

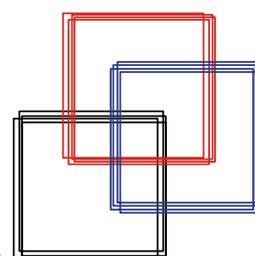


Labour market transitions of young women and men in Armenia

Nicolas Serrière

October 2014

Youth Employment Programme
Employment Policy Department



Work4Youth Publication Series No. 21

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Nicolas Serrière

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October 2014

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Preface

Youth is a crucial time of life when young people start realizing their aspirations, assuming their economic independence and finding their place in society. The global jobs crisis has exacerbated the vulnerability of young people in terms of: i) higher unemployment, ii) lower quality jobs for those who find work, iii) greater labour market inequalities among different groups of young people, iv) longer and more insecure school-to-work transitions, and v) increased detachment from the labour market.

In June 2012, the International Labour Conference of the ILO resolved to take urgent action to tackle the unprecedented youth employment crisis through a multi-pronged approach geared towards pro-employment growth and decent job creation. The resolution “The youth employment crisis: A call for action” contains a set of conclusions that constitute a blueprint for shaping national strategies for youth employment.¹ It calls for increased coherence of policies and action on youth employment across the multilateral system. In parallel, the UN Secretary-General highlighted youth as one of the five generational imperatives to be addressed through the mobilization of all the human, financial and political resources available to the United Nations (UN). As part of this agenda, the UN has developed a System-wide Action Plan on Youth, with youth employment as one of the main priorities, to strengthen youth programmes across the UN system.

The ILO supports governments and social partners in designing and implementing integrated employment policy responses. As part of this work, the ILO seeks to enhance the capacity of national and local level institutions to undertake evidence-based analysis that feeds social dialogue and the policy-making process. To assist member States in building a knowledge base on youth employment, the ILO has designed the “school-to-work transition survey” (SWTS). The current report, which presents the results of the survey in Armenia, is a product of a partnership between the ILO and The MasterCard Foundation. The “Work4Youth” Project entails collaboration with statistical partners and policy-makers of 28 low- and middle-income countries to undertake the SWTS and assist governments and the social partners in the use of the data for effective policy design and implementation.

It is not an easy time to be a young person in the labour market today. The hope is that with leadership from the UN system, with the commitment of governments, trade unions and employers’ organizations and through the active participation of donors such as The MasterCard Foundation, the international community can provide the effective assistance needed to help young women and men make a good start in the world of work. If we can get this right, it will positively affect young people’s professional and personal success in all future stages of life.

Azita Berar Awad
Director
Employment Policy Department

Dimitrina Dimitrova
Director
Decent Work Team and Country Office for
Eastern Europe and Central Asia

¹ The full text of the 2012 resolution “The youth employment crisis: A call for action” can be found on the ILO website at: http://www.ilo.org/ilc/ILCSessions/101stSession/texts-adopted/WCMS_185950/lang--en/index.htm.

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Numerous people were involved in the report-writing process: Sevak Alekyan undertook the preliminary analysis; Nicolas Serrière drafted the final text; Takaaki Kizu prepared the data tables; and Susan Divald engaged in technical editing. Sara Elder, Coordinator of the ILO Work4Youth team, also provided substantive input to the document. Yonca Gurbuzer, of the same team, offered significant technical support during all stages of the survey.

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1. Introduction and main findings

1.1 Overview

Youth is a significant period of human life, if not the most important from the point of view of laying the foundations for a professional career. During this period, young people formulate their aspirations and life goals, seek and find their own roles and responsibilities in society and move towards economic independence. This also means that youth is a period of social and psychological transitions, with young people called on to make important decisions and choices that significantly affect the course of their lives.

Youth's quality of life is largely determined by how successfully they make the transition from school to work. A failure to obtain a decent job after school can have a serious and lasting impact on young graduates' professional capacities and skills, as well as on their income. Any time spent in unemployment, underemployment and inactivity can have a scarring effect on the young individual (ILO, 2012a). By contrast, a positive start in the labour market can have a positive impact on professional and personal success in the later stages of life.

To characterize the specific youth employment challenges and to support policy-makers in designing adequate instruments to support the transition of young people into employment, the ILO has developed its school-to-work transition survey (SWTS), a household survey of young people aged 15–29 years. The SWTS, implemented in 2012 with a second round planned for 2014, can serve as a principal tool for monitoring the impact of policies and programmes outlined in the national employment policy and other national instruments. The indicators generated from the survey and analysed in this report aim to present a much more detailed picture of youth in the labour market than usually exists through standard surveys, including labour force surveys.

1.2 Main findings

The strong emigration pattern of young men has a clear impact on the demographic structure.

The demographic structure of Armenian youth reflects the strong male emigration pattern. Women make up 55.8 per cent of the population aged 15–29. The female-to-male ratio is particularly unbalanced for the 20–24 age group, for which there are 132.7 young women for every 100 men. Taking the country's high youth educational attainment into account, this implies that Armenia suffers from brain drain, as many youth move overseas in search of better employment prospects.

Armenian youth are highly educated, but shun vocational education.

Both young men and women are highly educated. Educational attainment is nearly universal, with as many as 99.2 per cent of youth completing at least secondary education and 33.7 per cent completing the tertiary level. At the time of the survey nearly one-half of the youth population was attending school (45.3 per cent) and likely to finish at high levels. A majority of youth have the same level of education as their parents (63.7 per cent have the same level of education as their father and 64.6 per cent as their mother). Improvements over the older generation are particularly noteworthy for tertiary education; 51.1 per cent of youth with tertiary-level education have a higher level of education than their fathers, and 56.6 per cent have a higher level than their mothers.

Regarding vocational education, data show a significant collapse in numbers and percentages of youth who have received a vocational diploma in comparison to their parents. Vocational education no longer attracts young people in Armenia. A majority of young students aspire to professional jobs, leaving a potential undersupply of young technicians and general labourers. This is confirmed by the low shares of employment in related occupations such as, for example, technicians (9.7 per cent of total youth employment), craft and related trades workers (12.1 per cent), and plant and machine operators (3.2 per cent). Similarly, only 0.1 per cent of unemployed youth are seeking work in skilled agricultural jobs and only slightly more, 0.6 per cent, in the industrial field as plant or machine operators.

While youth in urban areas are less likely to be in vulnerable employment than those in rural areas...

The labour force participation rates of youth in rural and urban areas are more or less the same (43.9 and 44.2 per cent, respectively) but, among working youth, vulnerable employment – defined as own-account work and unpaid family work – is much more widespread in rural areas (52.3 per cent of working youth) than in urban areas (13.7 per cent).

...they are more likely to face unemployment.

On the other hand, unemployment is much more prevalent in urban areas. The youth unemployment rate in urban areas is 34.5 per cent against 13.1 per cent in rural areas.

Young women are disadvantaged with regard to their activity status, have a harder time than young men finding work and face a significant gap in pay.

In spite of their higher educational attainment, young women have a much lower labour force participation rate than young men (36.8 per cent against 53.0 per cent for young men), and a significantly higher unemployment rate (36.6 per cent against 24.2 per cent, respectively). For the young women who do manage to find work, however, the chance of being engaged in regular employment is higher than for males (70.9 per cent of female workers versus 64.4 per cent of male workers). The advantage here reflects the lower likelihood of women to take up self-employment as well as the more narrow occupational distribution of young women. A significant disadvantage for female workers, however, is their lower average pay compared to men. Young male employees earn, on average, one-and-a-half times more in monthly wages than young female employees.

The occupational distribution of employment is significantly more varied for men than for women.

Women's employment is much more concentrated than men's. Three occupations total more than 10 per cent of women's employment share each: professional positions (33.1 per cent), services and sales workers (21.8 per cent) and technicians (12.6 per cent). With fewer occupations deemed acceptable for young women, the consequences are longer queuing and higher unemployment. As regards men, six occupational fields have more than a 10 per cent share of employment. In descending order, they are crafts and related trades; elementary occupations; services and sales; skilled agriculture and fishery; legislator, senior official and managerial positions; and professional occupations. The concentration of young women in public-sector employment – public administration, education, and health and social work – is also much higher than that of young men, at 31.4 per cent (female) and 15.9 per cent (male).

Wage employment is by far the dominant form of employment, at least in urban areas.

Close to 75 per cent of youth are in wage employment, although shares differ significantly by area of residence. In urban areas, as many as 84.1 per cent of young workers are in wage and salaried work, compared to 47.5 per cent in rural areas. Among paid employees, as many as three-quarters (75.1 per cent) benefit from having written agreements, of which the vast majority are of unlimited duration (74.9 per cent). Young female employees are more likely to have a written contract than young males (86.1 per cent against 66.3 per cent) and also to have a contract of unlimited duration. As a result, women's access to benefits is also usually higher than men's. For example, 71.9 per cent of young female employees benefit from paid annual leave versus only 55.1 per cent of young male employees, and 73.1 per cent of young female employees benefit from social security contributions against 52.9 per cent of young male employees.

Self-employment is not well regarded as an income-generating option.

Adding employers and own-account workers together, only 8.2 per cent of youth are self-employed. Another 16.9 per cent of young workers are engaged in a family establishment without pay (contributing family workers). Among self-employed youth, two-thirds stated their preference for self-employment due to its opportunities for higher incomes or greater independence. Another one-quarter of self-employed youth turned to self-employment involuntarily because they could not find a paid job. The numbers indicate a weak propensity for entrepreneurship in the country. This is further confirmed by the high share of young people who have never used any financial services (74.6 per cent). Practically no youth has ever contracted a business loan.

The most significant job-quality issue among youth in Armenia is low pay, but qualifications mismatch is a matter of concern to young women.

More than one-half (57.1 per cent) of young workers receive wages that are below the average (among youth). Women in particular earn significantly less than men. Overall, however, 77.9 per cent of youth consider themselves generally satisfied with their current job, yet the degree of satisfaction is somewhat contradicted by the fact that 48.1 per cent of current workers stated the desire to change their job. Among the reasons for wanting to change, dissatisfaction with the level of wages was, by far, the greatest concern (cited by 59.6 per cent), although the desire to find work that better matches one's qualifications was also cited by 11.6 per cent (20.0 per cent of young women). The preoccupation with low wages also appears in the statistics that reveal 76.7 per cent of young male workers and 45.1 per cent of young female workers refused a previous job offer because they felt the wages were too low.

Informal employment is widespread.

Informal employment is a prevalent characteristic of youth employment in Armenia, affecting 64.2 per cent of young workers. It consists of two categories: workers in the informal (unregistered) sector, and paid employees holding informal jobs in the formal sector (lacking core benefits such as social security coverage, paid sick leave or annual leave). The former are more common in rural areas and the latter in urban areas. In rural areas, 82.2 per cent of young workers are informal, compared to 58.1 per cent in urban areas.

Youth unemployment rates are very high at 30.2 per cent² and 52.3 per cent of the unemployed have been looking for work for longer than 12 months.

Nearly one-third (30.2 per cent) of economically active youth, and 13.3 per cent of the youth population overall, are unemployed. More disturbing is the fact that nearly two-thirds (65.1 per cent) of unemployed youth have been looking for a job for more than 6 months, and 52.3 per cent for more than 1 year. Young people with vocational education suffer from the highest rates of unemployment, although they do not represent a significant share of jobseekers. The unemployment rate for youth with tertiary education is 29.5 per cent.

The SWTS data show an unfortunate contradiction whereby current students continue to flock to fields of study in which few young people are finding work. For example, although jobs can be had in the agricultural sector – notably as skilled agricultural workers – only 4.0 per cent of young students engage in agriculture and veterinary studies. Furthermore, although signs of saturation in the demand for young professionals are apparent (37.5 per cent of unemployed youth state they are seeking work as young professionals while only 20.5 per cent of total youth are working as professionals), many students still register in mathematics and computing, or in social science and business.

The share of youth who are neither in education nor in employment or training (NEETs) among the youth population is also high in Armenia, at 27.4 per cent. The NEET rate among young women is double that of young men, at 36.5 per cent and 15.9 per cent, respectively. Young women are much more likely to be inactive and out of school in order to tend to family responsibilities. The problem lies in the fact that being inactive at a time in life usually associated with the acquisition of skills, knowledge or experience is likely to undermine the future prospects of finding a job.

The labour market in Armenia is sending dangerous signals regarding the utility of educational investment.

With higher youth unemployment rates among university graduates and their lower wages compared to secondary-school only graduates, the labour market in Armenia is sending dangerous signals regarding the utility of investing in education.

Many youth must still start their transition, but among older youth a significant share remains “stuck” in transition, having yet to achieve stable and/or satisfactory employment.

A large share of young people (39.1 per cent) have yet to start their transition, which is explained by the fact that most are still studying. At the other end of the scale, the share of older youth aged 25–29 still in transition is high, at 41.7 per cent.

The labour market transition of most young people is long and circuitous.

Excluding the young people who transited directly to stable or satisfactory employment (38.3 per cent of total transited youth), the path to transition involved, on average, 1.8 intermediate labour market activities – whether unemployment, employment

² The global average youth unemployment rate in 2013 was estimated at 12.6 per cent. The regional (Central and south-eastern Europe [non-European Union (EU)] and the Commonwealth of Independent States [CIS]) youth unemployment rate in the same year was 17.9 per cent (ILO, 2013). The Armenian rate was also higher than the SWTS results of other countries in the region: Kyrgyzstan (13.5 per cent), the Republic of Moldova (14.1 per cent), the Russian Federation (11.7 per cent) and Ukraine (16.8 per cent). Only the former Yugoslav Republic of Macedonia, among Work4Youth countries in the region, had a higher youth unemployment rate at 43.3 per cent.

or inactivity – and took as long as 24.9 months. The typical young person in the country experienced “only” one (1.1) spell of unemployment in their transition path, but the average spell was long, averaging 15.5 months.

1.3 Structure of the report

This report consists of five sections. The following section (section 2) presents an overview of the labour market in Armenia and introduces the SWTS. Section 3 presents the results of the SWTS with details on the characteristics of youth and their labour market outcomes. It includes an overall description of household characteristics, the aspirations and life goals of young people, their educational achievement, the characteristics of young students and a detailed characterization of young workers, the unemployed youth population and youth who are outside the labour market for reasons other than studying. Section 4 introduces the classification of stages of labour market transition and investigates the characteristics that lead to more advantageous labour market outcomes, specifically in attaining stable employment. The section also discusses the length of time that young men and women spend in transition and traces the various labour market experiences they have along the way. Finally, section 5 outlines the national framework guiding youth employment in Armenia and presents policy implications that have been drawn from analyses of the survey.

2. Overview of the labour market in Armenia and survey methodology

2.1 Socio-economic context

Armenia has undergone a profound transformation since its independence in 1991, rising successfully to the challenges generated by the passage from a planned to a market economy. This was made possible through a series of reforms and public investments, such as the 2003–08 Poverty Reduction Strategy, which has improved Armenia’s business environment and infrastructure remarkably and resulted in double-digit economic growth for most of the 2000s to date. In 2008, gross domestic product (GDP) per capita reached nearly US\$4,000 in 2008, up from US\$636 in 1990.

These achievements remained fragile, however, and the 2008 financial crisis emphasized how vulnerable Armenia was to adverse and external shocks: production collapsed, unemployment increased, the income of entrepreneurs running small and medium-sized businesses declined, and the poverty rate increased from 27.6 per cent in 2008 to 35.8 per cent in 2010 (World Bank Group, 2014).

The economy has now recovered, driven mainly by growth in industry and principally in the manufacturing sector. In addition, high international prices for base metals supported growth of 22.5 per cent in real terms in the mining sector in 2011. Agriculture grew by 14.0 and 9.5 per cent in 2011 and 2012, respectively. As a result, real GDP growth reached 7.2 per cent in 2012, although GDP per capita, at US\$3,351, has yet to fully recover.³ The macroeconomic outlook has also improved, even if the debt-to-GDP ratio, at 44 per cent, remains high (World Bank, 2013). Selected macroeconomic indicators are presented in Table 2.1.

³ GDP per-capita data available from the World Bank database at <http://data.worldbank.org/indicator/NY.GDP.PCAP.CD?page=1>.

Table 2.1 Selected macroeconomic indicators, Armenia, 2009–13 (% of GDP, unless otherwise specified)

Indicator	2009	2010	2011	2012*	2013*
National income and prices					
Real GDP (% change)	-14.1	2.2	4.7	7.2	5.0
Consumer price index (% change)	3.4	8.2	7.7	2.6	3.6
Investment and savings					
Investment	36.4	33.4	26.3	26.6	27.7
National savings	18.5	18.1	16.9	17.8	20.3
Domestic savings	7.1	8.4	4.3	6.7	7.8
Government operations					
Revenues	21.5	21.6	23.3	22.7	23.5
Expenditures	29.2	26.6	26.1	24.4	26.2
Overall balance	-7.6	-5.0	-2.8	-1.7	-2.7
External sector					
Exports of goods and services	15.5	20.9	23.7	24.5	28.3
Imports of goods and services	42.6	45.5	47.3	49.2	50.3
Net remittances	10.4	8.7	11.1	10.9	12.0
Net foreign direct investment	8.4	6.1	4.4	4.4	4.3

* Projections

Source: World Bank, 2013.

The population of Armenia was estimated by the National Statistical Service of the Republic of Armenia (NSSRA) at slightly more than 3 million at the beginning of 2013 (Annex table A.1). The population was mainly urban (63.3 per cent), with the capital Yerevan comprising more than one-half of the total population (55.5 per cent). Slightly more than one-third (36.7 per cent) of the population lived in rural areas.

Population growth has been minimal since 2000, at around 1.2 per cent per year. This slow growth can be imputed mainly to out-migration. It is estimated that between 700,000 and 1.3 million people have emigrated since independence. The vast majority of those leaving the country are aged 21–50, of which only a minority (around 6 per cent) are women. Seasonal migration, particularly towards the Russian Federation and other CIS countries, is also significant. It is estimated that during the period 2002–08, between 14.2 and 17.9 per cent of the working-age population left Armenia. As a result, remittances play an increasingly important role in maintaining social stability and income levels, and are expected to account for up to 12 per cent of total GDP in 2013 (World Bank, 2013).

However, high levels of migration are creating demographic pressures, and Armenia must deal with an ageing population. In 2013, people aged 60 and older represented 15.1 per cent of the population, and those younger than 15 represented 18.9 per cent. The 15–29 age group, which is the focus of the SWTS, represented 25.7 per cent of the population.

2.2 The labour market in Armenia

Table 2.2 provides selected labour market indicators for the working-age population in Armenia for the year 2012. These 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 was 62.7 per cent, with the employment-to-population ratio at 51.9 per cent and the unemployment rate at 17.3 per cent. This employment ratio put Armenia in last place among EU countries (World Bank, 2013).

Table 2.2 Selected labour market indicators by sex and area of residence, 2012

Area & sex	Working-age population ¹ ('000)	Employed ('000)	Unemployed ('000)	Labour force participation rate %	Employment-to-population ratio %	Unemployment rate %
Armenia	2 260.8	1 172.8	245.5	62.7	51.9	17.3
Sex						
Male	1 004.7	605.0	119.4	72.1	60.2	16.5
Female	1 256.1	567.8	126.1	55.2	45.2	18.2
Area of residence						
Urban	1 475.1	627.4	215.0	57.1	42.5	25.5
Rural	785.7	545.4	30.5	73.3	69.4	5.3

¹ The working age population includes people aged 15–75.

Source: NSSRA, Household's Integrated Living Conditions Survey, 2012.

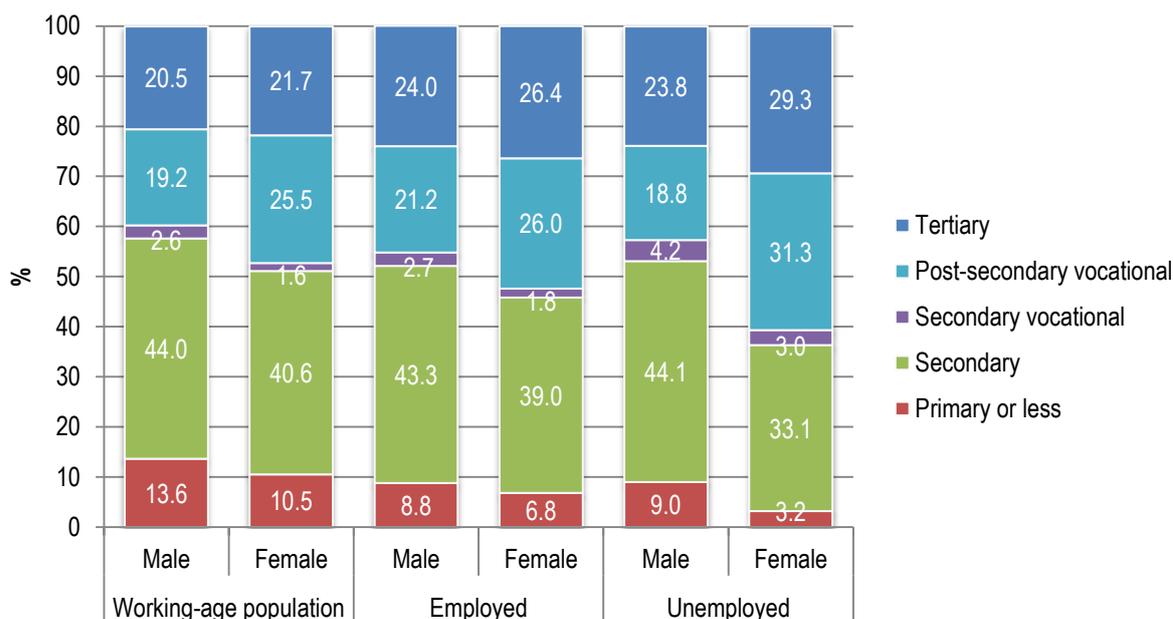
The national figures hide significant differences between the sexes, area of residence, educational attainment and age. For example, the labour force participation rate of women was much lower than that of men, at 55.2 per cent and 72.1 per cent, respectively. Similarly, employment ratios were 45.2 per cent for women and 60.2 per cent for men. Interestingly, the gender gap in unemployment rates was small; the differential was limited to 1.7 percentage points, with the female unemployment rate at 18.2 per cent and the male rate at 16.5 per cent in 2012. The numbers reveal that the male working-age population was smaller than that of females (1 million and 1.2 million, respectively), a situation largely explained by the male-dominated emigration patterns. Yet, more men were employed than women (605,000, compared to 567,800 women).

