	76.0%
Total	282	121	439	4	846
	100.0%	100.0%	100.0%	100.0%	100.0%

Table 4. Highest education level by sex

Your highest education level	Gender	
	Male	Female
Secondary general education:	164	118
	58.16	41.84
Vocational education /college, TVET, other/	42	79
	34.71	65.29
Higher education /i.g. university degree/	191	248
	43.51	56.49
Post-graduate studies (candidate of sciences, PhD, etc.)	3	1
	75	25
Total	400	446
	47.28	52.72

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Age	What was your main occupation status during last 4 weeks?										Total
	Attending education/training/is a student	Is on mandatory military service	Has no job and is not seeking for job	Engaged in home duties (including child care)	Unable to work owing to sickness or disability	Available and actively looking for work	Work for monthly salary/wage with an employer	Work for on-demand payment with an employer	Work as self-employed /own-account worker	Is a business owner/entrepreneur/private owner, doing non-employed work	
18-24	Inactive	154	6	38		0	0	0	0	0	232
	labour force	66.4%	2.6%	16.4%	14.7%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
	Unemployed	0	0	0	0	75	0	0	0	0	75
		0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%

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Employee	0	0	0	0	0	0	99	16	0	0	115
	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	86.1%	13.9%	0.0%	0.0%	100.0%
Non-employee	0	0	0	0	0	0	0	0	24	7	31
	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	77.4%	22.6%	100.0%
Inactive labour force	6	22	83	3	0	0	0	0	0	0	114
	5.3%	19.3%	72.8%	2.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Unemployed	0	0	0	0	61	0	0	0	0	0	61
	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Employee	0	0	0	0	0	0	160	17	0	0	177
	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	90.4%	9.6%	0.0%	0.0%	100.0%
Non-employee	0	0	0	0	0	0	0	0	18	20	38
	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	47.4%	52.6%	100.0%
25-30											

Table 6. Occupation Status Groups by occupation statuses and sex

	Occupation status during last 4 weeks	Sex		
		Male	Female	Total
Inactive Labour Force	Attending education/training/is a student	43.80%	56.20%	100.00%
	Is on mandatory military service	100.00%	0.00%	100.00%
	Has no job and is not seeking for job	43.30%	56.70%	100.00%
	Engaged in home duties (including child care)	3.40%	96.60%	100.00%
	Unable to work owing to sickness or disability	66.70%	33.30%	100.00%
	Total	31.20%	68.80%	100.00%
Unemployed	Available and actively looking for work	52.20%	47.80%	100.00%
	Total	52.20%	47.80%	100.00%
Employee	Work for on-demand payment with an employer	75.80%	24.20%	100.00%
	Work for monthly salary/wage with an employer	53.70%	46.30%	100.00%
	Total	56.20%	43.80%	100.00%
Non-employee	Work as self-employed/own-account worker	85.70%	14.30%	100.00%
	Is a business owner/entrepreneur/private owner, doing non-employed work	70.40%	29.60%	100.00%
	Total	79.70%	20.30%	100.00%

Table 7. Are you willing to look for work or trying to establish your own business within coming years?

	Frequency	Valid Percent	Cumulative Percent
Yes	246	76.2	76.2
No	77	23.8	100.0
Total	323	100.0	

Table 8. If not seeking for work, what is the main reason?: by sex

If not, what is the main reason?	Gender		Total
	Male	Female	
Already found a work to start/restart later On	.0%	100.0%	100.0%
mandatory military service	100.0%	.0%	100.0%
In education or training	.0%	100.0%	100.0%
Own illness, disability	100.0%	.0%	100.0%
In maternal leave	.0%	100.0%	100.0%
Taking care of family member, child	.0%	100.0%	100.0%
Lack qualification, training	25.0%	75.0%	100.0%
Lack work experience	28.6%	71.4%	100.0%
Lack friends/relatives/connections	50.0%	50.0%	100.0%
Do not know how or where to seek work	20.0%	80.0%	100.0%
Disappointed after a number of failed attempts	80.0%	20.0%	100.0%
No need to work	34.8%	65.2%	100.0%
Not yet started to seek work	48.6%	51.4%	100.0%
Other	45.5%	54.5%	100.0%
Total	26.7%	73.3%	100.0%

Table 9. During the last four weeks, have you taken any steps to find work?