Another significant element of segmentation was area of residence. The data reveal that unemployment in Armenia was mainly an urban phenomenon, and labour force participation was significantly lower in urban (57.1 per cent) versus rural areas (73.3 per cent). The trend was similar for employment ratios, with the rural employment ratio at 69.4 per cent, compared to 42.5 per cent in urban areas. The lower labour force participation rate and higher unemployment rate in urban areas can be explained by the greater tendency towards educational participation in urban areas (driving down the participation rate) and the longer queues for jobs in the “modern”, and primarily urban, sectors. Furthermore, data from 2011 (Annex table A.2) show that gender differences within labour market indicators were much more pronounced in urban than in rural areas, with gaps as large as 20 percentage points in the male-female labour force participation rate and employment ratio in urban areas. In rural areas, the labour market situation for men and women was more comparable.

Turning to education, figure 2.1 illustrates the distribution of the working-age population (aged 15–75) and of employed and unemployed men and women in Armenia, according to their education levels.⁴ The numbers confirm the high level of education of the Armenian population, as is often the case in transition economies. Women of working age were slightly better educated than men: 89.4 per cent of women had at least a secondary-level education, versus 86.3 per cent of men. Furthermore, a slightly higher proportion of women than men (21.7 and 20.5 per cent, respectively) had obtained a higher education diploma. Interestingly, proportionally more women than men (27.1 per cent and 21.8 per cent, respectively) had graduated from vocational education (secondary and post-secondary combined).

⁴ See Annex II for a mapping of the education levels used in this report.

Figure 2.1 Working-age employed and unemployed population by level of education, 2012



Notes: The working-age population includes people aged 15–75. See Annex II for details of mapping of education levels shown here to national equivalency.

Source: NSSRA, Household's Integrated Living Conditions Survey, 2012.

Regarding the employed working-age population, 39.0 per cent of employed women had secondary-level education, 27.8 per cent had a vocational degree (both levels combined) and 26.4 per cent had tertiary-level education. Of employed men, 43.3 per cent had attained secondary-level education, 23.9 per cent held a vocational diploma (both levels combined) and 24.0 per cent had a university degree.

Within the unemployed population, women were more or less split into three main groups: 33.1 per cent of unemployed women had secondary-level education, 31.3 per cent had post-secondary vocational schooling and 29.3 per cent had tertiary-level education. Highly educated women (i.e. women with tertiary or post-secondary vocational degrees) therefore made up the largest share of unemployed women. The largest portion of unemployed men (44.1 per cent), on the other hand, had secondary-level education, while 23.8 per cent had a tertiary-level degree and 23.0 per cent had vocational-level education.

It is important to clarify the interpretive limitation of the indicators shown in figure 2.1. The figure provides a useful view of the labour force characteristics and performance of men and women, but it was not designed to assess whether employment matches educational attainment. For example, the fact that 26.4 per cent of employed women had a tertiary-level education does not imply that their employment was also at that level of specialization, but it shows that a high level of education gave the women an advantage in finding a job. Even the high share of unemployed women with tertiary education (29.3 per cent) compared to the respective share in the working-age population has positive as well as negative implications. On the positive side, it shows that women with higher education had an increased capacity to stay in the labour force, even when they were unemployed. It could be that they were keen to reap the benefits of their investment in education, and therefore were less likely to be discouraged in their search for a job, or that they were more aware of job searching strategies. They were in any case less likely to join the ranks of the inactive. On the negative side, it could mean that they tended to engage in specialized education with limited job prospects, or that they faced difficulties or discrimination in finding employment at the expected level.

The data from table 2.3 show that age was another important element of segmentation, confirming that the surveyed youth were seriously disadvantaged in the Armenian labour market. The 2012 exercise of the NSSRA's Household's Integrated Living Conditions Survey reveals important differentials between youth and adult unemployment rates, between young women and young men and, again, between urban and rural areas. The unemployment rates of young men were 29.8 per cent, 31.7 per cent and 21.0 per cent for age groups 15–19, 20–24 and 25–29, respectively. For young women, the unemployment rates jumped to 48.0 per cent, 39.0 per cent and 26.0 per cent for the respective age groups 15–19, 20–24 and 25–29. By comparison, the unemployment rates for adults aged 30–75 were 12.9 per cent and 14.2 per cent for men and women, respectively. Youth unemployment is therefore confirmed here as a significant challenge in Armenia, which means that the SWTS came at a timely moment to shed additional light on the topic and assist policy-makers to address this issue.

Table 2.3 Unemployment rates by age group, sex and area of residence, 2012 (%)

Age group	Total	Male	Female	Urban	Rural
Total	17.3	16.5	18.2	25.5	5.3
15–19	37.8	29.8	48.0	75.7	15.5
20–24	34.9	31.7	39.0	47.2	14.2
25–29	23.1	21.0	26.0	27.5	14.1
30–75	13.6	12.9	14.2	21.2	2.8

Source: NSSRA, Household's Integrated Living Conditions Survey, 2012.

Another particular challenge in Armenia is the size of the informal economy. It was especially prevalent in rural areas, where in 2010 it was estimated to account for 82.1 per cent of rural employment, compared to just 24.5 per cent in urban areas. Agricultural activities were particularly affected because of a lack of adequate regulation. The share of informal employment in the agricultural sector reached 98.6 per cent (ILO, 2012b). With regard to non-agricultural occupations, informal employment in 2010 was found to be most prevalent in civil construction (34.2 per cent of all employment in the sector), wholesale and retail trade (26.9 per cent) and food-processing (11.8 per cent).

Vulnerable employment⁵ also increased during the 2000s, with an estimated 35 per cent of men and 48 per cent of women in vulnerable jobs. People working in vulnerable jobs and in the informal sector are at higher risk of poverty and marginalization as they lack security in their jobs, income and access to social security schemes (ILO, 2012b).

2.3 Objectives and methodology of the school-to-work transition survey

Current restrictions in labour market information have led to a situation in which the question of why the school-to-work transitions of young people today are a long and difficult process has yet to be satisfactorily answered. At the same time, the goal of improving the transitions of youth is a top policy priority in most countries in the world. In response to this obvious information gap, the ILO has developed the SWTS, a detailed household survey covering individuals aged 15–29 (box 1). The survey is applied at the national level to generate information on the current labour market situation, the history of economic activities and the perceptions and aspirations of youth.

⁵ The ILO defines vulnerable employment as the sum of own-account workers and contributing family workers.

Box 1. Definition of youth

While in most contexts a youth is defined as a person aged between 15 and 24, for the purpose of the SWTS and related reports, the upper age limit is extended to 29 years of age. This recognizes the fact that some young people remain in education beyond the age of 24, and allows the opportunity to capture more information on the post-graduation employment experiences of young people.

The current survey aims to inform policy-makers in Armenia who are concerned with the question of how to facilitate young people's full and effective integration into the labour market. The SWTS was implemented by the NSSRA, which completed the fieldwork in September 2012. Funding for the survey came from the Work4Youth partnership between the ILO Youth Employment Programme and The MasterCard Foundation (box 2). The partnership supports the SWTS in 28 target countries, and data from the first round were made available throughout 2013. A second round of the SWTS will take place in 2014–15 in each of the 28 countries, including Armenia.

Box 2. Work4Youth: An ILO project in partnership with The MasterCard Foundation

The Work4Youth (W4Y) Project is a partnership between the ILO Youth Employment Programme and The MasterCard Foundation. The project has a budget of US\$14.6 million and will run for 5 years to mid-2016. Its aim is to "promot[e] decent work opportunities for young men and women through knowledge and action". The immediate objective of the partnership is to produce more and better labour market information specific to youth in developing countries, focusing in particular on transition paths to the labour market. The assumption is that governments and social partners in the project's 28 target countries will be better prepared to design effective policy and programme initiatives once armed with detailed information on:

- what young people expect in terms of transition paths and quality of work;
- what employers expect in terms of young applicants;
- what issues prevent the two sides – supply and demand – from matching; and
- what policies and programmes can have a real impact.

Work4Youth target areas and countries:

Asia and the Pacific: Bangladesh, Cambodia, Nepal, Samoa, Viet Nam

Eastern Europe and Central Asia: Armenia, Kyrgyzstan, the Republic of Moldova, the Russian Federation, The former Yugoslav Republic of Macedonia, Ukraine

Latin America and the Caribbean: Brazil, Colombia, El Salvador, Jamaica, Peru

Middle East and North Africa: Egypt, Jordan, Occupied Palestinian Territory, Tunisia

Sub-Saharan Africa: Benin, Liberia, Madagascar, Malawi, the United Republic of Tanzania, Togo, Uganda, Zambia

2.3.1 Questionnaire development and sample design

The standard ILO SWTS questionnaire was adapted to the context in Armenia based on a consultative process between the ILO and the NSSRA. The questionnaire was drafted and administered in Armenian.⁶

The sampling framework for the SWTS was designed using the database of addresses of all private households in the country, developed on the basis of 2001 population census results. The outdated household list posed some problems for the NSSRA, which had to make adjustments to add households to enumeration areas (EAs) when the original list no longer contained a sufficient number of households with the target population of individuals aged 15–29. The fieldwork was also slightly delayed by the need to visit households multiple times to find youth at home.

⁶ The final questionnaire and data set are available at http://www.ilo.org/employment/areas/WCMS_234860/lang--en/index.htm.

The SWTS sample framework was divided into 48 strata, including 12 communities of the city of Yerevan. Communities in all regions (*marzes*) were grouped into three categories: large towns with 15,000 or more inhabitants; small towns with less than 15,000 inhabitants; and villages. Large towns formed 16 groups (strata), while small towns and villages formed 10 strata each. A random two-tier sample was drawn, stratified by regions and by Yerevan. All regions and Yerevan, as well as all urban and rural communities, were included in the sample, according to the shares of their resident households within the total number of households in the country. Using the probability-proportional-to-size (PPS) method, 165 EAs were selected. In the second stage, 20 households were randomly selected in each EA. For a more detailed description of the sampling methodology, see Annex IV. The final sample size totalled 3,216 young people, slightly more than the 3,000 units planned.

3. Characteristics of youth in the sample

This section presents findings on the individual characteristics of the surveyed youth, their educational attainment, current activity status, and aspirations and life goals, as well as detailed characteristics of youth by main activity status (employed, unemployed or outside the labour market).

3.1 Individual characteristics of youth

Table 3.1 provides data on selected socio-economic characteristics of the youth surveyed. One number, the relative demographic share of young men and women, is striking. Women outnumbered men by almost 92,000, representing 55.8 per cent young women against 44.2 per cent young men. This fact is examined below in the discussion on mobility.

Table 3.1 Youth population by age group, area of residence, marital status and sex

Characteristic	Total		Male		Female	
	Number	%	Number	%	Number	%
Total	784 355	100.0	346 309	44.2	438 047	55.8
Age group						
15–19	271 884	34.7	124 174	35.9	147 711	33.7
20–24	280 851	35.8	120 682	34.8	160 169	36.6
25–29	231 620	29.5	101 453	29.3	130 167	29.7
Area of residence						
Urban	627 357	80.0	268 190	77.4	359 167	82.0
Rural	156 998	20.0	78 118	22.6	78 880	18.0
Marital status						
Married (including divorced and widowed)	198 959	25.4	55 373	16.0	143 586	32.8
Single (including those who are going to marry)	585 396	74.6	290 936	84.0	294 460	67.2
With children	154 886	19.7	39 654	11.5	115 232	26.3
Average age at marriage	21.8		23.6		21.1	

Source: NSSRA, SWTS-Armenia, 2012.

The distribution of the youth population was fairly equal across age groups (34.7 per cent were aged 15–19, 35.8 per cent were 20–24 and 29.5 per cent were 25–29). Youth were much more numerous in urban areas (80.0 per cent versus 20.0 per cent in rural

areas). Slightly more young men (22.6 per cent) lived in rural areas, compared to 18.0 per cent of young women.

The average age at marriage for a young Armenian was 21.8, slightly higher for young men (23.6 years) than young women (21.1 years). One-quarter (25.4 per cent) of youth were married (including divorced or widowed) and the remaining 74.6 per cent were single. Nearly one-fifth (19.7 per cent) of youth had children. The share of married young women was double that of young men (32.8 and 16.0 per cent, respectively) and young women were also much more likely to have children (26.3 per cent) than young men (11.5 per cent).

Health and disabilities

The SWTS collects information on the health of young people with respect to seeing, hearing, walking, remembering, washing and dressing, and communicating. The responses of Armenian youth are compiled in Annex table A.4. They show that the Armenian youth surveyed were generally in good health, with an overall 98.0 per cent of respondents reporting no difficulties at all. The data in more detail reveal that eyesight was the most reported problem, but at limited levels, and more so in urban areas (8.9 per cent) than in rural areas (1.6 per cent).

Mobility

Mobility within Armenia is a complex phenomenon. On the one hand, the strong geographical segmentation of both the labour market and the population seems to point towards a stationary population. SWTS data on mobility tend to confirm this hypothesis; the survey responses showed limited movement among youth, especially for employment (table 3.2). Less than one-fifth (14.5 per cent) of youth had moved from their original residence. The share was slightly higher for young women (18.3 per cent) and a large proportion (43.8 per cent) left their original residence to get married. Only 9.9 per cent of young men had moved, mainly from rural areas (32.1 per cent) but also from beyond Armenian borders (24.1 per cent from another CIS country and 10.1 per cent from a non-CIS country). Young women were more likely to have moved from rural areas or smaller towns, and 17.1 per cent of young men who moved from their original residence did so for employment purposes. Considering the high rates of urban unemployment, it may have been that there was little incentive to move to cities to find work.

Table 3.2 Youth who moved from original residence by area of residence and reason for moving (%)

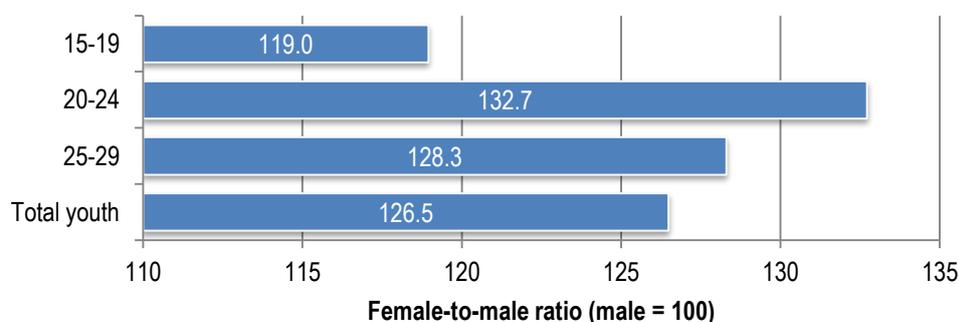
Original residence & reason for moving	Total	Male	Female
Young people who left their birthplace	14.5	9.9	18.3
<i>By original residence</i>			
rural settlement areas	38.6	32.1	41.4
small towns/villages	26.3	17.5	30.0
big cities/capital city	15.1	16.2	14.6
other CIS countries	13.6	24.1	9.2
non-CIS countries	6.4	10.1	4.7
<i>By reason for leaving</i>			
to obtain education or for retraining	21.9	29.4	18.8
to work or other employment-related reasons	7.3	17.1	3.1
to get married	31.6	3.1	43.8
other reasons	39.2	50.4	34.3
Share of unemployed youth who moved for work	1.7	3.5	0.1

Source: NSSRA, SWTS-Armenia, 2012.

However, mobility in Armenia is also very much an international phenomenon. A recent study by the European Commission sheds some light on out-migration from Armenia (Manasyan and Poghosyan, 2012). Although not focusing specifically on youth, the report indicates that up to 90 per cent of those emigrating are between the ages of 20 and 54. Historically, and particularly since independence, the migration flows have been so important that the Armenian diaspora is now estimated at 8 to 9 million people, mainly in the Russian Federation and the United States. With limited employment opportunities available for youth in Armenia, international migration is a very attractive option for people hoping to find a job, made easier by the extended international Armenian networks.

The SWTS is not equipped to deal directly with the issue of out-migration, mainly because it targets resident youth, who have not had the opportunity to leave the country for work and come back. However, indirectly, it does provide a measure of the phenomenon. Figure 3.1 shows the female-to-male ratio among the young population in Armenia. Among the youth population aged 15–29, there were 126.5 women for every 100 men. The age group most concerned with sex discrepancy was the 20–24 year-olds, with 132.7 women for every 100 men. This finding is consistent with the large number of emigrating men, which can also help to explain the low percentage of young men who had moved within Armenia, as presented in figure 3.1.

Figure 3.1 Ratio of young females to young males by age group



Source: NSSRA, SWTS-Armenia, 2012.

Financial inclusion of youth

Table 3.3 shows that a minority of young people in Armenia made use of formal financial services. Only 4.2 per cent of young people contracted business or consumption loans. Accessing remittances was the most frequently cited financial service used by youth (8.3 per cent). Unsurprisingly, when needing to handle unforeseen expenses, the survey showed that youth first turned to their families (76.3 per cent), relied on their savings (8.6 per cent) or adjusted their spending behaviour (8.3 per cent). All other coping mechanisms (e.g. loans, micro-insurance, unemployment benefits, selling assets) gathered less than 15 per cent of responses.

Financial status

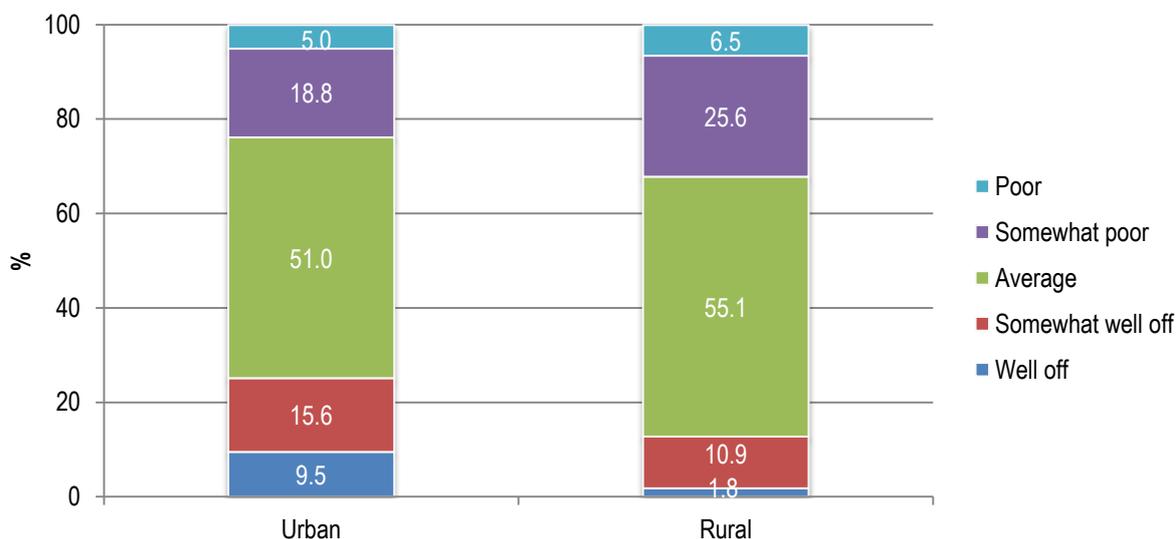
Just over one-half (51.0 per cent) of urban youth and 55.1 per cent of rural youth reported their households to be of average wealth (figure 3.2). As can be expected, wealth was more concentrated in urban areas, where 15.6 and 9.5 per cent of youth assessed their households as either somewhat well off or well off, respectively. In rural areas, those shares fell to 10.9 and 1.8 per cent. Poverty, on the other hand, was more widespread in rural areas, with a combined share of 32.1 per cent of poor and somewhat poor households, against 23.8 per cent in urban areas. The greater wealth in urban areas may help explain the segmentation of the population along rural–urban lines, even if employment opportunities were much worse in cities than in the countryside.

Table 3.3 Financial inclusion of youth (%)

Financial service & means	%
Financial services used	
None	74.6
Business loan	0.4
Consumption loan	3.8
Savings account	0.7
Insurance	0.1
Remittances	8.3
Other	14.8
Means of covering unforeseen expenses	
No need to cover	12.3
Savings	8.6
Loan	2.7
Micro-insurance	0.1
Unemployment benefits, pension or social security schemes	3.7
Sacrifice on expenses	8.3
Work extra to earn more income	1.2
Sell assets	0.7
Family	76.3
Friends	3.3
Other	0.0

Source: NSSRA, SWTS-Armenia, 2012.

Figure 3.2 Youth by household income level and area of residence



Note: Household income categories are based on the self-assessment of young respondents.

Source: NSSRA, SWTS-Armenia, 2012.

3.2 Educational attainment

3.2.1 Access to education

Universal education is well established in Armenia; among the youth population, a nominal 0.3 per cent reported never attending school (table 3.4). Contrary to expectations, those with no schooling were located in urban areas. A majority of young people aged 15–29 had already completed their education (52.5 per cent), while 45.3 per cent were still in school. A minute share (1.9 per cent) left school before completion. However, the numbers were so low that the statistical analysis was not reliable. One aspect does stand out: the high average age of young people interrupting their studies, i.e. 21.7 years old for men and 23.7 for women, hinted that even early school leavers were reasonably well educated, dropping out at higher levels (Annex table A.5)

Table 3.4 Youth by educational status, sex and area of residence (%)

Educational status	Total	Male	Female	Rural	Urban
Never attended school	0.3	0.5	0.2	0.0	0.4
Left school before completion	1.9	2.4	1.4	0.4	2.2
Currently attending school	45.3	48.2	43.0	39.3	46.8
Completed education	52.5	48.8	55.4	60.4	50.6

Source: NSSRA, SWTS-Armenia, 2012.

3.2.2 Completed education

Table 3.5 provides detailed information on youth educational attainment by area of residence and sex. The table confirms the high levels of education in the country. Only 0.8 per cent of youth had finished their schooling at the primary level or less, and 33.7 per cent had completed education at the tertiary level. The table also demonstrates that young people from rural areas did not advance as far in their studies as youth from urban areas. Men and women in rural areas had comparable educational attainment, mainly secondary-level schooling (78.3 per cent for men and 79.7 per cent for women). Female youth were slightly more likely to have a university degree (16.0 per cent for women against 13.3 per cent for men); however, men were more likely to have a vocational degree (8.2 per cent for all vocational education for men versus 4.4 per cent for women). Likewise, in urban areas, more men tended to choose vocational education than women (16.3 per cent and 7.3 per cent, respectively, for secondary vocational and post-secondary vocational combined). A greater proportion of women than men in urban areas had a university degree (42.7 per cent of women against 33.7 per cent of men). The low share of young people engaged in vocational studies leaves scope for future investment and the development of vocational education as a means of linking youth more closely to the labour market.

Table 3.5 Youth by educational attainment, area of residence and sex (%)

Educational attainment*	Total			Urban			Rural		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Primary or less	0.8	1.2	0.6	1.0	1.5	0.8	0.1	0.2	0.0
Secondary	55.6	56.4	55.0	48.9	48.5	49.2	79.0	78.3	79.7
Secondary vocational	6.3	10.5	3.3	6.9	11.8	3.7	4.2	6.8	1.7
Post-secondary vocational	3.6	3.7	3.4	4.0	4.5	3.6	2.0	1.4	2.7
Tertiary	33.7	28.3	37.7	39.2	33.7	42.7	14.6	13.3	16.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Note: *See Annex II for details of mapping of education levels shown here to national equivalency.

Source: NSSRA, SWTS-Armenia, 2012.

Youth education and activity status

Table 3.6 shows the relationship between the completed educational level of youth and their main economic activity status. Over one-half (52.2 per cent) of employed youth had secondary-level schooling, 39.9 per cent had tertiary-level education and 7.6 per cent had vocational training (secondary and post-secondary combined). This more or less follows the distribution pattern of educational attainment for the youth population as a whole (table 3.4) with one main discrepancy: the highly educated youth (at the tertiary level) were more numerous among those employed. Among unemployed youth, 58.4 per cent had secondary-level education, 30.4 per cent had a university degree and 10.8 per cent had a vocational degree (both vocational levels combined). The educational attainment data of the inactive population show more marked differences to that of the total youth population; the largest share of inactive youth were those with university education (53.0 per cent), as opposed to those with secondary school education (43.7 per cent) and the remaining 3.3 per cent with vocational training.

Table 3.6 Youth by educational attainment and main activity status

Educational attainment*	Employed		Unemployed		Inactive	
	Number	%	Number	%	Number	%
Primary	565	0.3	565	0.5	–	0.0
Secondary	111 774	52.2	72 588	58.4	39 186	43.7
Secondary vocational	10 086	4.7	9 174	7.4	912	1.0
Post-secondary vocational	6 301	2.9	4 197	3.4	2 104	2.3
Tertiary	85 288	39.9	37 766	30.4	47 522	53.0
Total	214 014	100.0	124 290	100.0	89 725	100.0

Notes: – = Negligible. *See Annex II for details of mapping of education levels shown here to national equivalency.
Source: NSSRA, SWTS-Armenia, 2012.

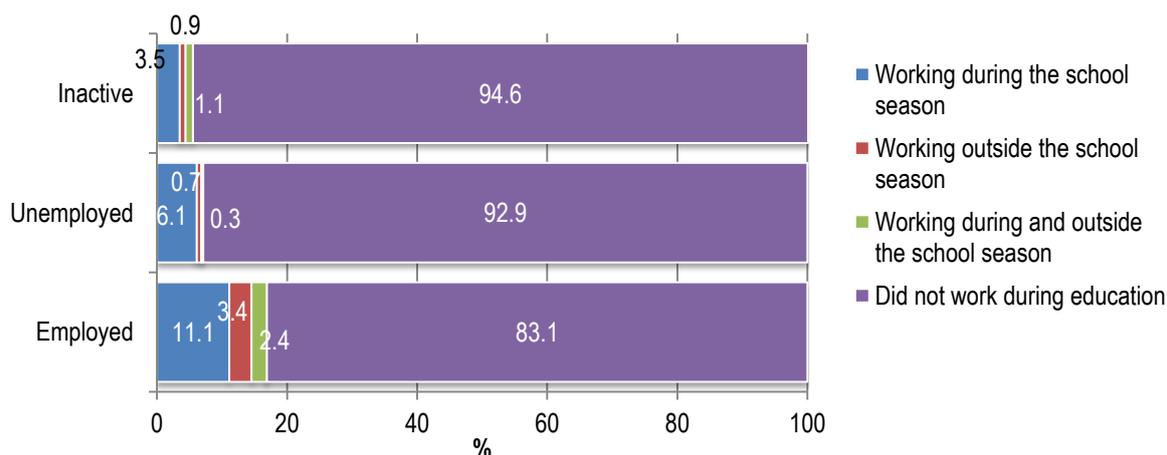
The data from this table point towards a waste of human resources at the higher education levels. It is striking that 53.0 per cent of inactive youth had a tertiary-level education. One explanation could be that many of the university graduates had given up on the job search after spending long periods looking for work.⁷ In addition, young women bear the main responsibility for the family and household in Armenia and thus were likely to remain inactive after marriage, regardless of their level of education. On the other hand, the low percentages of inactive youth with vocational schooling indicate that these courses provided a slightly better chance of remaining in the labour force than other educational cycles. The numbers were so low, however, that it remains difficult to draw definite conclusions about the true impact of vocational education in Armenia.

Work–study combination

Figure 3.3 shows that the surveyed youth in Armenia did not mix studies and work. Overall, 88.5 per cent of students who had completed their education did not work at all during their schooling. Yet acquiring work experience during studies helps employment outcomes. By main economic status, a combined share of 16.9 per cent of employed youth acquired some kind of work experience during their school years (either during the school season, outside it or both). By contrast, 92.9 per cent of unemployed youth and 94.6 per cent of inactive youth had not worked during their school years.

⁷ Overall, the share of discouraged youth – those who did not actively seek work either because they felt no work was available in the area, did not know where to look, had looked already and had not found anything, or felt too young to find work – in the inactive non-student population was not large (10.2 per cent), but the indicator was not investigated by level of educational attainment.

Figure 3.3 Youth with completed education who combined work and education by main economic status

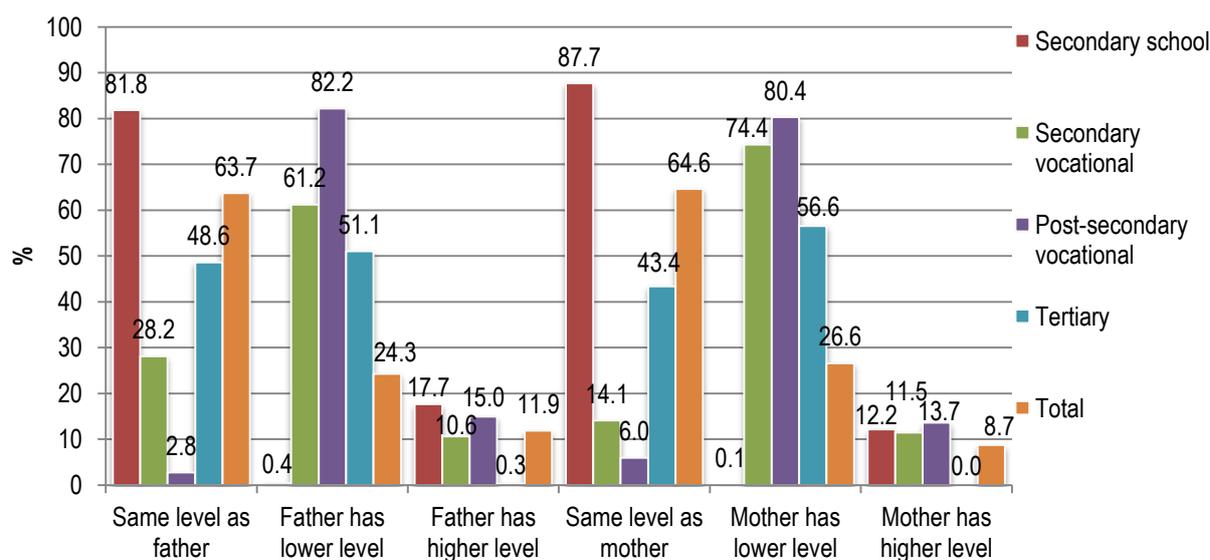


Source: NSSRA, SWTS-Armenia, 2012.

Education of parents and their children

Comparing the educational attainment of young people with the completed education level of their parents gives an idea of the progress achieved over the course of a generation (figure 3.4). Progress has been made in the case of Armenia, reflected in the fact that 24.3 per cent of young people had achieved a higher level of education than their fathers and 26.6 per cent had reached a higher level than their mothers. The data show that 81.8 per cent of young people with secondary-level education had the same level as their fathers, and 87.7 per cent the same level as their mothers. Nearly one-half (48.6 per cent) of young people with tertiary-level education had reached the same level as their fathers, and 43.4 per cent the same level as their mothers. Progress is also noticeable in vocational education, as 61.2 and 74.4 per cent of fathers and mothers, respectively, had a lower level of education than their children with secondary vocational education, and 82.2 and 80.4 per cent of fathers and mothers, respectively, had a lower level of education than their children with post-secondary vocational education. However, the latter numbers may not be statistically relevant in view of the low share of young people engaged in vocational education.

Figure 3.4 Comparison of youth's and parents' educational attainment



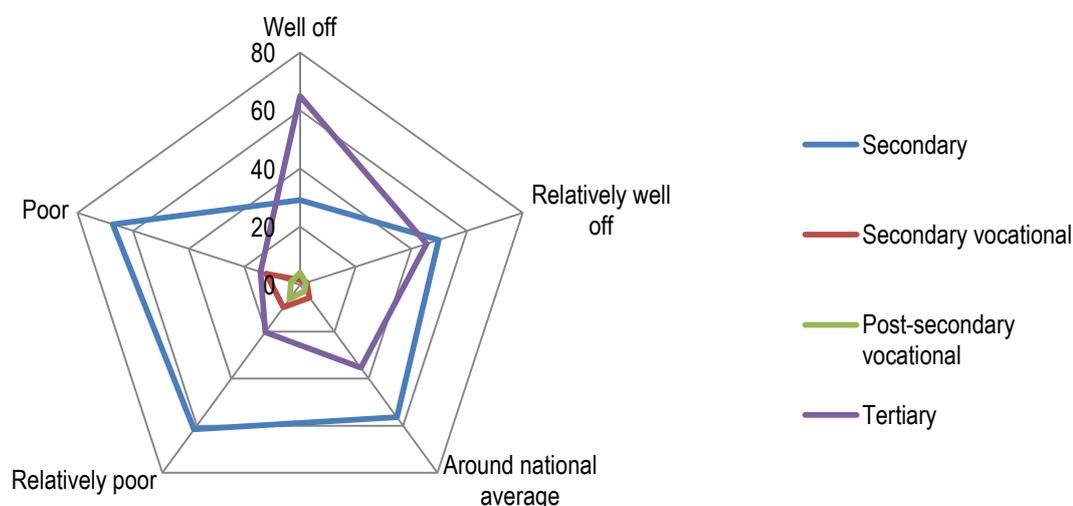
Note: See Annex II for details of mapping of education levels shown here to national equivalency.
Source: NSSRA, SWTS-Armenia, 2012.

The progress in higher education aside, it is striking to note the reduction in attendance in vocational education. Annex table A.6 shows that 2.2 per cent and 31.9 per cent of youth's mothers had attained the levels of secondary vocational and post-secondary vocational education, respectively. For youth's fathers, the breakdown was 4.5 per cent and 26.4 per cent, respectively. By contrast, in 2012, although 6.3 per cent of youth had attained the secondary vocational level, a mere 3.6 per cent had attained the post-secondary vocational level. This collapse is a serious indication of the crisis in vocational education, which needs to be addressed urgently.

Household financial situation and educational attainment

Figure 3.5 shows the relationship between household income level and educational attainment. Unsurprisingly, youth in the wealthiest households had the highest levels of tertiary education (65.0 per cent of youth with a university education were from well-off families) versus relatively well-off households (45.5 per cent), average-income households (35.3 per cent), relatively poor households (20.2 per cent) and, finally, poor households (14.1 per cent). Logically, the poorest households were also those where educational attainment was lowest, generally up to the maximum level of compulsory schooling; combining general secondary and secondary vocational, 79.2 per cent of youth from the poorest households had secondary-level education. Vocational education was more frequent in relatively poor and poor households (15.7 and 15.1 per cent, respectively, combining both levels of secondary education). By comparison, only 5.9 per cent of youth from well-off families had a vocational diploma.

Figure 3.5 Youth by household income level and educational attainment (%)



Notes: Household income categories are based on the self-assessment of young respondents. The results for primary-level education are omitted due to the very small numbers. See Annex II for details of mapping of education levels shown here to national equivalency. Source: NSSRA, SWTS-Armenia, 2012.

3.2.3 Current students

Current students in Armenia (at the time of the survey) mostly preferred to eventually obtain a professional job (67.3 per cent) (table 3.7). Among male students, 60.6 per cent preferred professional jobs and 15.7 per cent hoped to find work as a technician or associate professional. Among female students, 73.2 per cent preferred professional jobs and 14.3 per cent technical jobs. In terms of where the students wanted to work, nearly one-half (45.5 per cent) hoped to work in the government or public sector. The attraction of the public sector was due to three factors: status, security and benefits. Unfortunately,

thinking that the public sector will have the capacity to absorb all emerging young graduates is unrealistic. Only 16.8 per cent of young students stated a preference to work in a private company, and a relatively high share (25.9 per cent) expressed the desire to be self-employed. The latter statistic is somewhat surprising given the low share of surveyed youth who were self-employed (section 3.5).

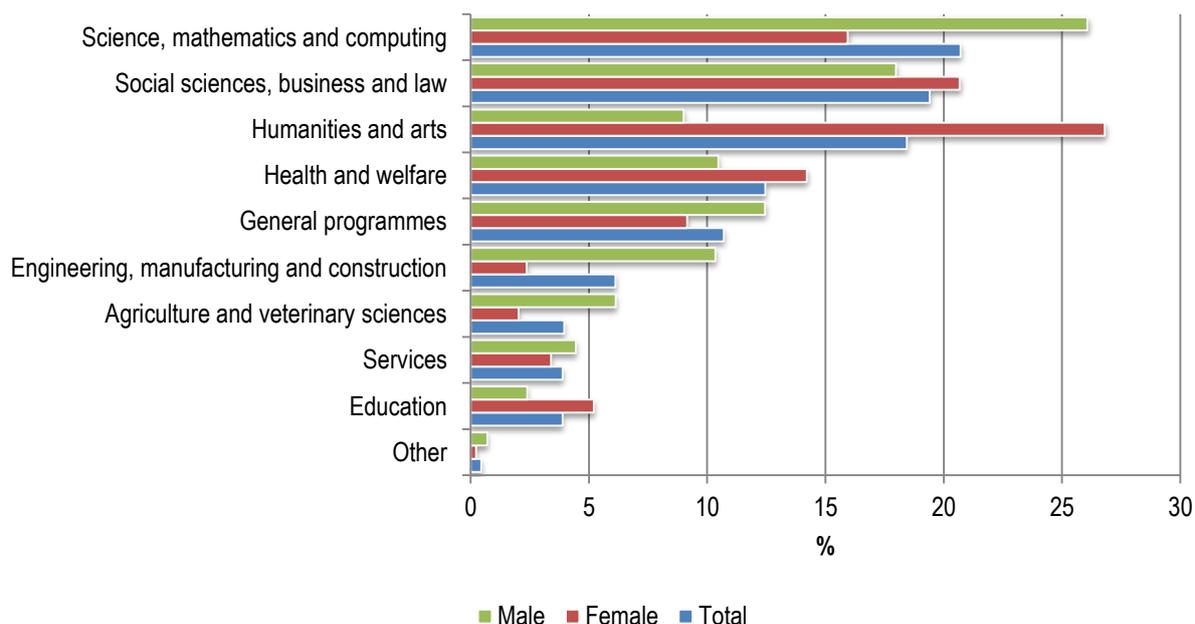
Table 3.7 Current students by preferred occupation, place of work and sex

Preferred occupation & place of work	Total		Male		Female	
	Number	%	Number	%	Number	%
Occupation						
Legislators, senior officials, managers	23 616	6.6	16 259	9.7	7 357	3.9
Professionals	239 060	67.3	101 246	60.6	137 813	73.2
Technicians & associate professionals	53 252	15.0	26 237	15.7	27 015	14.3
Clerks	8 027	2.3	6 357	3.8	1 670	0.9
Service workers, shop, market sales workers	15 247	4.3	5 461	3.3	9 786	5.2
Skilled agricultural & fishery workers	626	0.2	626	0.4	0	0.0
Craft & related trades workers	5 038	1.4	4 045	2.4	992	0.5
Plant & machine operators & assemblers	2 136	0.6	2 136	1.3	0	0.0
Elementary occupations	8 359	2.4	4 709	2.8	3 650	1.9
Armed forces	0	0.0	0	0.0	0	0.0
Total	355 360	100.0	167 077	100.0	188 283	100.0
Place of work						
Myself (own business/farm)	91 854	25.9	55 508	33.2	36 345	19.3
Government/public sector	161 624	45.5	66 511	39.8	95 114	50.5
Private company	59 719	16.8	28 560	17.1	31 159	16.6
International or non-profit organization	33 156	9.3	12 369	7.4	20 786	11.0
Family business/farm	8 688	2.4	4 129	2.5	4 559	2.4
Do not wish to work	169	0.1	0	0.0	169	0.1
Does not matter	151	0.0	0	0.0	151	0.1
Total	355 360	100.0	167 077	100.0	188 283	100.0

Source: NSSRA, SWTS-Armenia, 2012.

Figure 3.6 shows the choice of specialization of the students surveyed. Overall, the preferred field of study was science, mathematics and computing, chosen by 20.7 of youth. Social sciences, business and law, and humanities and arts were also two fields of study chosen by more than 15 per cent of youth (19.4 and 18.4, respectively). Fields chosen by more than 10 per cent of youth were health and welfare (12.4 per cent), and general programmes (10.7 per cent). There were, however, important gender differences. The biggest differentials in favour of men were in science, mathematics and computing (chosen by 26.1 per cent of men against 15.9 per cent of women); engineering, manufacturing and construction (10.4 per cent of men against 2.4 per cent of women); and agriculture and veterinary sciences (6.1 per cent of men against 2.0 per cent of women). Female students, on the other hand, were more likely to choose humanities and arts (chosen by 26.8 per cent of women versus 9.0 per cent of men), health and welfare (14.2 per cent of women versus 10.5 per cent of men) and education (5.2 per cent of women versus 2.4 per cent of men).

Figure 3.6 Current students by preferred field of study



Source: NSSRA, SWTS-Armenia, 2012.

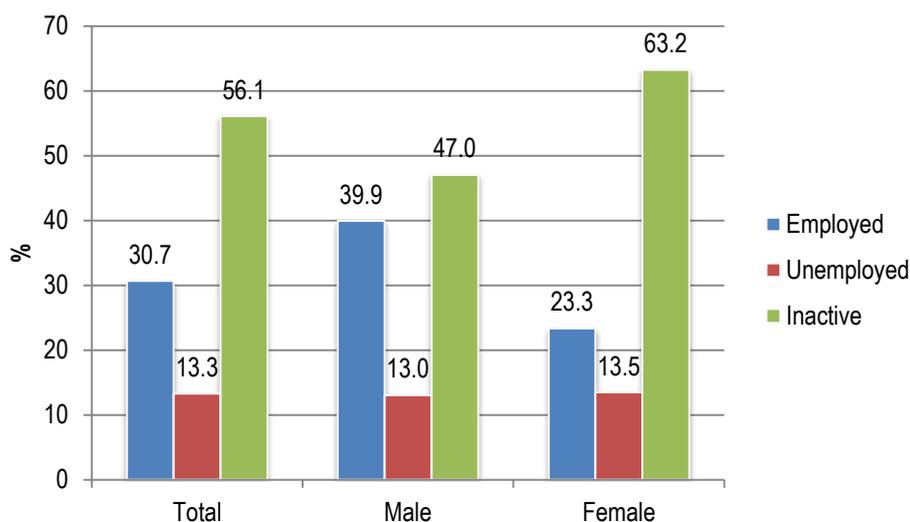
3.3 Activity status of youth

The international standards concerning employment and unemployment statistics are based on the labour force framework (see Annex I for definitions). According to this framework, the working-age population is divided into three categories (employed, unemployed and not economically active [inactive]) depending on their labour market activities during a specified short reference period, either a day or a week.

Figure 3.7 illustrates the working-age youth population by main economic activity. Several observations result. First, 13.3 per cent of surveyed youth were unemployed, with a slightly higher unemployment share among young females than males. Second, most youth were inactive (56.1 per cent), with a higher share among young women (63.2 per cent, compared to 47.0 per cent of young men). The inactive group comprises youth not engaged in the labour market and includes those in education, looking after family, retired or sick or disabled. Third, the share of employed young men was significantly higher than the share of employed young women, at 39.9 per cent and 23.3 per cent, respectively. Thus, young women were much more likely to be inactive than young men, and young men were more likely to be employed than young women.

Adding the share of youth in employment to the share of unemployed youth and comparing this combined share against the population gives the labour force participation rate. In Armenia, this rate for the young men surveyed was 53.0 per cent and for young women 36.8 per cent. The labour force participation rate increased across age groups, ranging from 11.3 per cent for adolescents (aged 15–19), 53.8 per cent for young adults (aged 20–24) and 70.2 per cent for the older youth (aged 25–29). This increase was normal, as young people progressively finish their studies to join the labour force. The difference, however, was significant between young men and women.

Figure 3.7 Youth population by main economic activity and sex



Source: NSSRA, SWTS-Armenia, 2012.