	Frequency	Percent of the sample	Percent of unemployed	Cumulative Percent
Yes	120	14.2	37.2	37.2
No	203	24.0	62.8	100.0
Total	323	38.2	100.0	
Skipped	523	61.8		
Total	846	100.0		

Table 10. Qualification match by education levels

Qualification match	Your highest education level:				Total
	Secondary general education	Vocational education	Higher education	Post-graduate studies	
Matches	81	20	90	4	195
	72.3%	38.5%	46.2%	100.0%	53.7%
Overeducated	0	17	105	0	122
	.0%	32.7%	53.8%	.0%	33.6%
Undereducated	31	15	0	0	46
	27.7%	28.8%	.0%	.0%	12.7%
Total	112	52	195	4	363
	100.0%	100.0%	100.0%	100.0%	100.0%

Chart 1. Please, specify up to 3 sectors/professions where young people are mostly likely to find work in your community?

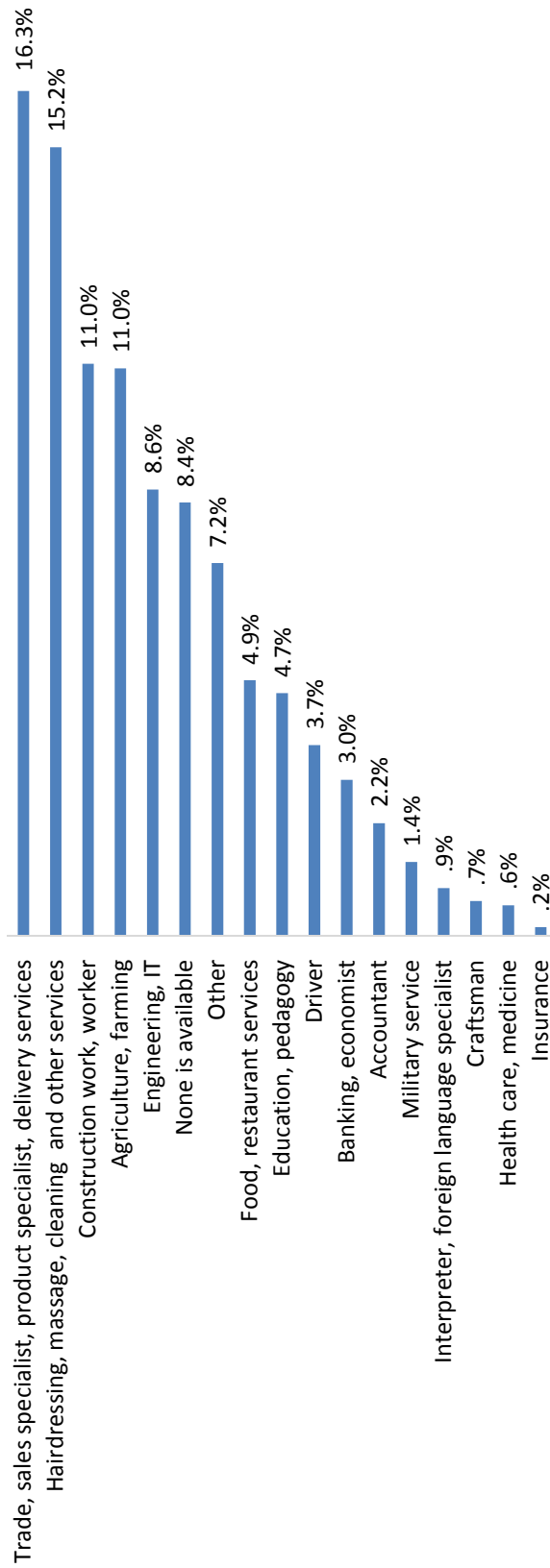


Table 11. To what extent the theoretical knowledge, obtained during your studies, is useful for you to find a job at your labour-market in the future?: by highest education level