In the ILO *Global Employment Trends for Youth 2013* report, the argument is made that comparing traditional labour market indicators with a more detailed disaggregation of indicators made available through the SWTS allows a more detailed picture of the challenges youth face in developing economies (ILO, 2013, Chapter 4). The SWTS framework proposes a distribution of the youth population in the following five categories: (a) regular employment, defined as wage and salaried workers holding a contract of greater than 12 months' duration, plus self-employed youth with employees (employers); (b) irregular employment, defined as wage and salaried workers holding a contract of limited duration, i.e. set to terminate prior to 12 months, self-employed youth with no employees (own-account workers) and contributing family workers; (c) unemployed (relaxed definition), defined as persons currently without work and available to take up work in the week prior to the reference period; (d) inactive non-students; and (e) inactive students.

Table 3.8 shows the results for Armenia. Within this framework, more young men were engaged in regular employment than young women (25.7 per cent against 16.5 per cent, respectively). Irregular employment was also more prevalent among young men than young women (14.2 per cent against 6.8 per cent, respectively). Relaxed unemployment, expressed as a share of the youth population, affected young women slightly more than young men (18.1 per cent against 15.2 per cent, respectively), and those aged 20–24 in particular (23.5 per cent against an overall youth relaxed unemployment share of 16.8 per cent).

By geographical location, urban areas fared better than rural areas, at least concerning stability of employment: their share of regular employment was higher (21.6 per cent against 16.5 per cent for rural areas), and their share of irregular employment was lower (7.1 per cent versus 21.9 per cent for rural). Relaxed unemployment, on the other hand, was much more widespread in urban (19.3 per cent) than in rural areas (6.9 per cent).

Finally, the overall youth inactivity rate of 52.5 per cent was consistent with the broad section of the youth population engaged in education. More than one-third (37.1 per cent) of the youth population were inactive students, leaving 15.4 per cent as inactive non-students. It is important to note that the female inactivity rate was much higher than the male inactivity rate (58.6 per cent against 44.9 per cent, respectively), and that inactive young females were far more likely to fall in the sub-category of inactive non-students (23.3 per cent) than young males (5.5 per cent).

This data's main lesson is that, although signs of difficulty exist for both sexes (highlighted by the high unemployment rates discussed in section 3.6), young women tend to experience worse labour market outcomes than young men, despite their higher educational attainment.

Table 3.8 Youth by selected characteristics and activity status

Characteristic	Youth population	Regular employment		Irregular employment		Relaxed unemployed		Inactive non-students		Inactive students	
	Number	Number	%	Number	%	Number	%	Number	%	Number	%
Total	784 355	161 479	20.6	78 952	10.1	131 901	16.8	120 830	15.4	291 192	37.1
Sex											
Male	346 309	89 021	25.7	49 244	14.2	52 611	15.2	18 958	5.5	136 474	39.4
Female	438 046	72 458	16.5	29 709	6.8	79 289	18.1	101 872	23.3	154 719	35.3
Age group											
15–19	271 885	3 784	1.4	9 689	3.6	28 888	10.6	16 109	5.9	213 415	78.5
20–24	280 851	66 730	23.8	27 675	9.9	66 011	23.5	49 139	17.5	71 296	25.4
25–29	231 620	90 965	39.3	41 589	18.0	37 001	16.0	55 582	24.0	6 482	2.8
Area of residence											
Urban	627 357	135 575	21.6	44 617	7.1	121 052	19.3	90 012	14.3	236 102	37.6
Rural	156 998	25 904	16.5	34 336	21.9	10 849	6.9	30 818	19.6	55 091	35.1

Source: NSSRA, SWTS-Armenia, 2012.

Table 3.9 presents data on young people neither employed nor in education or training (NEET). Of the total youth population in Armenia, 27.4 per cent fell under the NEET category, with 39.3 per cent of them unemployed non-students and 60.7 per cent inactive non-students. Young women were much more likely to be NEETs than young men (36.5 per cent against 15.9 per cent, respectively). At the same time, the composition of female NEETs differed from that of male NEETs. Over two-thirds (69.2 per cent) of young female NEETs were inactive non-students. In the case of male NEETs, only 35.8 per cent were inactive non-students. On the other hand, young men were much more likely to fall into the NEET category because they were predominantly unemployed non-students (64.2 per cent compared to 30.8 per cent of young women). These figures must be considered in relation to the high share of women engaged in family duties. Regarding geographical location, more NEETs were in urban than in rural areas (27.9 per cent and 25.4 per cent, respectively), which was due to the high share of unemployment in urban areas. The composition of NEETs in rural areas was comprised primarily of inactive non-students, at 80.9 per cent of the total.

Table 3.9 Youth neither in employment, education nor training by status, sex and area of residence

Sex & area of residence	Youth population	NEETs within youth population		NEET status (and share of total NEETs)			
				Unemployed non-students		Inactive non-student	
		Number	%	Number	%	Number	%
Total	784 355	214 981	27.4	84 540	39.3	130 441	60.7
Male	346 309	54 942	15.9	35 254	64.2	19 689	35.8
Female	438 047	160 039	36.5	49 286	30.8	110 752	69.2
Area of residence							
Urban	627 357	175 128	27.9	76 938	43.9	98 190	56.1
Rural	156 998	39 852	25.4	7 601	19.1	32 251	80.9

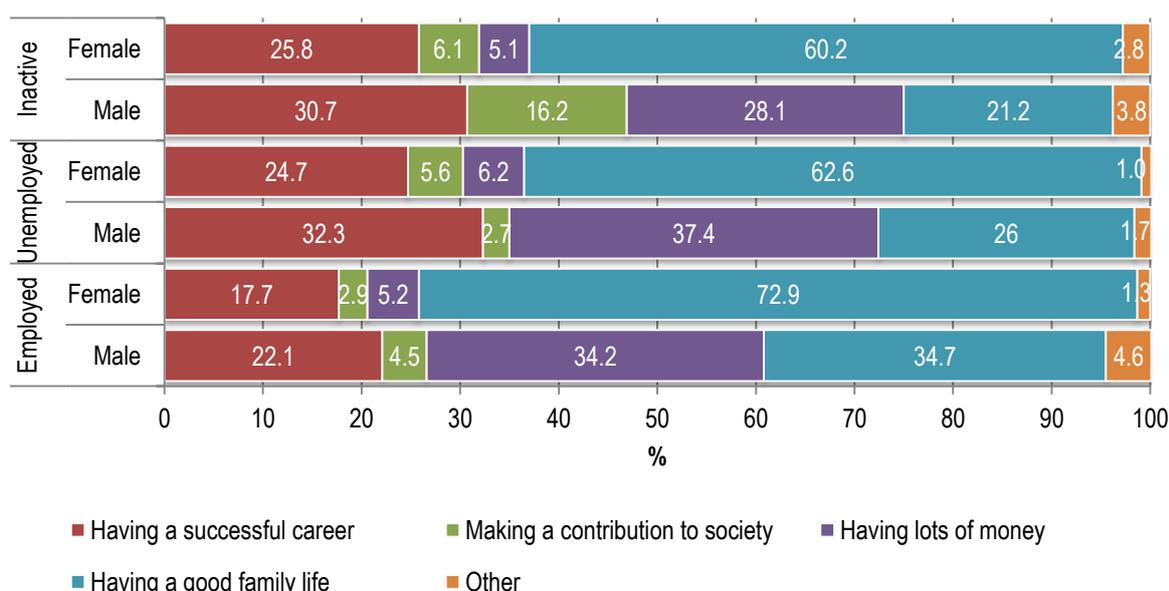
Source: NSSRA, SWTS-Armenia, 2012.

3.4 Ambitions and life goals

Young respondents of the SWTS were asked to identify their primary life goal. Results varied among economic activity statuses, but particularly between the sexes. Women’s priority by far, regardless of the activity status, was to have a good family life. This was selected as the primary goal by 60.2 per cent of inactive young women, 62.6 per cent of unemployed women and 72.9 per cent of employed women. Their second priority was to have a successful career, especially among the inactive (25.8 per cent), a sign that many of the inactive women intended to join the labour force at a later date. Making money, on the other hand, was not an important goal, varying between 5.1 per cent (inactive females) and 6.2 per cent (unemployed females).

The young men’s goals were more evenly spread across three priorities: making money, having a successful career and having a good family life. For inactive men, the priority was a successful career (30.7 per cent), for unemployed men, making money was the most important (37.4 per cent) and for employed men, having a good family life narrowly surpassed making money as the first priority (34.7 per cent against 34.2 per cent, respectively). Only inactive men selected making a contribution to society to any significant degree (16.2 per cent).

Figure 3.8 Youth by primary life goal, main economic activity status and sex



Source: NSSRA, SWTS-Armenia, 2012.

3.5 Characteristics of employed youth

3.5.1 Status in employment and sectoral and occupational distribution

Table 3.10 shows that almost three-quarters of the young people surveyed (74.9 per cent) were wage and salaried workers. The second most common employment status was that of contributing (unpaid) family worker, for 16.9 per cent of youth, followed by own-account worker (6.5 per cent) and a small share of employers (1.7 per cent). Variations existed between the sexes, with slightly more young women than young men in wage employment (78.7 per cent and 72.1 per cent, respectively), but fewer working as contributing family workers (16.3 per cent of women against 17.3 per cent of men), as

own-account workers (4.5 per cent and 7.9 per cent, respectively) and as employers (0.5 per cent and 2.6 per cent, respectively). The urban–rural distinction was particularly pronounced within this indicator, showing that the modern tendency to work for pay for a formal enterprise remained principally an urban phenomenon in Armenia. In rural areas, a young person was equally as likely to work without pay in a family establishment (45.5 per cent) as to work for a wage in a non-family enterprise (47.5 per cent). In contrast, unpaid family workers made up only 7.3 per cent of young workers in urban areas.

Table 3.10 Youth employment by status in employment, sex and area of residence (%)

Employment status	Total	Male	Female	Urban	Rural
Wage & salaried worker (employee)	74.9	72.1	78.7	84.1	47.5
Employer	1.7	2.6	0.5	2.2	0.2
Own-account worker	6.5	7.9	4.5	6.4	6.8
Contributing family worker	16.9	17.3	16.3	7.3	45.5
Total	100.0	100.0	100.0	100.0	100.0

Source: NSSRA, SWTS-Armenia, 2012.

Own-account workers and contributing family workers are combined in the classification of “vulnerable employment”. In Armenia, one-fifth (20.8 per cent) of young women and one-quarter (25.2 per cent) of young men fell in the category of vulnerable employment. Given the prevalence of unpaid family work in rural areas, the share of young workers deemed vulnerable was greater than one-half (52.3 per cent), well above the share in urban areas (13.7 per cent).

Data on the main sectors of employment reveal more marked differences between the sexes and urban/rural areas. A majority of young men worked in services (54.4 per cent), followed by 26.9 per cent in industry and 18.7 per cent in agriculture (table 3.11). More than three-quarters (78.6 per cent) of young women were employed in the services sector, which is consistent with their high share of wage employment. The second most important employment sector for young women was agriculture, with a share of 15.8 per cent. Industry accounted for just 5.6 per cent of female employment. Employment in rural areas continued to be dominated by the agricultural sector, employing 51.3 per cent of youth. The services sector employed 32.2 per cent of youth in rural areas, compared to a dominant 75.5 per cent in urban areas.

Table 3.11 Youth employment by main sector, sex and area of residence (%)

Main sector	Total	Male	Female	Urban	Rural
Agriculture	17.5	18.7	15.8	6.1	51.3
Industry	17.8	26.9	5.6	18.3	16.4
Services	64.7	54.4	78.6	75.5	32.2
Total	100.0	100.0	100.0	100.0	100.0

Source: NSSRA, SWTS-Armenia, 2012.

Viewed in more detail (table 3.12), the data show industrial employment among young men was spread between manufacturing (12.5 per cent of total male employment) and construction (10.0 per cent). The two sectors seem closed to young women. At most 3.9 per cent of female workers were engaged in the manufacturing sector. Education, in contrast, was shown to be a female domain, engaging nearly one female worker in five (18.8 per cent), compared to 2.1 per cent of young male workers. The three sectors that typically constitute the public sector – public administration, education, and health and social work – employed 31.4 per cent of young women compared to 15.9 per cent of young men.

Table 3.12 Youth employment by detailed sector (1-digit ISIC) and sex (%)

1-digit sector	Total	Male	Female
Agriculture, forestry & fishing	17.5	18.7	15.8
Manufacturing	8.9	12.5	3.9
Construction	6.1	10.0	0.9
Wholesale & retail trade	19.2	19.9	18.1
Transport	3.7	4.7	2.4
Accommodation	1.7	2.1	1.2
Information & communications	5.5	4.7	6.5
Financial activities	3.3	2.1	4.8
Public administration	10.8	12.7	8.2
Education	9.2	2.1	18.8
Health & social work	2.5	1.1	4.4
Arts & entertainment	1.6	0.8	2.7
Other services	4.8	2.4	8.0

Note: Sectors employing less than 2 per cent of the total are not shown. These include: mining; electricity, gas & steam; water supply; real estate; professional scientific activities; administrative & support activities; employment in private households & extra-territorial activities. ISIC = International Standard Industrial Classification.

Source: NSSRA, SWTS-Armenia, 2012.

Table 3.13 provides information on the occupations held by the surveyed young people. The five most held occupations were professionals, for 20.5 per cent of youth, services and sales workers (16.1 per cent), craft workers (12.1 per cent), elementary workers (11.8 per cent), and skilled agricultural and fishery workers (10.4 per cent). The situation varied somewhat by sex. For young women, two occupations comprised more than one-half of employment, i.e. professional occupations (33.1 per cent), and services and sales workers (21.8 per cent). Then followed the occupations of technicians (12.6 per cent), skilled agricultural and fishery workers (8.7 per cent), and clerks (8.2 per cent). Male occupations were more dispersed, with six occupations accounting each for more than 10 per cent of employment, i.e. craft workers (19.6 per cent), elementary occupations (14.5 per cent), services and sales workers (11.9 per cent), skilled agricultural and fishery workers (11.6 per cent), legislators, senior officials and managers (11.4 per cent), and professionals (11.2 per cent). Overall, therefore, female employment was more highly concentrated in education-intensive occupations. The more limited occupational and sectoral spread of young women was a factor in their higher unemployment rates.

Table 3.13 Employed youth by occupation and sex

Occupation	Total		Male		Female	
	Number	%	Number	%	Number	%
Legislators, senior officials & managers	20 554	8.5	15 750	11.4	4 804	4.7
Professionals	49 317	20.5	15 525	11.2	33 792	33.1
Technicians & associate professionals	23 355	9.7	10 450	7.6	12 905	12.6
Clerks	12 786	5.3	4 371	3.2	8 415	8.2
Service workers, shop & market sales workers	38 729	16.1	16 469	11.9	22 260	21.8
Skilled agricultural & fishery workers	24 991	10.4	16 060	11.6	8 931	8.7
Craft & related trades workers	29 072	12.1	27 085	19.6	1 987	1.9
Plant & machine operators & assemblers	7 750	3.2	6 960	5.0	790	0.8
Elementary occupations	28 336	11.8	20 054	14.5	8 282	8.1
Armed forces	5 541	2.3	5 541	4.0	0	0.0
Total	240 431	100.0	138 265	100.0	102 166	100.0

Source: NSSRA, SWTS-Armenia, 2012.

3.5.2 Wage employment

The survey results regarding the type of contract held by young wage and salaried workers (employees) were generally favourable, with 75.1 per cent of young employees benefiting from a written contract (table 3.14). Still, it is worrisome that 24.9 per cent of youth reported working under an oral contract only. The share of youth without a written contract was higher among young men (33.7 per cent) than young women (13.9 per cent). Even numerically, more women than men benefited from a written agreement (69,230 against 66,167, respectively). Young female employees also had an advantage over young male employees in securing unlimited-duration contracts; nearly one-third (31.1 per cent) of young male employees had a contract with a limited duration compared to 17.6 per cent of female employees. More young women than men, however, had limited-duration contracts of less than 12 months (59.7 per cent compared to 46.2 per cent, respectively).

Table 3.14 Young wage and salaried workers by type of contract, sex and area of residence

Type of contract	Total		Male		Female	
	Number	%	Number	%	Number	%
Total						
Written agreement	135 397	75.1	66 167	66.3	69 230	86.1
Oral agreement	44 781	24.9	33 563	33.7	11 218	13.9
Unlimited duration	134 961	74.9	68 672	68.9	66 289	82.4
Limited duration	45 217	25.1	31 058	31.1	14 159	17.6
Less than 12 months	22 793	50.4	14 335	46.2	8 457	59.7
12 months to less than 36 months	16 315	36.1	11 593	37.3	4 721	33.3
36 months or more	6 109	13.5	5 129	16.5	980	6.9
Total	180 178	100.0	99 730	100.0	80 448	100.0
Urban						
Written agreement	115 110	75.9	52 420	66.6	62 690	86.0
Oral agreement	36 482	24.1	26 306	33.4	10 176	14.0
Unlimited duration	112 333	74.1	53 091	67.4	59 242	81.3
Limited duration	39 259	25.9	25 635	32.6	13 624	18.7
Less than 12 months	20 016	51.0	11 890	46.4	8 126	59.6
12 months to less than 36 months	15 321	39.0	10 751	41.9	4 570	33.5
36 months or more	3 922	10.0	2 994	11.7	928	6.8
Total urban	151 592	100.0	78 726	100.0	72 866	100.0
Rural						
Written agreement	20 287	71.0	13 747	65.5	6 540	86.3
Oral agreement	8 299	29.0	7 256	34.5	1 042	13.7
Unlimited duration	22 628	79.2	15 581	74.2	7 047	92.9
Limited duration	5 958	20.8	5 422	25.8	535	7.1
Less than 12 months	2 777	46.6	2 445	45.1	331	61.9
12 months to less than 36 months	994	16.7	842	15.5	151	28.2
36 months or more	2 188	36.7	2 135	39.4	53	9.9
Total rural	28 586	100.0	21 004	100.0	7 583	100.0

Source: NSSRA, SWTS-Armenia, 2012.

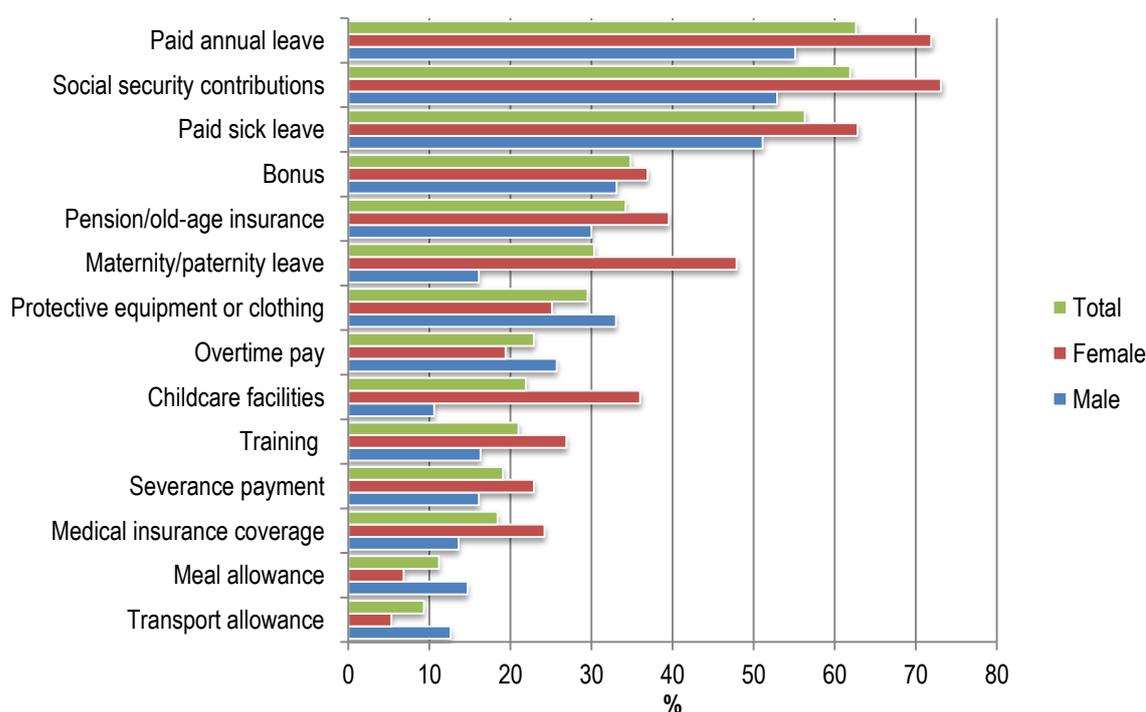
No significant differences were apparent in the shares of young employees with written or oral contracts between urban and rural areas, but differences existed in the length of contracts. Contract durations were longer in rural areas. Women working in rural areas were almost all on an employment contract with unlimited duration (92.9 per cent). The share in urban areas was 81.3 per cent. Young male employees were also more likely to be on unlimited-duration contracts in rural than urban areas and, for those with time-

bound contracts, the tendency was towards longer periods in rural areas. Nearly two-fifths (39.4 per cent) of male workers on limited-duration contracts had a length of greater than 36 months in rural areas, compared to 11.7 per cent in urban areas.

Figure 3.9 provides a summary of benefits or entitlements received by young employees. Three benefits were enjoyed by more than 50 per cent of both young men and women: paid annual leave (55.1 per cent for men, 71.9 per cent for women), social security contributions (52.9 per cent for men, 73.1 per cent for women), and paid sick leave (51.1 per cent for men, 62.8 per cent for women). Four other benefits were received by more than 30 per cent of young wage and salaried workers: bonus for good performance (33.1 per cent for men, 36.9 per cent for women), pension (30.0 per cent for men, 39.5 per cent for women), maternity leave (47.9 per cent for women), and safety equipment (33.0 per cent for men). Other benefits, albeit received by fewer young employees, included severance payment (16.1 per cent for men, 22.9 per cent for women), medical insurance coverage (13.6 per cent for men, 24.2 per cent for women), meal allowances (14.7 per cent for men, 6.8 per cent for women) and transport allowances (12.6 per cent for men, 5.3 per cent for women).

Interestingly, but nevertheless coherent with the large share of women in highly specialized occupations, the share of women with access to benefits was almost always higher than that of men, except for four types, i.e. transport allowance, meal allowance, overtime pay and occupational safety equipment.

Figure 3.9 Young wage and salaried workers by access to employment benefits/entitlements and sex



Note: Multiple responses were allowed.
Source: NSSRA, SWTS-Armenia, 2012.

3.5.3 Self-employment

After more than two decades of gradual progress towards a market economy, wage employment, especially in the public sector, constituted the most sought-after job of the young Armenian population surveyed (45.5 per cent of young students aspired to a government job; table 3.7). As a result, self-employment was viewed by youth as a marginal employment track. Table 3.10 showed that only 10.5 per cent of young men and 5.0 per cent of young women were own-account workers or employers (combined). Table 3.15 reveals the main reasons those young people took up self-employment. Three reasons expressed by a total of 68.3 per cent of self-employed youth indicated a fairly positive view of self-employment: the desire for greater independence (36.5 per cent), more flexible work hours (6.2 per cent) and the ability to earn a higher income (25.6 per cent). More constraint-bound reasons were cited by 30.8 per cent of self-employed youth: 26.4 per cent turned to self-employment because of the inability to find paid employment and 4.4 per cent were required by their family to do so. It appears that self-employment was viewed more negatively in rural areas as a higher share of young self-employed took up self-employment as a second choice when unable to find paid employment (36.3 per cent compared to 23.7 per cent in urban areas).

Table 3.15 Self-employed youth by reason for self-employment and area of residence

Reason	Total		Urban		Rural	
	Number	%	Number	%	Number	%
Unable to find paid job	5 205	26.4	3 671	23.7	1 534	36.3
Greater independence	7 188	36.5	5 089	32.9	2 099	49.7
More flexible work hours	1 218	6.2	1 101	7.1	117	2.8
Higher income level	5 049	25.6	4 840	31.3	209	5.0
Required by the family	865	4.4	772	5.0	93	2.2
Other	169	0.9	0	0.0	169	4.0
Total	19 694	100.0	15 473	100.0	4 221	100.0

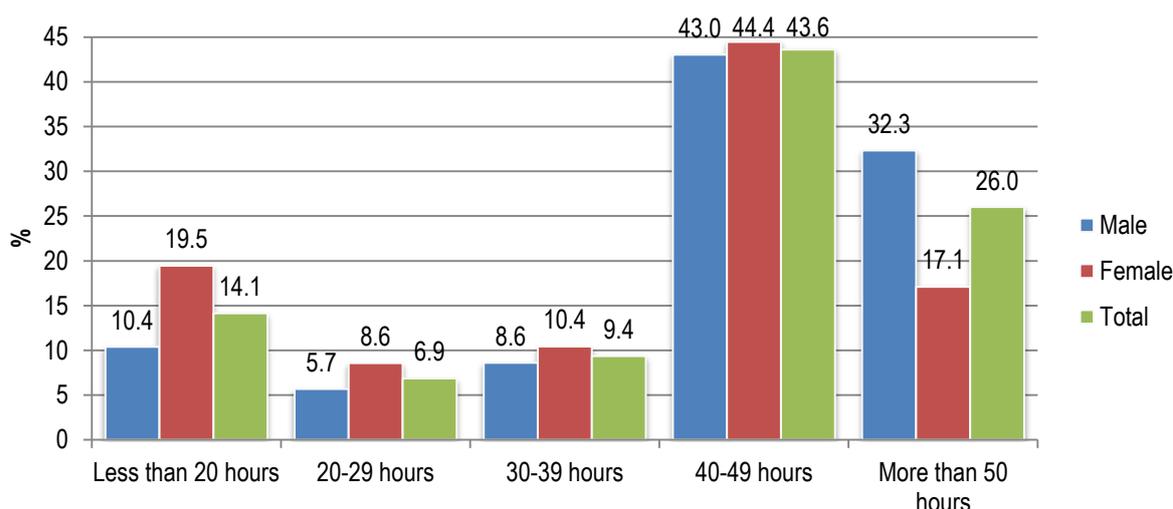
Source: NSSRA, SWTS-Armenia, 2012.

3.5.4 Hours of work and involuntary part-time work

Figure 3.10 shows the employment of young Armenians by actual hours worked per week. The data lead to the conclusion that the young workers surveyed worked long hours. Almost one-half of youth (43.0 per cent of young men and 44.4 per cent of young women) worked between 40 and 49 hours per week. A further 32.3 per cent of young men and 17.1 per cent of young women worked “excessive hours”, defined as more than 50 hours per week. Combined, these data show that 75.3 per cent of men and 61.5 per cent of women worked more than 40 hours a week. At the other end of the spectrum, the data reveal that 19.5 per cent of female workers and 10.4 per cent of male workers worked “short hours”, or less than 20 hours per week.

In total, only 21.0 per cent of youth worked part-time, that is less than 30 hours per week (28.1 per cent of young women and 16.1 per cent of young men). Part-time work can be positive when voluntary, offering youth the opportunity to combine work and household duties, for example. However, when not voluntary, part-time work can be another expression of the underutilization of young workers. The average share of involuntary part-time workers – those who worked less than 35 hours per week and expressed a desire to work more hours – among the total share of employed youth was 9.5 per cent (13.7 per cent among young women and 6.5 per cent among young men).

Figure 3.10 Youth employment by actual hours worked per week and sex



Source: NSSRA, SWTS-Armenia, 2012.

3.5.5 Wages

Table 3.16 shows that young paid employees who finished their education at the secondary level earned more on average than workers with tertiary degrees. The young worker with a university degree earned 91,520 Armenian drams (AMD) per month, compared to AMD 106,740 per month for the young employee with secondary-level schooling.⁸ The same wage disadvantage was apparent among self-employed youth, where the tertiary graduate earned an average monthly wage of AMD 65,578 compared to AMD 75,772 for a secondary school graduate.

Young men received higher wages than women overall and for both education categories. The young male employee earned, on average, more than one-and-a-half times that of the female employee. The gender wage gap was even larger among self-employed youth. The male own-account worker earned approximately three times the earnings of the female own-account worker (at AMD 80,710 and AMD 26,920, respectively).

Table 3.16 Average monthly wage of young wage and salaried workers and own-account workers by sex and educational attainment (in Armenian drams)

Educational attainment	Wage & salaried worker			Own-account worker		
	Total	Male	Female	Total	Male	Female
Secondary	106 740	116 526	65 937	75 772	106 288	32 749
Tertiary	91 520	115 200	76 651	65 578	145 315	31 729
Total	93 423	110 107	73 607	51 270	80 710	26 920

Notes: The wages of young workers with primary-level education and vocational training are not shown due to low response rates and resulting unreliable estimates. See Annex II for details of mapping of education levels shown here to national equivalency.

Source: NSSRA, SWTS-Armenia, 2012.

⁸ The UN operational exchange rate on 1 October 2012 (during the survey field work) was 407 Armenian drams to the US dollar. The average wage of a young employee in Armenia was therefore the equivalent of US\$229.54 per month. The university graduate working in paid employment earned the equivalent of US\$224.86 per month.

Table 3.17 provides details on monthly wages by occupation and sex for young paid employees. This table shows the occupations that paid surveyed youth the most and captures the gender wage gaps in more detail. One observation is that not all the skilled occupations paid better than the unskilled occupations (thus supporting the declining average wage with increased education indicated in table 3.16). Wages were high in the managerial and professional occupations, with average monthly wages of AMD 126,544 and AMD 86,768, respectively. But wages fell to AMD 75,307 for technicians and associate professionals, while plant and machine operators, agricultural workers and craft workers had the potential to earn even more than professionals at AMD 106,484, AMD 90,693 and AMD 91,303 per month, respectively. Elementary occupations, as would be expected, were lowest paid at AMD 69,715 per month. Worryingly, the average monthly wage of young females in elementary occupations fell below the national minimum wage of AMD 45,000 per month.⁹

Among young female employees, the professional occupations offered the highest earning potential of AMD 85,208 per month, although that wage was still below the average monthly wage of the young male professional. In fact, young female employees earned less than their male counterparts in all occupations, with the differentials particularly marked for managers, clerks, and plant and machine operators.

Table 3.17 Wage and salaried youth by occupation, sex and average monthly wage (in Armenian drams)

Occupation	Monthly wage		
	Total	Male	Female
Legislators, senior officials & managers	126 544	159 122	83 079
Professionals	86 768	92 362	85 208
Technicians & associate professionals	75 307	86 115	67 672
Clerks	70 360	103 179	60 456
Service workers, shop & market sales workers	76 743	89 140	63 017
Skilled agricultural & fishery workers	90 693	94 836	78 087
Craft & related trades workers	91 303	92 578	72 726
Plant & machine operators & assemblers	106 484	115 588	68 916
Elementary occupations	69 715	73 333	44 513
Average	93 423	110 107	73 607

Source: NSSRA, SWTS-Armenia, 2012.

Two general conclusions can be drawn regarding the wages of young workers. First, unlike in many other countries where there are obvious returns to investing in one's education at the tertiary level, in Armenia there were no clear monetary returns for the surveyed youth. The low earning potential in the country was no doubt a strong push factor towards emigration with the unfortunate consequence of the phenomenon of brain drain. Second, the gender wage gap proved extremely troubling and calls for policy intervention.

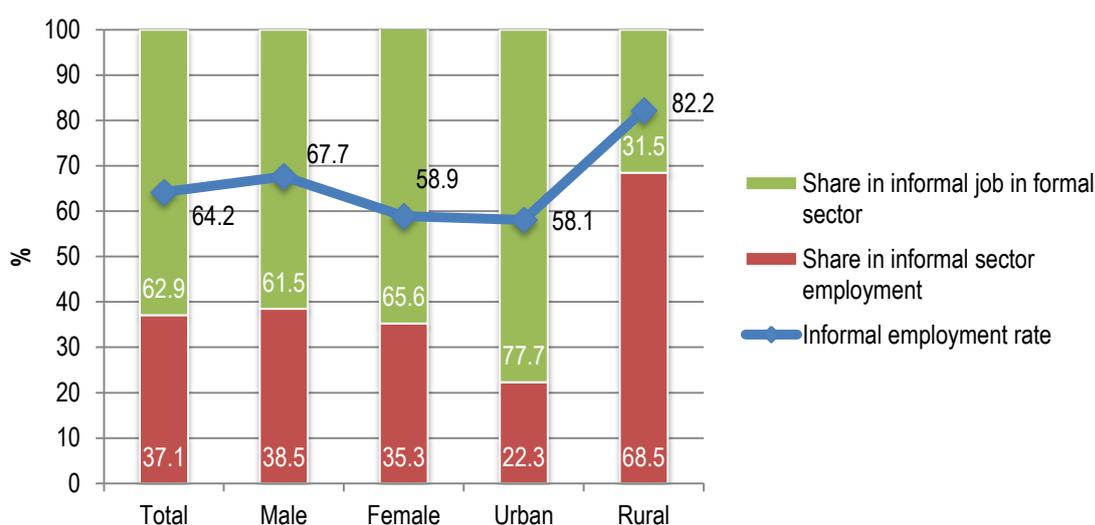
⁹ Law on the Minimum Monthly Wage, approved in July 2013.

3.5.6 Informal employment

The survey data show that a prevalent characteristic in the Armenian labour market was informal employment. Nearly two-thirds (64.2 per cent) of young workers were informally employed.¹⁰ Informal employment comprises two sub-categories: workers in the informal (unregistered) sector and paid employees holding informal jobs in the formal sector. Those in the latter category earn a salary but do not benefit from social security contributions or paid annual or sick leave. Figure 3.11 provides an overview of the situation regarding informal employment among surveyed youth in Armenia. Overall, the data indicate that 67.7 per cent of young male workers and 58.9 per cent of young female workers were in informal employment.

The situation of informal employment was particularly segmented along rural–urban lines. In rural areas, 82.2 per cent of workers had a much higher degree of informality, compared to 58.1 per cent in urban areas. At the same time, the composition of informal employment differed across geographic lines. In rural areas, informal employment was primarily employment in unregistered (informal) enterprises (68.5 per cent of total informal employment) while, in urban areas, informal employment was primarily engagement in informal jobs in the formal sector (77.7 per cent of total informal employment).

Figure 3.11 Employed youth in informal employment by sub-category, sex and area of residence



Source: NSSRA, SWTS-Armenia, 2012.

In the medium and the long run, it will be necessary for the government to address the issue of informality. However, it must do so gradually, seeking to retain the employment potential of a dynamic private sector while introducing measures to enforce the registration of enterprises and the coverage of workers by basic benefits such as social security protection and paid annual and sick leave. The increased fiscal revenues generated by a higher share of declared activities could be reused to finance labour inspectorates to better

¹⁰ Informal employment is measured according to the guidelines recommended by the 17th International Conference of Labour Statisticians. It includes the following sub-categories of workers: (a) paid employees in “informal jobs”, i.e. jobs without a social security entitlement, paid annual leave or paid sick leave; (b) paid employees in an unregistered enterprise with size classification below five employees; (c) own-account workers in an unregistered enterprise with size classification below five employees; (d) employers in an unregistered enterprise with size classification below five employees; and (e) contributing family workers.

ensure the protection of workers and minimal provisions of decent work conditions by employers.

3.5.7 Qualifications mismatch

One means of measuring the mismatch between the job a person does and their level of educational qualification is to apply the normative measure of occupational skills categories from the International Standard Classification of Occupations (ISCO) (ILO, 2013). ISCO-08 includes the categorization of major occupational groups (first-digit ISCO levels) by level of education in accordance with the International Standard Classification of Education (ISCED) reproduced in table 3.18.

Table 3.18 ISCO major groups and education levels

ISCO major group	Broad occupation group	Education level
Managers		
Professionals	High-skilled non-manual	Tertiary (ISCED 5–6)
Technicians & associate professionals		
Clerical support workers		
Service & sales workers	Low-skilled non-manual	
Skilled agricultural & fishery workers		Secondary (ISCED 3–4)
Craft & related trades workers	Skilled manual	
Plant & machine operators & assemblers		
Elementary occupations	Unskilled	Primary (ISCED 1–2)

Source: ILO, 2013, table 3.

Workers in a particular group who have the assigned level of education are considered well-matched. Those who have a higher level of education are considered overeducated and those with a lower level of education are considered undereducated. For instance, a university graduate working as a clerk (a low-skilled, non-manual occupation) is overeducated, while a secondary school graduate working as an engineer (a high-skilled, non-manual occupation) is undereducated.

The results for surveyed youth in Armenia indicated that a majority of young workers were in occupations that matched their level of education (66.9 per cent) compared to workers who worked in occupations for which they are overeducated (21.5 per cent) or undereducated (11.6 per cent) (table 3.19). The results were, in part, a reflection of the high levels of education attained by youth in the country.

The phenomenon of overeducation takes place when an insufficient number of jobs match a certain level of education. The mismatch in supply and demand forces some of the degree holders to take up available work that they are overqualified to perform. In Armenia, given that almost all youth had more than primary-level education, it is not surprising to find that 99.6 per cent of young people in elementary occupations were overeducated for their job. The high shares of overeducated youth who worked as clerks and service and sales workers (68.6 per cent and 33.6 per cent, respectively) reflect the unfortunate reality whereby university graduates remained unable to capitalize on their education and find jobs that made better use of their training. The consequence is that the overeducated youth were likely earning less than they otherwise could have and were not making the most of their productive potential.

Table 3.19 Overeducated and undereducated young workers by major occupational category (ISCO-08, %)

Major occupational category (ISCO-08)	Overeducated	Undereducated	Matching qualification
1. Legislators, senior officials, managers	0.0	32.0	68.0
2. Professionals	0.0	6.9	93.1
3. Technicians & associate professionals	0.0	58.6	41.4
4. Clerical support workers	68.6	0.0	31.4
5. Service & sales workers	33.6	0.0	66.4
6. Skilled agricultural & fishery workers	4.1	0.0	95.9
7. Craft & related trades workers	7.1	1.8	91.2
8. Plant & machine operators & assemblers	10.2	0.0	89.8
9. Elementary occupations	99.6	0.0	0.4
Total	21.5	11.6	66.9

Source: NSSRA, SWTS-Armenia, 2012.

Undereducation, not surprisingly, was concentrated primarily among the occupations requiring higher skills levels; 32.0 per cent of young managers, 58.6 per cent of young technicians and associate professionals¹¹ but also 6.9 per cent of young professionals did not hold the necessary level of education expected for their job. The undereducation of workers can have a severe impact on labour productivity and can be a significant hindrance to economic growth, but can also impact the young workers in terms of their self-confidence.

3.5.8 Security and satisfaction

The data reviewed in this section paint a contrasting picture of both the quality and quantity of youth employment in Armenia. On the one hand, the data show that the most secure form of employment, i.e. wage employment, was widespread among both young men and women. The surveyed young people were highly educated, almost all at least at the secondary level. Formal, unlimited-duration contracts were enjoyed by most, as were a number of important benefits, such as pension or social security contributions.

Other indicators, however, hint to a less positive situation. A majority of young workers worked long hours; more than one in five were overeducated for the job they performed; one-quarter did not have a written contract; a majority were informally employed; and low wages remained an issue of serious concern for the young workers. Oddly enough, despite these deficits in the quality of youth employment, a high share of young workers indicated satisfaction with their current job; 77.9 per cent of employed youth said they were either mostly satisfied or highly satisfied with their job (77.1 per cent of men and 79.0 per cent of women).

Nevertheless, many young people – as many as 48.1 per cent of all young workers – stated the desire to change jobs for reasons listed in table 3.20. The main motive for wanting to leave a job was the low salary received (for 61.7 per cent of young men and 56.7 per cent of young women). The temporary nature of the job was another reason for wanting to change, particularly for young men (20.7 per cent, compared to 12.2 per cent

¹¹ It can be argued that the ISCO-based education-occupation crosswalk shown in table 3.18 gives an unrealistic assignment of tertiary education for persons engaged in technical work (lab technicians, for example). With the data showing high percentages of undereducation in this occupation group in Armenia and all other SWTS countries, it is likely that the classification will be reconsidered in the future and lowered to a more realistic correspondence of secondary school level.

for young women). For female workers, however, the second main reason to change jobs was the skills mismatch, i.e. the desire to make better use of their qualifications, cited by 20.0 per cent (but by only 5.7 per cent of male workers).

The other reasons (including the fear of losing the current job and an inconvenient work place) each gathered less than 10 per cent of answers. Clearly, low wages and the qualifications mismatch were top concerns among the working youth. Interestingly, however, only 14.7 per cent of youth who stated the desire to change their job actually made the effort to look for a new job in the previous four weeks. The suspicion here is that the young workers had a realistic view of the tight labour market given the persistently high unemployment rates and therefore preferred to stay in jobs of less than ideal quality rather than face unemployment.

Table 3.20 Employed youth who would like to change their job by main reason and sex

Main reason	Total		Male		Female	
	Number	%	Number	%	Number	%
Present job is temporary	19 864	17.2	14 055	20.7	5 809	12.2
Fear of losing present job	1 611	1.4	905	1.3	705	1.5
To have higher pay per hour	68 998	59.6	41 901	61.7	27 098	56.7
To better use qualifications/skills	13 436	11.6	3 859	5.7	9 577	20.0
To have more convenient work hours, shorter commuting time	10 104	8.7	7 010	10.3	3 094	6.5
To improve working conditions	1 681	1.5	160	0.2	1 521	3.2
Total	115 695	100.0	67 891	100.0	47 804	100.0

Source: NSSRA, SWTS-Armenia, 2012.

Another means of visualizing the employment expectations of youth is to review the reasons young workers gave for refusing past job offers. Overall, 35.5 per cent of the surveyed young workers indicated they had refused a job offer. Here, again, wages were the primary concern, especially among young men. More than three-fourths (76.7 per cent) of young male job refusers cited low wages as the reason, compared to 45.1 per cent of young females (table 3.21). The importance of matching qualifications was evident again among young women, with 18.2 per cent refusing a job for this reason, compared to only 3.8 per cent among young men. Family influence also played a role in the job selection process of young women: 9.1 per cent of female workers said they refused a previous job offer because it did not please the family.

Table 3.21 Employed youth who refused a job offer by reason and sex

Main reason	Total		Male		Female	
	Number	%	Number	%	Number	%
Low pay	55 098	64.5	40 236	76.7	14 862	45.1
Uninteresting work	6 065	7.1	2 906	5.5	3 159	9.6
Inconvenient workplace	2 892	3.4	1 066	2.0	1 826	5.5
Job did not correspond to qualifications	7 991	9.4	1 982	3.8	6 009	18.2
Much overtime work required	2 327	2.7	813	1.6	1 514	4.6
Job did not please the family	3 690	4.3	708	1.4	2 982	9.1
Better job expected	4 736	5.5	3 340	6.4	1 396	4.2
Duration of the work contract was not specified or was very short	1 618	1.9	537	1.0	1 081	3.3
No promotion opportunities	956	1.1	845	1.6	111	0.3
Total	85 373	100.0	52 433	100.0	32 940	100.0

Source: NSSRA, SWTS-Armenia, 2012.