Current students	Your highest education level:				Total
	Secondary general education /possess general school graduation certificate/	Vocational education /college, TVET, other/	Higher education /i.g. university degree/		
Absolutely useful	11 50.0%	12 80.0%	58 47.5%	81 50.9%	
Mostly useful	8 36.4%	3 20.0%	54 44.3%	65 40.9%	
Mostly not useful	3 13.6%	0 .0%	7 5.7%	10 6.3%	
Absolutely not useful	0 .0%	0 .0%	3 2.5%	3 1.9%	
Total	22 100.0%	15 100.0%	122 100.0%	159 100.0%	

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Table 12. To what extent the hard skills, obtained during your studies, is useful for you to find a job at your labour-market in the future?: by highest education level

Current students	Your highest education level:				Total
	Secondary general education /possess general school graduation certificate/	Vocational education /college, TVET, other/	Higher education /i.g. university degree/		
Absolutely useful	10 45.5%	11 73.3%	54 45.0%	75 47.8%	
Mostly useful	7 31.8%	4 26.7%	38 31.7%	49 31.2%	
Mostly not useful	4 18.2%	0 .0%	17 14.2%	21 13.4%	
Absolutely not useful	0 .0%	0 .0%	4 3.3%	4 2.5%	
Not obtained at all	1 4.5%	0 .0%	7 5.8%	8 5.1%	
Total	22 100.0%	15 100.0%	120 100.0%	157 100.0%	

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Table 13. To what extent the soft skills, obtained during your studies, is useful for you to find a job at your labour-market in the future?: by highest education level

Current students	Your highest education level:				Total
	Secondary general education /possess general school graduation certificate/	Vocational education /college, TVET, other/	Higher education /i.g. university degree/		
Absolutely useful	12 54.5%	7 46.7%	51 42.1%		70 44.3%
Mostly useful	7 31.8%	6 40.0%	39 32.2%		52 32.9%
Mostly not useful	3 13.6%	1 6.7%	7 5.8%		11 7.0%
Absolutely not useful	0 .0%	0 .0%	3 2.5%		3 1.9%
Not obtained at all	0 .0%	1 6.7%	21 17.4%		22 13.9%
Total	22 100.0%	15 100.0%	121 100.0%		158 100.0%

Table 14. To what extent the theoretical knowledge, obtained during your studies, is useful for you to find a job at your labour-market in the future?: by highest education level

Current employees	Your highest education level:				Total
	Secondary general education /possess general school graduation certificate/	Vocational education /college, TVET, other/	Higher education /i.g. university degree/		
Absolutely useful	16 14.3%	10 19.2%	69 35.4%	1 25.0%	
Mostly useful	29 25.9%	14 26.9%	50 25.6%	1 25.0%	
Mostly not useful	33 29.5%	9 17.3%	37 19.0%	2 50.0%	
Absolutely not useful	17 15.2%	19 36.5%	32 16.4%	0 .0%	
Not obtained at all	17 15.2%	0 .0%	7 3.6%	0 .0%	
Total	112 100.0%	52 100.0%	195 100.0%	4 100.0%	

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Table 15. To what extent the hard skills, obtained during your studies, is useful for you to find a job at your labour-market in the future?: by highest education level

Current employees	Your highest education level:				Total
	Secondary general education /possess general school graduation certificate/	Vocational education /college, TVET, other/	Higher education /i.g. university degree/		
Absolutely useful	16 14.3%	10 19.2%	62 31.8%	1 25.0%	
Mostly useful	23 20.5%	10 19.2%	52 26.7%	3 75.0%	
Mostly not useful	37 33.0%	10 19.2%	32 16.4%	0 .0%	
Absolutely not useful	15 13.4%	21 40.4%	41 21.0%	0 .0%	
Not obtained at all	21 18.8%	1 1.9%	8 4.1%	0 .0%	
Total	112 100.0%	52 100.0%	195 100.0%	4 100.0%	100.0%

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Table 16. To what extent the soft skills, obtained during your studies, is useful for you to find a job at your labour-market in the future?: by highest education level

Current employees	Your highest education level:				Total
	Secondary general education /possess general school graduation certificate/	Vocational education /college, TVET, other/	Higher education /i.g. university degree/		
Absolutely useful	18 16.1%	8 15.7%	59 30.6%	1 33.3%	
Mostly useful	37 33.0%	14 27.5%	54 28.0%	1 33.3%	
Mostly not useful	24 21.4%	9 17.6%	25 13.0%	0 .0%	
Absolutely not useful	12 10.7%	10 19.6%	22 11.4%	0 .0%	
Not obtained at all	21 18.8%	10 19.6%	33 17.1%	1 33.3%	
Total	112 100.0%	51 100.0%	193 100.0%	3 100.0%	