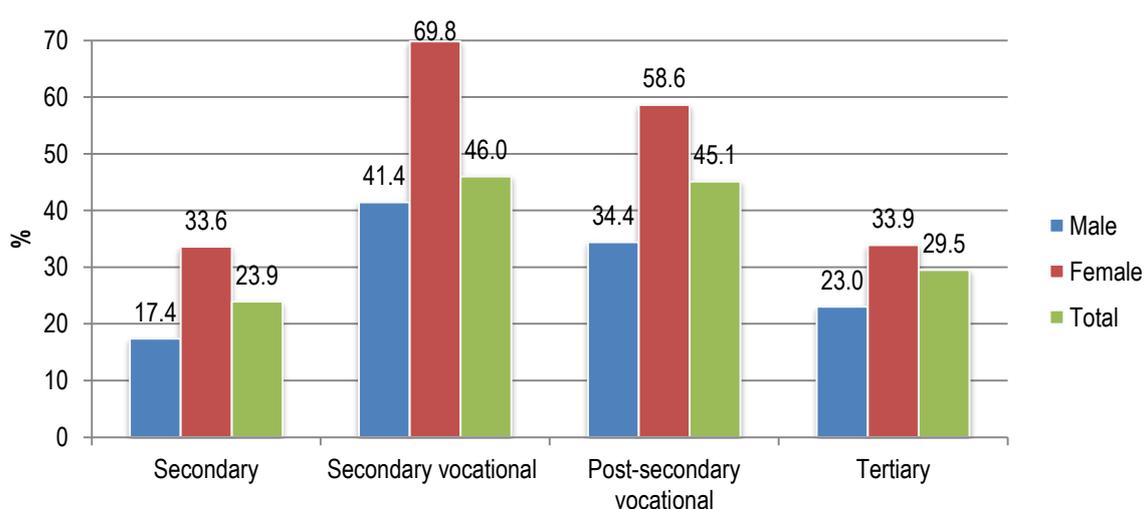
Although the SWTS provides extensive information on job quality, other aspects must be taken into account. As elaborated in the next section, the surveyed Armenian youth suffered from high unemployment rates. This fact, combined with widespread informal employment, seriously undermined the position of young people in the labour market, leaving them open to abuse by employers who benefited from a large (possibly desperate) job pool. The ILO *Decent Work Country Profile* (ILO, 2012b) highlights the fact that employers are often able to dictate the working conditions of those they hire, many of whom have no access to legal or social protection. In addition, the ILO reports on increasingly frequent hiring practices from employment agencies that increase the precariousness of work. One reported practice is to hire people for a probationary period of between ten and thirty days, then fire them at the end of the period and withhold pay. As long as the probation was not legally registered, the employees cannot demand compensation for the days worked. This tactic is apparently particularly common in such service industries as restaurants and cafes, where it largely affects dishwashers, kitchen assistants and waitstaff (ILO, 2012b, p. 28). Because many young people are hired in these occupations, they are particularly vulnerable to these practices.

3.6 Unemployed youth

Unemployment is a major issue for Armenian youth. Overall, at the time of the survey the youth unemployment rate was 30.2 per cent, 24.6 per cent among young men and 36.6 per cent among young women. As stated in section 1.2, the youth unemployment rate in Armenia was well above the global average and also higher than in many other countries in the region.

The strict definition of unemployment states that to be included in the category of “unemployed”, a person must be without work, available to work and actively seeking work. Relaxing the “actively seeking work” criterion makes sense in circumstances where conventional means of seeking work are of limited relevance, where the labour market is largely unorganized, where labour absorption is inadequate or where the labour force is largely self-employed. Relaxing the definition of unemployment increased the youth unemployment rate in Armenia by 5 percentage points to 35.4 per cent (27.6 per cent for men and 43.7 per cent for women).

Figure 3.12 Youth unemployment rates by level of completed educational attainment and sex

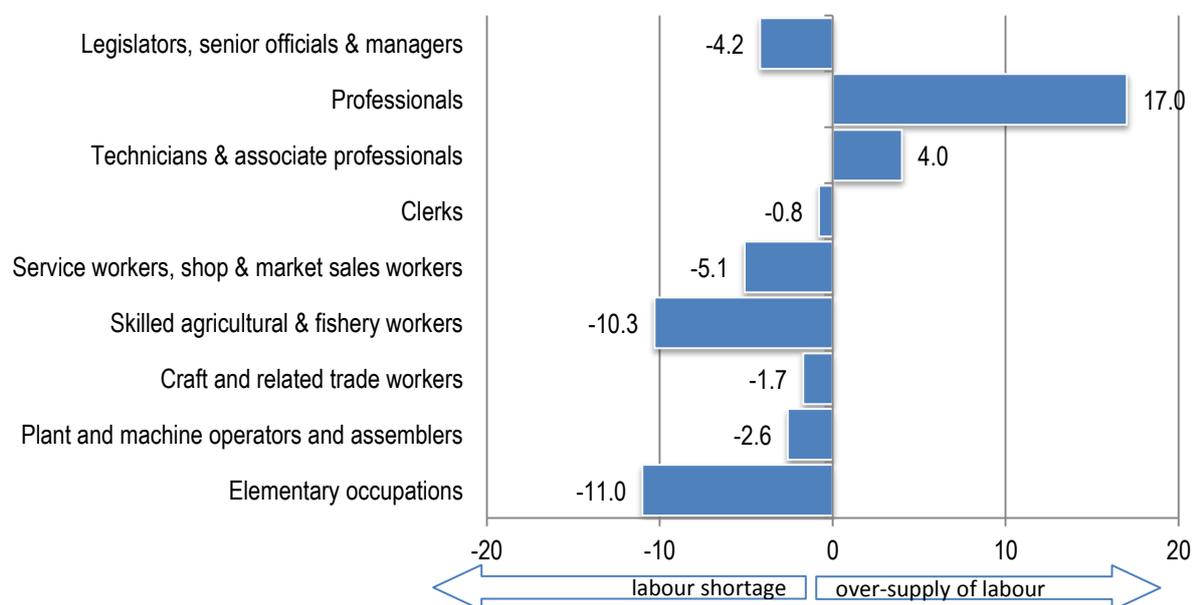


Note: See Annex II for details of mapping of education levels shown here to national equivalency.
Source: NSSRA, SWTS-Armenia, 2012.

Examining unemployment by level of educational attainment (among youth with completed education, without considering primary-level education because of the small numbers concerned) confirms that women systematically fared worse than men (figure 3.12). Female youth unemployment rates exceeded male rates regardless of level of education. For young women, both the secondary school graduate and the university graduate faced a high chance of unemployment (33.6 per cent and 33.9 per cent, respectively). Young men with secondary education were in the best position regarding finding work compared to young women and compared to young men with a tertiary education. At 17.4 per cent, their unemployment rate was the lowest. Furthermore, it is striking to note the extremely high rates of unemployment for youth with vocational training (46.0 per cent for those with secondary vocational education and 45.1 per cent for those with post-secondary vocational education).

It is interesting to compare the occupations for which unemployed youth were most likely to apply and those held by employed youth. If the occupational distribution of surveyed working youth can be taken as an indication of the demand for young labour, i.e. as an indication of where the jobs are, and if the distribution of jobs sought by unemployed youth can be taken as an indication of the supply of labour, then comparing the two serves to identify possible supply and demand mismatches. Thus figure 3.13 combines data on occupational employment and jobs sought by the unemployed to derive an indicator of employment tensions (such as oversupply or shortage of labour) by occupation. Bars to the right, i.e. positive values, denote occupations with a possible oversupply of labour, i.e. occupations where young jobseekers are likely to face a long wait before finding employment. Conversely, bars to the left, i.e. negative values, denote occupations with a possible shortage of labour, i.e. occupations for which jobseekers are likely to quickly find employment.

Figure 3.13 Scenarios of shortage or oversupply of labour between occupations sought by unemployed youth and occupations held by employed youth by occupation (in percentage points)



Note: Positive values indicate more occupations sought than held. Negative values indicate more occupations held than sought.
Source: NSSRA, SWTS-Armenia, 2012.

The situation presented by the bar chart is consistent with a large population of highly educated unemployed people. Many jobs were sought in the highly skilled occupations, with a situation of oversupply of labour for professional occupations, where the percentage point differential between the share of jobs held and that of jobs sought reached 17.0 (see

table 3.10 and Annex table A.8 for employed youth occupations and unemployed youth by job sought, respectively). Similarly, technicians and associate professionals were desired occupations, with a differential of 4.0 percentage points. Any young person who looked for a job in these occupations was likely to face strong competition and risked waiting a long time before obtaining a job offer. However, other highly skilled occupations such as legislators, senior officials and managers, or skilled agricultural and fishery workers, were in a situation of labour shortage. Because skilled agricultural jobs were sought by few youth, the differential reached -10.3 percentage points. Likewise, the desire to work in elementary occupations was practically nil although it employed 11.8 per cent of youth – it was indeed unlikely that youth educated at the tertiary or even secondary level would aspire to work in low-skilled occupations.

Further survey data show that the youth unemployment problem in Armenia was not just a question of numbers but also one of duration. Table 3.22 indicates that long-term unemployment was a widespread reality. Nearly one-half (48.4 per cent) of young men and more than one-half (55.3 per cent) of young women had been looking for a job for more than 1 year, with an additional 15.2 per cent of men and 10.9 per cent of women remaining unemployed for a period of time between 6 months and 1 year. These are staggering figures because they indicate that a high number of young people were likely to have drifted very far from the labour market, with outdated or absent professional skills. The social and professional reintegration of such people is a long and complex process that needs to be an explicit objective of both economic and social policies.

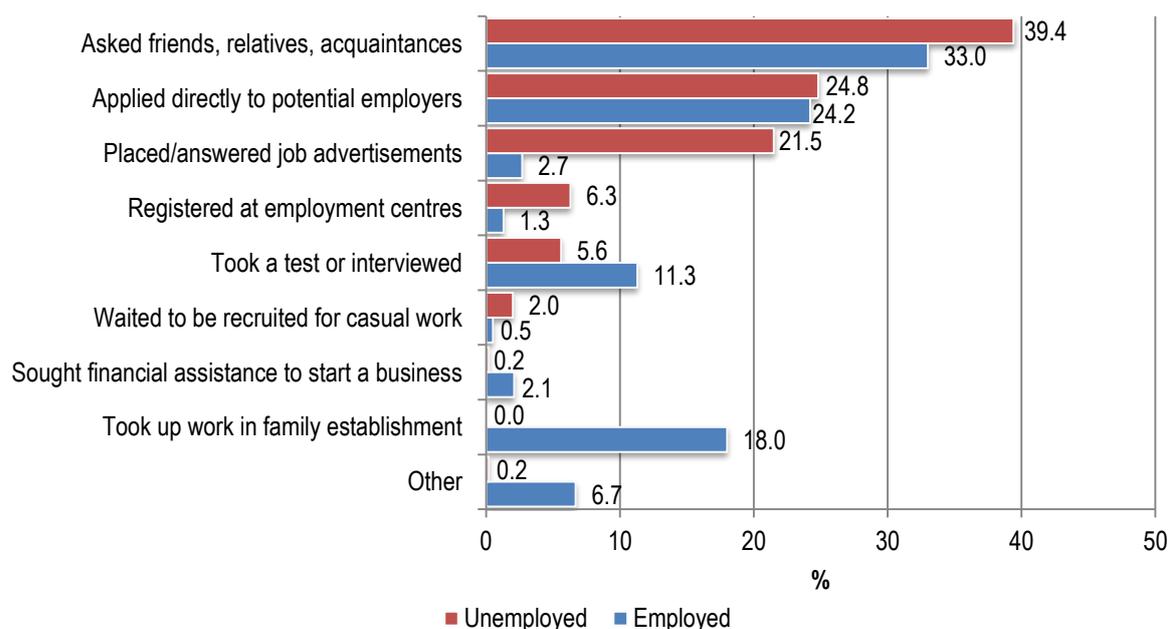
Table 3.22 Unemployed youth by job search duration and sex

Duration	Total		Male		Female	
	Number	%	Number	%	Number	%
Less than 1 week	577	0.6	577	1.3	0	0.0
1 week to less than 1 month	3 396	3.3	1 134	2.5	2 262	3.8
1 month to less than 3 months	14 057	13.5	5 074	11.2	8 983	15.2
3 months to less than 6 months	18 315	17.6	9 667	21.4	8 648	14.7
6 months to less than 1 year	13 310	12.8	6 857	15.2	6 453	10.9
More than 1 year	54 469	52.3	21 832	48.4	32 637	55.3
Total	104 124	100.0	45 141	100.0	58 983	100.0

Source: NSSRA, SWTS-Armenia, 2012.

In terms of job search method (figure 3.14), there are several interesting differences between employed and unemployed youth. First, almost one-fifth (18.0 per cent) of employed youth found jobs by joining the family business, although this method was not listed for jobseekers. Second, 21.5 per cent of unemployed young people had placed or answered job advertisements, but only 2.7 per cent of employed youth had found a job using this method. Similarities between job search methods of the two groups are in the main method applied by each. Both employed and unemployed youth rely principally on word of mouth and connections (39.4 per cent of unemployed youth and 33.0 per cent of employed youth had asked friends and relatives about work prospects), followed in almost equal numbers by having applied or contacted employers and companies directly (24.8 per cent and 24.2 per cent for unemployed and employed youth, respectively). Very few people, whether employed or unemployed, had registered at an employment centre (6.3 per cent of unemployed and 1.3 per cent of employed), which demonstrates the lack of confidence that young people had in these centres.

Figure 3.14 Employed and unemployed youth by job search method



Source: NSSRA, SWTS-Armenia, 2012.

3.7 Youth outside the labour force (inactive youth)

The main reason for inactivity among the surveyed youth was participation in education or training (86.6 per cent of inactive young men and 60.4 per cent of inactive young women) (table 3.23). Young women were much more likely than young men to be inactive due to family responsibilities or housework (29.3 per cent and 1.5 per cent, respectively) or pregnancy (3.7 per cent). Aside from attending education/training, there were no dominant reasons for young men to be inactive; at most 3.3 per cent of young males were inactive because of illness, injury or disability and 3.3 per cent because of engagement in the army.

Table 3.23 Inactive youth by reason for inactivity and sex

Reason	Total		Male		Female	
	Number	%	Number	%	Number	%
Attending education/training	287 033	70.2	132 925	86.6	154 108	60.4
Family responsibilities or housework	77 075	18.9	2 258	1.5	74 817	29.3
Pregnancy	9 371	2.3	0	0.0	9 371	3.7
Illness, injury or disability	7 339	1.8	5 023	3.3	2 316	0.9
No desire to work	4 631	1.1	2 042	1.3	2 589	1.0
Army (should go/just returned)	5 042	1.2	5 042	3.3	0	0.0
Family does not want me to work	6 396	1.6	269	0.2	6 127	2.4
Other	11 731	2.8	5 962	3.9	5 769	2.2
Total	408 618	100.0	153 521	100.0	255 097	100.0

Source: NSSRA, SWTS-Armenia, 2012.

4. Stages of transition

4.1 Concepts and definitions¹²

The ILO approach to the labour market transition of young people measures not only the length of time between their exit from education (either upon graduation or early exit without completion) and first entry into any job, but also includes qualitative factors, such as whether the job is stable (measured by contract type). The SWTS was designed to apply a stricter definition of “stable employment” than is typically used. By starting from the premise that a person has not “transited” until settled in a job that meets very basic criteria of stability, as defined by the duration of the employment contract, the ILO introduced a new element of quality to the standard definition of labour market transition.

Specifically, this section dwells on the concepts and definitions of labour market transitions, on the stages of transition by sex, education level, age group and area of residence, on youth who have not started the transition and youth in transition, on the characteristics of a successful transition, and on transition paths and lengths.

Labour market transition is defined as the passage of a young person from the end of schooling (or entry to first economic activity) to the first stable or satisfactory job. Stable employment is defined in terms of the employment contract (written or oral) and the contract duration (greater than 12 months). Introducing the issue of a contract automatically excludes the employment status of self-employed, where the employment relationship is not defined by a contract. The opposite of stable employment is temporary employment, or wage and salaried employment of limited duration. Satisfactory employment is a subjective concept, based on the self-assessment of the jobholder. It implies that respondents consider their jobs to be a good “fit” with their desired employment path at that moment in time. The contrary is termed non-satisfactory employment, implying a sense of dissatisfaction with the job.

Based on this definition of labour market transition, the stages of transition are classified as follows:

Transited – A young person who has “transited” is one who is currently employed in:

- a stable job, whether satisfactory or non-satisfactory; or
- a satisfactory but temporary job; or
- satisfactory self-employment.

In transition – A young person still “in transition” is one who is currently:

- unemployed (relaxed definition); or
- employed in a temporary and non-satisfactory job; or
- in non-satisfactory self-employment; or
- inactive and not in education or training, with an aim to look for work later.

Transition not yet started – A young person whose “transition has not yet started” is one who is currently:

- still in school and inactive (inactive student); or
- inactive and not in education or training (inactive non-student), with no intention of looking for work.

¹² This section is adapted from ILO, 2013, Chapter 5.

Two elements of this classification are noteworthy. First, the stages of transition span across the boundaries of economic activity as defined in the standard labour force framework.¹³ The “transited” category includes a sub-set of youth classified as employed; the remaining employed fall within the category of “in transition”, which includes those who fall under the strict definition of unemployed and portions of the inactive (namely, those without work, available for work but not actively seeking work¹⁴ and inactive non-students who have stated an intention to join the labour force at a later stage). The “transition-not-yet-started” category is the residual of the inactive population.

Second, the stages of transition are not intended to be a normative framework. Because of the inclusion of youth in satisfactory self-employment and satisfactory temporary employment, one cannot say that all the surveyed young people in the transited category had transited to a “good” job. In fact, typically, most young people in self-employment – the own-account workers and unpaid family workers – are poorly paid workers in the informal economy with no job security. By definition, they make up the bulk of the country’s share of irregularly employed. Yet those surveyed expressed a degree of satisfaction with their job, and they were likely to have finished their transition in the sense that they will remain in the self-employed classification for the remainder of their working lives.

4.2 Stages of transition

An important portion of the young population surveyed (39.1 per cent) had not yet started their transition (table 4.1). This reflected the high share of inactive youth in Armenia. One-third (33.8 per cent) of youth were in transition, with a marked difference between men and women (24.9 per cent and 40.9 per cent, respectively). Finally, youth who had completed their transition made up a little more than one-quarter (26.6 per cent) of the total youth population with, here again, significant differences between men and women (34.0 per cent and 20.7 per cent, respectively). Looking at the data under a different angle, the largest share of young men (40.9 per cent) had not started their transition while the largest share of young women (40.9 per cent) was already in transition.

Table 4.1 Youth population by transition stage and sex

Transition stage	Total		Male		Female	
	Number	%	Number	%	Number	%
Transited	208 305	26.6	117 569	34.0	90 736	20.7
In transition	265 419	33.8	86 316	24.9	179 103	40.9
Transition not yet started	306 299	39.1	141 592	40.9	164 707	37.6
Not classifiable	4 332	0.6	832	0.2	3 501	0.8
Total	784 355	100.0	346 309	100.0	438 046	100.0

Source: NSSRA, SWTS-Armenia, 2012.

Examining the stages of transition by age group yields few surprises (table 4.2). Almost four-fifths (79.3 per cent) of youth aged 15–19 had not yet started their transition, compared to 6.7 per cent in the 25–29 age group. The findings thus reflected the obvious

¹³ The international guidelines for measuring statistics on the economically active population, set out by the 13th International Conference of Labour Statisticians (ICLS) in 1982, provide the framework for measuring who is counted as employed and as unemployed according to the economic production boundaries set out by the System of National Accounts.

¹⁴ This is the portion added to the “strictly” unemployed category to make up the unemployed (relaxed definition).

fact that the “younger” youth were still in school, emerging to enter the labour market increasingly after the age of 19. The “older” youth, then, were already engaged in the labour market and had either completed their transition (50.7 per cent) or were still in transition (41.7 per cent).

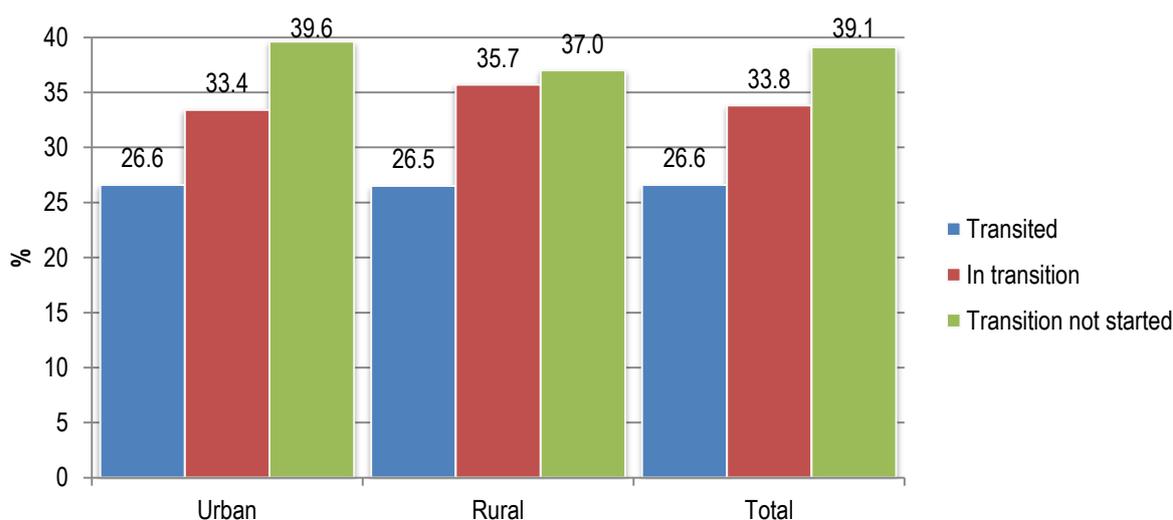
Table 4.2 Youth population by transition stage and age group

Age group	Transited		In transition		Transition not yet started	
	Number	%	Number	%	Number	%
15–19	8 011	3.0	47 811	17.6	215 629	79.3
20–24	82 779	29.5	121 127	43.1	75 211	26.8
25–29	117 516	50.7	96 481	41.7	15 459	6.7

Source: NSSRA, SWTS-Armenia, 2012.

Reviewing the stages of transition by area of residence reveals few differences between urban and rural areas (figure 4.1). Slightly more urban than rural youth had not yet started their transition (39.6 per cent against 37.0 per cent, respectively). On the other hand, the percentage of youth in transition was slightly higher for rural youth (35.7 per cent) than for urban youth (33.4 per cent). Finally, the share of youth who had completed their transition was practically equal in both areas (26.6 per cent in urban and 26.5 per cent in rural areas).

Figure 4.1 Youth population by stage of transition and area of residence



Source: NSSRA, SWTS-Armenia, 2012.

4.2.1 Youth who had not yet started the transition

Young people who had not yet started their transition included inactive students and inactive non-students who had no intention to work in the future. Young people in this category represented 39.1 per cent of total youth. Table 4.3 shows that almost all youth who had not yet started their transition were in education (95.1 per cent). Only 4.9 per cent fell in the category of inactive non-students with no intention to work. While a clear majority of young women in the “transition-not-yet-started” category were in school (93.9 per cent), the female share in the category of inactive non-students was nearly double the male share (6.1 per cent and 3.6 per cent, respectively).

Table 4.3 Youth who had not yet started their transition by sub-category and sex

Sub-category	Total		Male		Female	
	Number	%	Number	%	Number	%
Inactive students	291 192	95.1	136 474	96.4	154 719	93.9
Inactive non-students with no intention to work in the future	15 105	4.9	5 117	3.6	9 988	6.1
Total	306 298	100.0	141 591	100.0	164 707	100.0

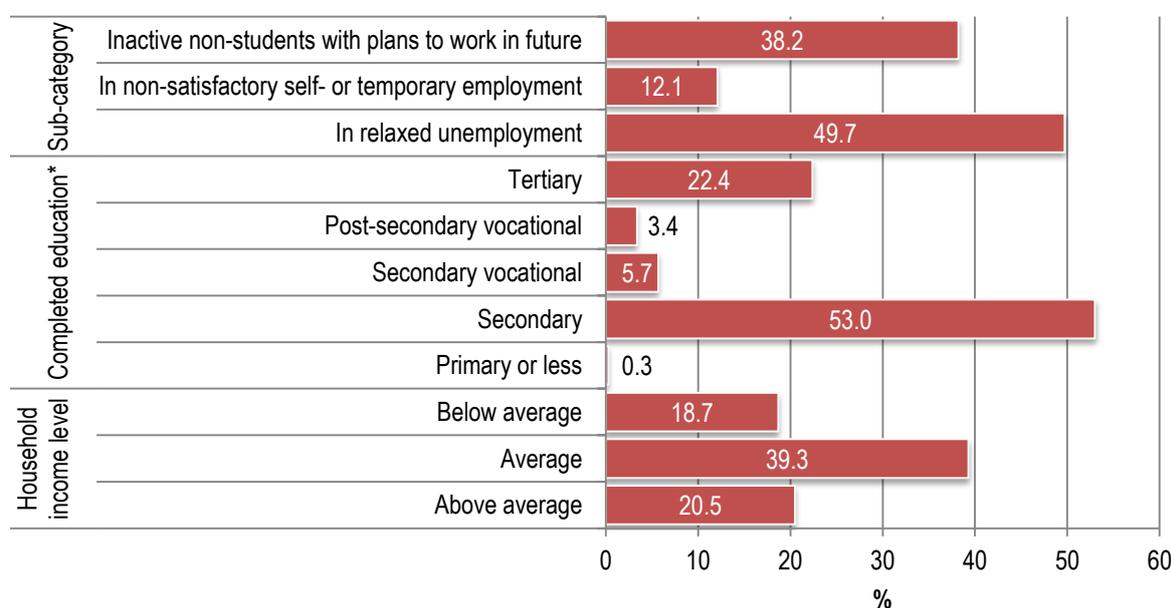
Source: NSSRA, SWTS-Armenia, 2012.

4.2.2 Youth in transition

A young person in transition is a youth who is unemployed (relaxed definition),¹⁵ engaged in self-employment or in a paid temporary job that they have expressed dissatisfaction with, or is an inactive non-student with an attachment to the labour market, indicated by their expressed desire to work in the future.

Figure 4.2 presents detailed data on youth in transition broken down by sub-category, level of completed education (excluding current students) and level of (self-reported) household income. It reveals that the largest share of youth who were in transition constituted unemployed youth (49.7 per cent). Another one-third of youth in transition (38.2 per cent) were inactive non-students with plans to work in the future, and only 12.1 per cent were in unsatisfactory self- or temporary employment. These findings reflect the fact that few youth expressed dissatisfaction with their employment situation.

Figure 4.2 Youth in transition by sub-category and levels of household income and completed educational attainment



Notes: * Excluding current students since their highest level of education is not known. See Annex II for details of mapping of education levels shown here to national equivalency.

Source: NSSRA, SWTS-Armenia, 2012.

¹⁵ Relaxed unemployment includes those who are without work and available to work (relaxing the jobseeking criteria).

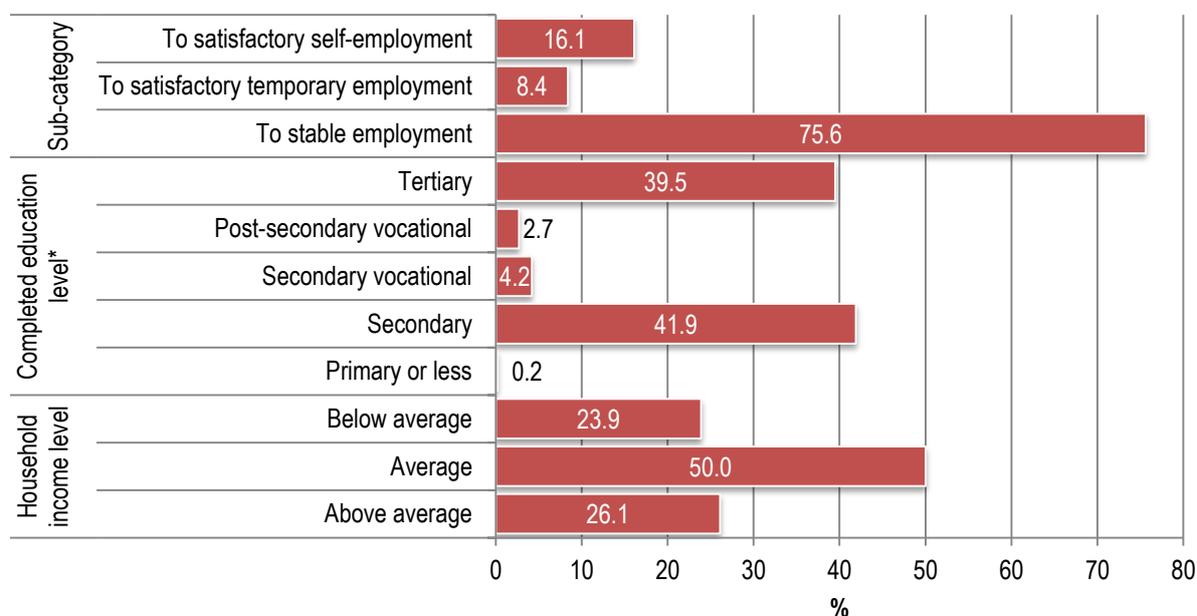
Most youth in transition (53.0 per cent) had attained secondary-level education. Over one-fifth (22.4 per cent) had a university degree, and 9.1 per cent had completed vocational education (both levels combined). Regarding household income levels, 39.3 per cent of youth in transition came from households they perceived to be of average income, 20.5 per cent came from richer households, and 18.7 per cent from households with below-average income.

4.2.3 Characteristics of a completed transition

Over one-half (56.4 per cent) of the surveyed youth who had completed their transition were young men, while 43.6 per cent were young women. As can be expected, as the age group increased, the transited rate increased: 3.8 per cent of teenagers (15–19) had completed their transition, 39.7 per cent aged 20–24 had transited, and 56.4 per cent aged 25–29 had transited.

Figure 4.3 shows the youth who had transited by sub-category and levels of household income and completed education. Three-quarters (75.6 per cent) had attained stable employment; 8.4 per cent were in satisfactory temporary employment; and 16.1 per cent were in satisfactory self-employment. It is interesting to compare the educational attainment of transited youth with the educational attainment of the total youth population presented in Table 3.5. The share of transited youth with vocational education was similar to that within the total youth population (6.9 per cent for both vocational levels against 9.9 per cent, respectively). However, the share of transited youth who graduated from university was higher than that within the full youth population (39.5 per cent versus 33.7 per cent, respectively). The trend was reversed for youth with secondary-level education (41.9 per cent of transited youth against 55.6 per cent of total youth). The results, therefore, lead to the hypothesis that higher education provided a better chance of completing the labour market transition to stable and/or satisfactory employment.

Figure 4.3 Transited youth by sub-category and levels of household income and completed educational attainment



Notes: * Excluding current students since their highest level of education is not known. See Annex II for details of mapping of education levels shown here to national equivalency.

Source: NSSRA, SWTS-Armenia, 2012.

Most transited youth gained employment as professionals (23.4 per cent). They were also employed as service and sales workers (17.3 per cent), craft and related trades workers (13.0 per cent), and technicians and associate professionals (10.7 per cent) (table 4.4). Only 8.0 per cent of transited youth worked in elementary occupations. The data on transited youth in stable employment reveal four occupations had shares greater than 10 per cent: professionals (27.6 per cent), services and sales workers (16.7 per cent), technicians and associate professionals (13.6 per cent) and craft and related trades workers (12.9 per cent). The lowest shares in stable employment were obtained by the occupational categories of skilled agricultural and fishery workers (1.1 per cent), plant and machine operators (3.7 per cent) and armed forces (3.5 per cent). Regarding the distribution of transited youth in satisfactory self-employment, 25.2 per cent worked as professionals, 23.7 per cent as craft and related trades workers, 16.6 per cent as service and sales workers, and 12.0 per cent as workers in elementary occupations. The share of transited youth in satisfactory temporary employment was highest in the more informal occupations, such as skilled agricultural and fishery workers (35.2 per cent) and service and sales workers (20.3 per cent), as well as managers (17.9 per cent) and elementary occupations (13.6 per cent).

Table 4.4 Transited youth by sub-category and occupation (%)

Occupation	Total employed youth	Total transited youth	Transited youth		
			Stable employment	Satisfactory self-employment	Satisfactory temporary employment
Legislators, senior officials & managers	8.5	8.9	7.2	6.7	17.9
Professionals	20.5	23.4	27.6	25.2	3.0
Technicians & associate professionals	9.7	10.7	13.6	4.2	0.2
Clerks	5.3	6.0	7.3	6.0	0.0
Service workers, shop & market sales workers	16.1	17.3	16.7	16.6	20.3
Skilled agricultural & fishery workers	10.4	6.5	1.1	0.5	35.2
Craft & related trades workers	12.1	13.0	12.9	23.7	7.7
Plant & machine operators & assemblers	3.2	3.6	3.7	5.2	2.1
Elementary occupations	11.8	8.0	6.4	12.0	13.6
Armed forces	2.3	2.7	3.5	0.0	0.0
Total	100.0	100.0	100.0	100.0	100.0

Source: NSSRA, SWTS-Armenia, 2012.

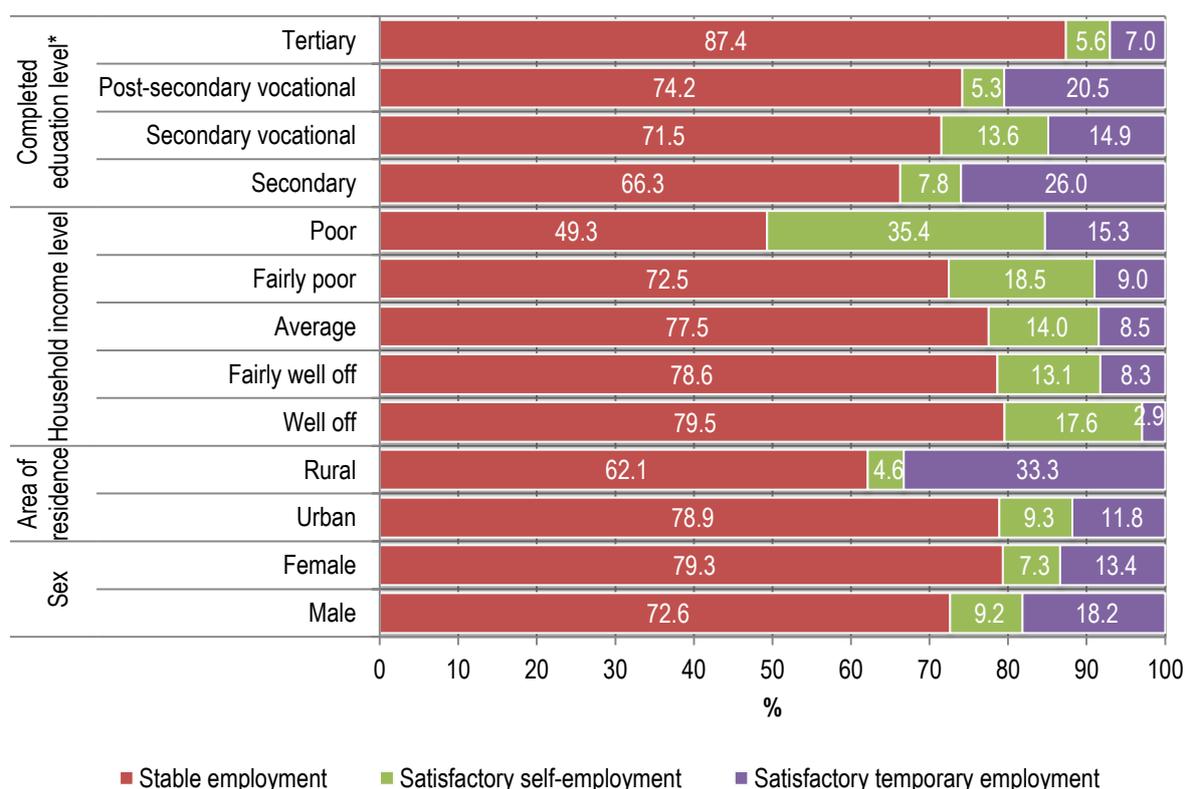
Figure 4.4 provides further insights into the drivers of the labour market transition to stable employment, examining the impact of education, household income level, area of residence and sex. A few aspects stand out. First, the share of stable employment increased with the level of education. Almost nine-tenths (87.4 per cent) of university graduates were in stable employment, as were 74.2 per cent of those who had completed post-secondary vocational education and 71.5 per cent who had completed secondary vocational education. The lowest share of transited youth in stable employment was received by the group who had completed secondary-level education (66.3 per cent). The latter, in contrast, were among those who indicated high satisfaction with self-employment (along with those who had completed secondary vocational training) and showed the highest tendency to transit to satisfactory temporary employment.

Second, the level of household income (self-reported) was also shown to have an impact on the transition. The youth from poor families were more likely to transit to satisfactory self- or temporary employment than those from higher household income levels. Yet fewer than one-half (49.3 per cent) of youth from poor households completed the transition to stable employment, compared to 79.5 per cent of youth from well off

households. Third, a significantly higher share of transited youth in rural than urban areas ended up in satisfactory temporary employment (33.3 per cent against 11.8 per cent, respectively). Finally, young women were more likely to attain stable employment (79.3 per cent) than young men (72.6 per cent).

It must be stressed that these data are not meant to indicate which transited situation was best. Because all these outcomes were deemed “satisfactory” by the surveyed youth, the desirability of each situation depended on their aspirations. Some young people would rather be self-employed than work in a routine administrative job. The data, however, help to understand how different conditions (such as household income level and area of residence) affected the possible career directions of the youth population.

Figure 4.4 Transited youth by sub-category, sex, area of residence and levels of household income and completed educational attainment



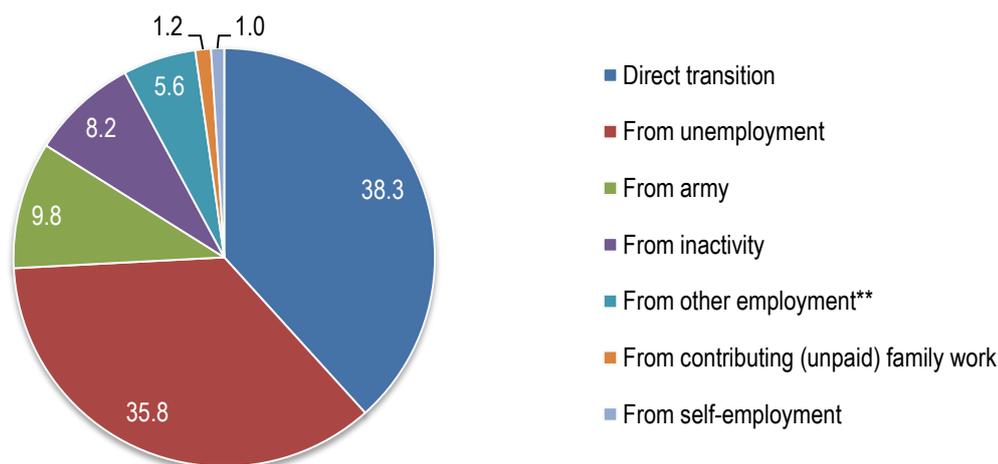
Notes: * Excluding current students since their highest level of education is not known. See Annex II for details of mapping of education levels shown here to national equivalency.

Source: NSSRA, SWTS-Armenia, 2012.

4.3 Transition paths and length

The SWTS offers a unique possibility to identify the labour market category held by young people prior to transiting to stable and/or satisfactory employment. In Armenia, the largest share of transited youth made a direct transition (38.3 per cent) (figure 4.5). This means they had no other labour market experience (employment or unemployment) before they entered the stable or satisfactory job they held when the survey was conducted. Another fairly large share of youth (35.8 per cent) transited after a spell of unemployment. Nearly one-tenth (9.8 per cent) of young men attained a stable and/or satisfactory job after finishing their military service, 8.2 per cent of youth transited after a period of inactivity and 5.6 per cent moved from another employment situation, such as non-satisfactory temporary employment. Only 1.0 per cent of youth transited from self-employment.

Figure 4.5 Transited youth by previous activity (%)



Notes: Excluding current students. ** Other employment includes non-satisfactory temporary employment for those who transitioned to stable or satisfactory self- or temporary employment, and self-employment as employer or wage and salaried worker for those who transitioned to satisfactory self- or temporary employment.

Source: NSSRA, SWTS-Armenia, 2012.

Table 4.5 presents transition path indicators that provide a more detailed picture of how youth arrived at the transitioned stage. Excluding the youth who transitioned directly to stable and/or satisfactory employment (38.3 per cent of the total), the path to transition involved, on average, 1.8 intermediate labour market activities – whether unemployment, employment or inactivity – and took as long as 24.9 months to complete. The typical young person in the country experienced “only” one (1.1) spell of unemployment in their transition path, but the average spell was long, averaging 15.5 months. Spells in temporary employment were slightly shorter in length: a young person spent, on average, 12.1 months in temporary employment prior to completing their transition. Spells in self-employment proved to be even longer, averaging 16.8 months before transitioning to stable and/or satisfactory employment. When including the young people who transitioned directly to stable and/or satisfactory employment, the results show the average length of transition took slightly longer than 1 year (14.9 months).

Table 4.5 Transited youth by indicator on the path of transition and sex

Indicator	Total	Male	Female
Average length of transition, excluding direct transition (months)	24.9	25.0	24.7
Average length of transition, including direct transition (months)	14.9	15.2	14.5
Average length of transition to stable employment (months)	14.3	14.0	14.6
Average length of transition to satisfactory self- or temporary employment (months)	16.7	16.8	16.6
Average number of intermediate activities	1.8	2.2	1.3
Average number of unemployment spells	1.1	1.1	1.1
Average length of unemployment spells (months)	15.5	13.1	18.2
Average number of temporary employment spells	1.1	1.1	1.0
Average length of temporary employment spells (months)	12.1	13.2	9.3
Average number of self-employment spells	1.1	1.1	1.0
Average length of self-employment spells (months)	16.8	16.6	27.4

Note: Calculations exclude youth who transitioned directly to stable and/or satisfactory employment unless otherwise indicated.

Source: NSSRA, SWTS-Armenia, 2012.

5. Relevant institutional and policy frameworks, and policy implications

5.1 Relevant policy framework in Armenia

With a view to addressing unemployment challenges and the skills mismatch, in 2012 Armenia launched a series of structural reforms that included a revision of employment policies and changes in the educational and vocational training systems. A brief review follows.

National employment policy

The legal basis for employment in Armenia is laid out in the Law on Employment of the Population and Social Protection in Case of Unemployment. It is implemented through a plan of action adopted by the Government of Armenia in September 2012. The plan of action consists of 13 annual state programmes, some specific to youth employment problems. They include programmes for the unemployed; vocational education programmes for unemployed people with disabilities and unemployed rural landowners seeking a job;¹⁶ apprenticeship programmes organized at employers' facilities and for the unemployed with disabilities seeking a job; financial support programmes for the unemployed and the unemployed with disabilities seeking a job; registration of entrepreneurial activity for the unemployed with disabilities seeking a job; partial salary compensation paid to employers for the employment of hard-to-employ persons; the adjustment of workplaces for the unemployed with disabilities seeking a job; and the organization of job fairs. The category of hard-to-employ persons includes youth of working age without parental care, long-term unemployed and ex-military conscripts.

Education reform

The Education Development State Programme of the Republic of Armenia 2011–2015 outlines the reform of the country's educational system to ensure it conforms to the modern demands of the economy and to better prepare graduates to enter the labour market. The execution of the reforms is connected to the Action Plan of the Strategy for the State Youth Policy of the Republic of Armenia 2013–2017, whose objectives include the introduction of a National Qualifications Framework and the promotion of lifelong education to reduce the skills mismatch.

Technical and vocational education and training

The Government of Armenia sees the improvement of technical and vocational education and training (TVET) as a key factor in a well-functioning labour market. The vocational education and training (VET) Reform Programme and Action Plan for 2012–2015 was adopted in late 2012 with the aim of expanding and developing the existing infrastructure of multifunctional colleges. In accordance with the principles of the Bologna and Copenhagen processes, the reform seeks to improve the quality of vocational education and to update the training of staff in line with the requirements of the labour market and in accordance with European standards.

One objective of the reform is to address the problem of the skills mismatch and ensuing labour market tensions. According to official statistics, a number of vacant workplaces in the marzes (governorate) are often not filled due to the lack of specialized

¹⁶ This provision addresses the fact that landowners de facto had been considered employed, regardless of their actual activity status.

workers. The reform relies on a broader representation of stakeholders, notably the increased involvement of employers, so their human resource needs are better taken into account. The target groups of the reform include: i) schoolchildren from primary, secondary and tertiary levels, ii) students in need of vocational guidance, iii) school drop-outs and youth without qualifications, iv) unemployed and returning migrants, v) people at risk of losing their job, or who need or want to be retrained, vi) 16–18 year-olds from vulnerable families (identified by social services), vii) young men released from their conscription period, and viii) young entrepreneurs.

Vocational guidance

The Law on Employment of the Population and Social Protection in Case of Unemployment includes provisions related to vocational guidance but they are mainly confined to providing labour market information to people seeking employment. In 2012, some of these provisions were updated to improve and develop the vocational guidance system.