Table 17. Did that additional training/education course provide you with knowledge/skills which are more suitable to the employers'/job's requirements, than the education received at formal educational institutions? By highest education level

Did that additional training/education course provide you with knowledge/skills which are more suitable to the employers'/job's requirements, than the education received at formal educational institutions?	Your highest education level:			Total
	Secondary general education /possess general school graduation certificate/	Vocational education /college, TVET, other/	Higher education /i.g. university degree/	
Yes	26 65.0%	21 84.0%	97 70.3%	144 70.9%
No	14 35.0%	4 16.0%	41 29.7%	59 29.1%
Total	40 100.0%	25 100.0%	138 100.0%	203 100.0%

Table 18. Vacancies hard to hire for in IT

Vacancies hard to hire for in it	Number of matches by employers
1. Senior level positions with at least one-year experience	8
2. Front end developers/back end developers/dev-ops	4
3. Business analysts/Business intelligence specialists	3
4. Data scientists/researchers	2
5. UI/UX	2
6. QA automation engineers	1
7. Project managers	1
8. Hardware engineers	1
9. IOS, Android developers	1
10. Senior Java Developers	1
11. Senior Javascript Developers	1
12. Django 3+	1

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I3. Product manager	
I4. Machine Learning	
I5. Sales specialists for regions	
I6. Core platform engineers	
I7. Angular JavaScript/JS	
I8. Game developers	
I9. Python	

Table 19. In-demand skills in IT

In-demand skills in it	Number of matches by employers
QA	5
Java	3
Big data engineer	3
Core platform specialists	3

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Self-consciousness and desire for professional achievement and development	4
Analytical and working skills	2
JavaScript	2
Any Dev-ops	2
Data scientist	2
Marketing/digital marketing	2
Digital scheme design	1
Communications	1
Algorithm experts/math analysis	1
Machine Learning	1
Python/Django	1
C++/C++ senior	1
Back/ end developer	1
Project manager or product owner	1
Senior IOS, Android developer	1

Table 20. Scarce capabilities and skills in IT

Scarce capabilities and skills in it	Number of matches by employers
Data scientist	4
Algorithm experts/math analysis	3
Big data engineer	2
Business intelligence analyst/ Artificial intelligence	2
Any Dev-ops	2
UX developers	2
QA/ QA automation	2
Fluency in foreign languages	1
Hard-working/passionate in work	1
JavaScript	1
Digital scheme design	1
Machine Learning	1

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Python/Django	
C++	
Redux JS	
Virtual Reality	
Node JS	
Marketing/digital marketing	

Table 21. Needs in additional training in IT

Needs for additional qualification and training in IT	Number of matches by employers
negotiation skills/communication/ business communication trainings	6
presentation skills, self-presentation, including CV composition	6
practical skills workshops	5
team work trainings	4
trainings in engineering	4
foreign languages	3
marketing/ digital marketing	3
Management	2
Sales/ customer services	2
Basic Math	1
Analytical Skills	1

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Machine Learning	
Artificial Intelligence	
Big data	
Mobile development	
Java	
Front/ End developer	
QA engineer	
Data scientist	
Employer-student workshops in any format	
Business ethics	
Problem solving skills/conflict resolution	
Time management	

Table 22. Needs for additional training in Tourism Sector

Needs for additional qualification and training in Tourism	Number of matches by employers
Skills in instruments and programs for sales, written and oral communication, media tools	6
Computer literacy skills	5
Knowledge of International experience in tourism, success stories of local and international companies	5
big data, marketing and basics of Armenian tourism market	3
Innovation in PR	3
Country presentation skills	3
Self-development/self-presentation/job interview and CV composition skills	2
Finance and accounting	2
Administration and project management	2

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Communication skills	
Digital technologies	
Customer services	
Adaptation and team integration	
In-depth skills in Tourism software	

Table 23. In-demand skills in Tourism

In-demand skills in Tourism	Number of matches by employers
Consumer services/innovative communication skills	10
Geography, maps	7
Housekeeping	5
Branding	4
Social media tools	3
Basic computer skills/MS Office skills	2

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Drivers trained as tour guides	2
Quick and multy-tasking	2
Management/coordination	2
Design and visualization (photo, video, etc.)	1
Languages	1
Administration	1
cooking	1
Guide	1
Car repair	1
Prediction/competitors assessment	1
Finances	1
Outgoing tourism skills	1
Engineer	1

Table 24. Scarce capabilities and skills in Tourism

Scarce capabilities and skills in Tourism	Number of matches by employers
Consumer services/innovative communication skills	4
Social media tools	2
Branding	2
Geography, maps	2
Administration	2
Cooking, chief	2
Housekeeping	2
prediction/competitors' assessment	2
Languages	1
Basic computer literacy (MS office)	1
Marketing skills/market assessment	1
Drivers trained as guides	1
business ethics	1
Internal tourism skills	1

Table 25. Vacancies in Tourism sector

Guides	4
Marketing manager/manager	3
Drivers fluent in foreign languages	3
housekeeping/waiters	3
designers/graphic designers	3
Communications/PR manager	2
Admins fluent in languages	2
Language specialists (English, German, French, Eastern languages)	2
Computer operators	1
Licensed cooks/chiefs	1
Rent specialists	1

Table 26. Occupied positions in surveyed Tourism companies

	Number
Office/clerical, secretary	460
Tour manager	66
Tour guide	63
Hotel administrator	39
Marketing, PR specialist	224
Driver	107
Other technical service staff	152

Table 27. In-demand jobs in Tourism Sector

	Priority level form most demanded
Hotel administrator	1.00
Tour guide	1.71
Marketing, PR specialist	2.07
Office/clerical, secretary	2.10
Tour manager	2.86
Driver	3.00
Other technical service staff	3.75



ANNEX 2. List of Key Experts

1. President of State Tourism Committee
2. Deputy executive director of Small and Medium Entrepreneurship Development National Center
3. Head of the division of TVET education at the MoES
4. Education expert, civil society organization
5. Head of State Employment Office of the Ministry of Labour and Social Affairs of RA
6. President of Armenian Human Resource Association

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ANNEX 3. KII Sample

TOURISM SECTOR COMPANY
<ol style="list-style-type: none"> 1. Marriott Armenia Hotels 2. Tufenkian Heritage Hotels 3. Radisson Blu Hotel 4. Envoy Hostel & Tours 5. Aurora Hotel & Hostel 6. Cascade Hostel & Tours
<ol style="list-style-type: none"> 7. Yell Extreme & Zipline 8. Aspar Tour 9. Patriot Path Tours in Armenia
<ol style="list-style-type: none"> 10. Sixt Armenia 11. Hertz Armenia 12. Europcar Car Rent Armenia 13. EcoTrans LLC
<ol style="list-style-type: none"> 14. Strategic PR Initiative Group (Spring PR) 15. Deem Communications 16. ArPR Holding LLC
<ol style="list-style-type: none"> 17. Hyur Service 18. Best Travel Tour Company 19. Ecotour Travel Company 20. Gardman Tour Travel Company 21. Globe Travel 22. Caucasus Holidays



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IT SECTOR COMPANY
1. Microsoft Innovation Center Armenia
2. Joomag Armenia
3. EPAM Armenia
4. VOLO Software Development
5. The Union of Advanced Technology Enterprises (UATE)
6. Codics LLC
7. SFL - We Do Software
8. "TEAMABLE AM" Ltd
9. Cisco Internetworking LLC
10. Hylink JSC
11. Incredito LLC
12. Webb Fontaine Group
13. VMWARE Eastern Europe LLC
14. Workfront Armenia LLC
15. Ucom LLC
16. ArmSoft
17. "Questrade International Inc.", Armenian Branch
18. Synergy International Systems Inc, Armenian Branch
19. Armenia Telephone Company (ARMENTEL) CJSC/Beeline
20. Monitis LLC
21. BetConstruct LLC
22. PicsArt
23. Synopsys Armenia CJSC
24. Mentor Graphics (Siemens)
Total 46