A few employment centres are currently responsible for vocational guidance. In 2007, the non-profit state organization, Youth Professional Orientation Centre, was created under the Ministry of Labour and Social Affairs of Armenia to help teenagers and young people enter the labour market. During the same period, regional youth centres were established under the Ministry of Sport and Youth Affairs. In addition, career centres have been established in some professional educational institutions, but they need effective methodology and up-to-date information on the labour market and career planning.

National youth policy

The abovementioned State programmes all have the potential to impact youth employment. Improved vocational guidance, more accessible labour market information and modernized vocational education can help youth make informed decisions about their careers. In addition to these programmes, Armenia has had a National Youth Policy since 1995, which currently falls under the responsibility of the Ministry of Sport and Youth Affairs. The latest iteration of the policy dates from December 2012, when the Government adopted the Strategy for the State Youth Policy of the Republic of Armenia 2013–2017 and its corresponding Action Plan. The Strategy is aimed at increasing the level of youth engagement in political, economic and cultural life, proposing realistic solutions to overcome youth employment-related and socio-economic problems, promoting healthy lifestyles, assisting in the development of the spiritual and cultural values of youth and in their military and patriotic upbringing, as well as ensuring education continuity and non-formal education accessibility.

5.2 Policy implications

Armenia suffers from an acute unemployment problem. Data from the National Statistical Service of the Republic of Armenia revealed an unemployment rate of 17.3 per cent (within a labour force aged 15–75). But young people were particularly affected by the lack of jobs, with varying intensity depending on the age group. The unemployment rate (strict definition) in 2012 reached 38.0 per cent for young adolescents (aged 15–19), 34.8 per cent for youth aged 20–24 and 23.1 per cent for youth aged 25–29. This is a problem that the Armenian Government is fully aware of. While the gradually improving macroeconomic performance of the country is creating a conducive environment for job creation, the structural reforms of both the general and vocational educational systems and the strengthening of employment services for improved professional guidance attempt to address issues of mismatch in both the demand and supply of labour.

Structural reforms need time before they become effective; however certain groups within the youth population are so affected that they cannot afford to wait. Through the in-depth exploration of the youth employment situation in Armenia, the SWTS helps to identify the youth most at risk who would benefit from targeted interventions. Such emergency interventions would prevent these groups from retreating into perpetual inactivity and dependence on state services, getting stuck in low-quality informal jobs, being attracted by illegal or criminal activities, or being tempted by emigration.

This report seeks to provide a fresh and informed look at the employment-related problems of young people in Armenia. Some of these problems are addressed by the reforms presented above; however this report uncovers priority areas that require specific attention and that would benefit from multi-sectoral approaches. The priority points identified and in need of urgent attention are: i) gender issues and discrimination, ii) long-term youth unemployment and NEETs, iii) unemployment in urban areas, iv) vocational education, and v) rural employment.

i) Address gender issues and discrimination

The labour market situation of young men and women surveyed was often markedly different, usually very much to the disadvantage of women. The labour force participation rate of young women was 36.8 per cent against 53.0 per cent for young men, and the female youth unemployment rate at 36.6 per cent was as much as 12 percentage points above the male rate. Young women were therefore not only much less likely than young men to gain employment, they were also much more likely to disappear from the labour force, either out of discouragement or because they had to tend to family responsibilities. And this was despite the strong education figures for young women.

Young women were constrained by the narrow range of occupations and sectors of employment deemed acceptable or desirable for women either because of cultural perceptions or because of the need to balance family responsibilities and work. As many as 18.8 per cent of young women worked in the education sector, for example. This slow, or no-growth, sector will likely be constrained from taking on more employees, which means young women aspiring to be teachers will face a long period of unemployment. Young men had a wider array of options in terms of possible jobs, including manual labour, which was a factor in their lower rates of unemployment.

The discrimination against women was particularly blatant with regard to wages. On average, female employees earned 66.9 per cent of the amount the male employees earned, and female own-account workers earned as little as 33.3 per cent of the average monthly wage of male own-account workers. The wage discrimination was all the more unacceptable since women tended to be better educated than men, were more likely to be in professional occupations – which should guarantee higher wages – and were more numerous in wage employment, particularly in the public sector. Clear gender inequity existed in the labour market, but it is unclear whether this issue was being given full attention by the reforms taking place. For the Armenian economy to achieve its full potential, policies must take better account of the position of women in the world of work.

ii) Address long-term youth unemployment and NEETs

Overall, more than one-half of young unemployed people had been looking for a job for more than a year. Young women were more affected by this trend: 10.9 per cent had been unemployed for a period of between 6 months and 1 year, and a staggering 55.3 per cent for more than 1 year. The respective numbers for young men were 15.2 per cent and 48.4 per cent. High long-term unemployment rates represent a significant policy challenge. Anyone unemployed for that length of time will find it extremely difficult to find their way back to employment, let alone quality employment. This is compounded by the large share of young people classified as not in education, employment or training (NEETs). In

Armenia, 27.4 per cent of youth were classified as NEETs, with young women more than twice as likely as young men to be in that position (36.5 per cent against 15.9 per cent, respectively). This amounts to a worrying number of young people whose human capital was not being developed and whose capacities to be both economically productive and socially integrated were seriously compromised. Recognizing the special needs of the long-term unemployed and NEETs is a complex process that must be addressed as an explicit objective of economic, employment and social policies.

iii) Address unemployment in urban areas

The labour market is clearly divided along geographical lines. Most surveyed youth (80.0 per cent) lived in large cities (mainly Yerevan) against 20.0 per cent in rural areas, and employment outcomes were very different within the two regions. Youth were better educated in cities, with more than twice as many urban youth as rural youth with university education although that did not grant them privileged access to employment. The rate of inactivity was similar in both areas, totalling 52.0 per cent for urban youth and 54.7 per cent for rural youth. However, the share of unemployed young people (relaxed definition) in the urban youth population was 19.3 per cent, compared to 6.9 per cent in rural areas. It follows also that the share of employment among youth in urban areas was lower (28.7 per cent compared to 39.6 per cent in rural areas).

Regarding quality of work, while urban youth were principally in paid employment (84.1 per cent), there were signs of decent work deficits: 24.1 per cent of young employees lacked a written contract, and 25.9 per cent had limited-duration contracts of which 51.0 per cent were of less than 1 year. The share of young workers in informal employment in urban areas was 58.1 per cent, with 77.7 per cent classified as informal employment within formal enterprises. The ILO *Decent Work Country Profile* (ILO, 2012b) reports on increasingly frequent hiring practices from employment agencies resulting in a proliferation of temporary contracts without social protection.

Addressing these problems will once again depend on a multifaceted approach that combines better vocational guidance (to avoid too many highly educated students competing for too few jobs), active labour market policies to encourage enterprises to hire youth and macroeconomic policies to further the pace of job creation. At the same time, labour laws and collective agreements, including through sanctioning mechanisms, can protect young workers and facilitate their transition into stable and decent employment. In parallel, a system of incentives to encourage the registration of enterprises is to be promoted, while also providing incentives for employers to invest in the improvement of young people's work conditions.

iv) Address the vocational education crisis

Vocational training should be a stepping stone to employment. In Armenia, however, data hint at a vicious cycle undermining the effectiveness and desirability of vocational training, which does not ease entry into the labour market. The survey results show that only 7.6 per cent of employed youth had a vocational education diploma, against 52.2 per cent with secondary-level education and 39.9 per cent with a university degree. Furthermore, youth with vocational education experienced extremely high unemployment rates. These rates send negative signals about the performance of the vocational training system, which, in turn, further deters youth from enrolling in vocational training.

Vocational reforms are under way, seeking notably to improve the quality of vocational education and to update the training of staff in line with the requirements of the labour market and in accordance with European standards. However, a lot of work remains to redress the negative image of vocational training and to convince youth that it is a valuable career choice. For these reforms to succeed, they need to be part of an integrated

and coherent set of socio-economic policies that aim, for instance, to curb rural–urban migration, ease the skills mismatch and promote employment and business creation.

v) *Promote rural employment*

Employment in rural areas was classified as vulnerable according to the survey results; as many as 45.5 per cent of young workers contributed to a family establishment without pay and only 47.5 per cent were in paid employment. Informal employment among youth in rural areas was also extremely high at 82.2 per cent, with the majority of young workers working in unregistered, informal enterprises. With more than one-half (51.3 per cent) of youth employed in the agricultural sector and vast differences in terms of wages and employment options, the country faces a situation whereby rural lifestyles and jobs are unattractive to young people. Many migrate to the cities and join the ranks of the working poor or even leave the country, contributing to the country's brain drain.

The untapped potential of job creation in rural areas is vast. Infrastructure can be improved and agricultural value chains can be scaled up, spurring national development and employment policies in Armenia. The agricultural sector needs to expand from low-productivity activities to more diversified, higher-skilled and value-added agribusiness activities. Business development services could be promoted in rural areas. Agricultural activities could be promoted to a much greater extent in vocational training courses, particularly at the higher levels of education. At the time of the survey, only 6.1 per cent of young men and 2.0 per cent of young women studied agriculture and veterinary sciences, respectively. Starting from such low numbers, it would not be difficult to achieve higher rates of enrolment in these fields of study, which would go a long way to re-establish the connection between people in rural and urban areas, as well as provide young people with viable alternatives to emigrating to cities or abroad.

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Annex I. Definitions of labour market statistics

1. The following units are defined according to the standards of the International Conference of Labour Statisticians:
 - a. The **employed** include all persons of 15 years of age or more who during a week of reference:
 - worked for wage or profit (in cash or in kind) for at least one hour;
 - were temporarily absent from work (because of illness, leave, studies, a break of the activity of the firm, for example), but had a formal attachment to their job;
 - performed some work without pay for family gain.
 - b. The **unemployed** (strictly defined) include all persons of 15 years of age or more who meet the following three conditions during the week of reference:
 - They did not work (according to the abovementioned definition);
 - They were actively searching for a job or took concrete action to start their own business;
 - They were available to start work within the two weeks following the reference week.
 - c. Persons neither included in the employed nor in the unemployed category are classified as **not in the labour force (also known as inactive)**.
2. The International Classification of Status in Employment (ICSE) categorizes the employed population on the basis of their explicit or implicit contract of employment, as follows:
 - a. **Employees** (also wage and salaried workers) are those 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.
 - b. **Employers** are those who, working on their own account or with one or a few partners, hold the type of jobs defined as "self-employment jobs" (i.e. 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 employee(s).
 - c. **Own-account workers** are 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.
 - d. **Contributing (unpaid) family workers** are those who hold "self-employment jobs" as own-account workers in a market-oriented establishment operated by a related person living in the same household.
3. The employed are also classified by their main **occupation**, in accordance with the International Standard Classification of Occupations (ISCO-08).
4. A **household** is every family or other community of persons living together and jointly spending their income to satisfy the basic necessities of life. The concept of household includes members present in the place where the household resides, as well as individuals who are temporarily absent and living elsewhere, including abroad, for business, education

or other, as long as their residence in the foreign country does not exceed 1 year. A person living alone can also qualify as a household (“single household”) if they do not already belong to another unit. The single household can reside in a separate or shared apartment, considered as an independent unit as long as the household’s income is not shared with other residents. Collective households, such as prisons and institutions, and their members are not observed in labour force surveys.

5. **The reporting period**, to which the questions for the economic activity are related, is the week before the week of interview (52 reporting weeks throughout the year).
6. The following units are also defined within the SWTS analysis but are outside the scope of those defined within the international framework of labour market statistics mentioned in item 1 above:
 - a. **Relaxed unemployment** – a person without work and available to work (relaxing the jobseeking criteria of item 1b above).
 - b. **Labour underutilization rate** – the sum of shares of youth in irregular employment, unemployed (relaxed definition) and youth neither in the labour force nor in education/training (inactive non-students) as a percentage of the youth population.
 - c. **Regular employment** – the sum of employees with a contract (oral or written) of 12 months or more in duration and employers; the indicator therefore mixes information on status in employment and contract situations.
 - d. **Satisfactory employment** – based on self-assessment of the jobholder; implies a job that the respondent considers to “fit” to their desired employment path at that moment in time.
 - e. **Stable employment** – employees with a contract (oral or written) of 12 months or more in duration.
 - f. **Temporary employment** – employees with a contract (oral or written) of less than 12 months in duration

Annex II. Mapping of education levels

Name of education level in Armenian statistics	Approximate correspondence to ISCED 2011 level	Education level used in current document	Age at entry (theoretical)	Duration (years, theoretical)	Compulsory education
Primary, incomplete primary	Level 1 Primary	Primary or less	6	4	Yes
Basic education	Level 2 Lower secondary	Primary or less	10	5	Yes
General secondary	Level 3 Upper secondary	Secondary	15	2	Yes
Vocational	Level 4 Vocational	Secondary vocational	15	1–3	No
Secondary specialized, incomplete tertiary	Level 4 Post-secondary non-tertiary education	Post-secondary vocational	15	4	No
Tertiary, postgraduate	Level 5 Tertiary	Tertiary	17	4	No

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

Annex III. Additional statistical tables

Unless otherwise specified, the source of table is NSSRA, SWTS-Armenia, 2012.

Table A.1 Total population of Armenia by sex and age, 2013 ('000)

Age (years)	Total	Male	Female
Below 1	42.4	22.7	19.7
1–4	168.6	89.7	78.9
5–9	187.4	100.4	87.0
10–14	172.3	92.2	80.1
15–19	214.4	110.2	104.2
20–24	285.6	140.3	145.3
25–29	278.0	135.2	142.8
30–34	234.0	113.6	120.4
35–39	191.9	91.4	100.5
40–44	176.9	82.7	94.2
45–49	197.6	91.5	106.1
50–54	235.0	108.9	126.1
55–59	187.1	85.3	101.8
60–64	136.2	59.9	76.3
65 & above	319.5	127.7	191.8
Total	3 026.9	1 451.7	1 575.2

Source: NSSRA, Statistical Yearbook of Armenia, 2013.

Table A.2 Selected labour market indicators by sex and area of residence, 2011

Area & sex	Working-age population ('000)	Employed ('000)	Unemployed ('000)	Labour force participation rate %	Employment-to-population ratio %	Unemployment rate %
National						
Total	2 286.3	1 175.1	265.7	63.0	51.4	18.4
Male	1 017.0	610.9	128.1	72.7	60.1	17.3
Female	1 269.3	564.2	137.7	55.3	44.4	19.6
Urban						
Total	1 498.3	631.8	232.5	57.7	42.2	26.9
Male	651.4	347.6	111.1	70.4	53.4	24.2
Female	846.9	284.2	121.4	47.9	33.6	29.9
Rural						
Total	788.0	543.3	33.3	73.2	68.9	5.8
Male	365.6	263.3	17.0	76.7	72.0	6.1
Female	422.4	280.0	16.2	70.1	66.3	5.5

Source: NSSRA, Household's Integrated Living Conditions Survey, 2012.

Table A.3 Unemployment rate by age, sex and area of residence, 2012 (%)

Age group	Total	Male	Female	Urban	Rural
15–19	38.0	30.0	48.1	76.2	15.4
20–24	34.8	31.8	39.1	47.2	14.1
25–29	23.1	21.0	26.0	27.4	14.2
30–34	17.0	13.7	20.7	22.1	7.3
35–39	14.6	14.0	15.1	20.6	2.6
40–44	14.7	13.5	15.8	22.4	4.0
45–49	13.4	12.1	14.5	21.9	2.8
50–54	13.9	12.5	15.1	24.1	1.2
55–59	12.0	12.2	11.8	18.0	3.2
60–64	12.5	13.3	11.6	18.7	1.5
65–69	9.7	12.1	6.5	19.0	0.0
70–75	5.1	10.3	0.1	20.4	0.0
Total	17.3	16.5	18.2	25.5	5.3

Source: NSSRA, Household's Integrated Living Conditions Survey, 2012.

Table A.4 Youth with no declared health problems by area of residence (%)

Faculty	Total			Urban			Rural		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Seeing	92.6	93.6	91.8	91.1	92.1	90.4	98.4	98.8	98.0
Hearing	99.3	98.9	99.5	99.2	98.7	99.5	99.7	99.4	99.9
Walking	98.9	98.1	99.6	98.8	97.8	99.6	99.3	99.0	99.6
Remembering	98.9	98.6	99.2	98.9	98.5	99.1	99.1	98.8	99.5
Washing & dressing	99.5	99.3	99.7	99.5	99.4	99.6	99.6	99.2	100.0
Communicating	99.0	98.5	99.5	99.2	98.7	99.6	98.2	97.7	98.7

Table A.5 Youth leaving school early by reason and sex

Timeframe & reason	Total		Male		Female	
	Number	%	Number	%	Number	%
Left before graduation	14 657	1.9	8 433	2.4	6 224	1.4
Average age upon leaving education	22.5	n/a	21.7	n/a	23.7	n/a
Reason for leaving education						
Failed exams	1 023	7.0	1 023	12.1	-	-
Not interested	1 241	8.5	1 241	14.7	-	-
To work	1 037	7.1	1 031	12.2	6	0.1
To get married	2 671	18.2	-	-	2 671	42.9
Parents did not want me to continue	111	0.8	-	-	111	1.8
Economic reasons (could not afford education, too poor, needed to earn money to support family)	7 371	50.3	5 003	59.3	2 368	38.0
Other	1 204	8.2	136	1.6	1 068	17.2

- = Negligible.

Table A.6 Youth's mothers and fathers by educational attainment

Educational attainment	Youth's mothers		Youth's fathers	
	Number	%	Number	%
Primary or less	15 750	2.0	37 179	4.7
Secondary	291 230	37.1	266 151	33.9
Secondary vocational	16 869	2.2	35 059	4.5
Post-secondary vocational	249 945	31.9	207 404	26.4
Tertiary	209 007	26.6	223 717	28.5
Do not know	1 553	0.2	14 845	1.9
Total youth population	784 355	100.0	784 355	100.0

Table A.7 Indicators measuring quality of youth employment by sex (%)

Indicator	Total	Male	Female
Regular employment rate	67.2	64.4	70.9
Irregular employment rate	32.8	35.6	29.1
Share in satisfactory employment	77.9	77.1	79.0
Share in non-satisfactory employment	22.1	22.9	21.0
Informal employment rate	64.2	67.7	58.9
Involuntary part-time employment rate	9.5	6.5	13.7
Share of overeducated workers	21.5	21.8	21.1
Share of undereducated workers	11.6	11.8	11.5
Temporary employment rate	9.5	10.4	8.3
Share earning below-average wages	57.1	53.9	61.4
Share earning average wages or higher	42.9	46.1	38.6

Notes: Rates are shares in total youth employment (aged 15–29), except for (a) the shares of workers earning below- and above-average wages, which are presented as the share of employees and own-account workers only, and (b) over- and undereducated workers, which are percentages of employed youth with completed education (i.e. excluding currently working students). Involuntary part-time employment is defined as persons working less than 35 hours per week who state they would like to work more hours (regardless of whether or not they sought additional hours of work).

Table A.8 Unemployed youth by occupation sought and sex

Occupation sought	Total		Male		Female	
	Number	%	Number	%	Number	%
Legislators, senior officials & managers	4 484	4.3	3 300	7.3	1 183	2.0
Professionals	39 088	37.5	10 920	24.2	28 168	47.8
Technicians & associate professionals	14 214	13.7	4 729	10.5	9 484	16.1
Clerks	4 689	4.5	1 605	3.6	3 084	5.2
Service workers, shop & market sales workers	11 487	11.0	1 471	3.3	10 016	17.0
Skilled agricultural & fishery workers	53	0.1	53	0.1	-	0.0
Craft & related trades workers	10 818	10.4	9 585	21.2	1 233	2.1
Plant & machine operators & assemblers	615	0.6	615	1.4	-	0.0
Elementary occupations	817	0.8	658	1.5	159	0.3
Any job	10 808	10.4	7 022	15.6	3 786	6.4
Any highly paid job	7 053	6.8	5 183	11.5	1 870	3.2
Total	104 125	100.0	45 141	100.0	58 984	100.0

- = Negligible.

Annex IV. SWTS sampling design

The sampling framework was designed using the database of addresses of all private households in the country, developed on the basis of 2001 population census results (with the technical assistance of the World Bank). The household list has since been updated.

d	r	deff	z	Household response rate (taken from ILCS*)	n _r	p	n _h	n	Number of expected youth aged 15–29 in selected households	
									If only one person	If more than one person
0.021	0.222	2	1.96	0.91	1.10	0.59	1.90	3 300	1 950	3 700

* Integrated Living Conditions Survey

d - Margin of error to be tolerated at the 95 per cent level of confidence

r - Predicted prevalence (coverage rate) for the indicator being estimated (response rate of population aged 15–29, %) (taken from ILCS results – 22.2 per cent)

deff - Design effect

z² - Factor to achieve the 95 per cent level of confidence

n_r - Non-response correction

p - Proportion of households with one or more youth aged 15–29 (taken from ILCS results – 59.4 per cent)

n_h - Average number of youth in household (taken from ILCS results – 1.9 per cent)

n - Required sample size, expressed as number of households

For the purpose of the SWTS, the sample framework was divided into 48 strata, including 12 communities of the city of Yerevan (currently, the administrative districts). Communities in all regions (*marzes*) were grouped into three categories: large towns with 15,000 or more inhabitants; small towns with less than 15,000 inhabitants; and villages. Large towns formed 16 groups (strata), while small towns and villages formed 10 strata each.

According to this division, a random two-tier sample was drawn, stratified by regions and by Yerevan. All regions and Yerevan, as well as all urban and rural communities, were included in the sample, according to the shares of their resident households within the total number of households in the country. The 165 enumeration areas (EAs), the primary sampling units (PSUs), were selected at this stage using the PPS method (see the core survey table). In the second stage, 20 households in each EA were selected using the systematic random selection method. The following table provides details on the household distribution of the survey.

MARZ	MARZ_NAME	CV_NAME	%	Households in sample	EA in sample
1	Yerevan	community1	2.83	100	5
2	Yerevan	community2	1.92	60	3
3	Yerevan	community3	3.30	100	5
4	Yerevan	community4	1.73	60	3
5	Yerevan	community5	2.83	100	5
6	Yerevan	community6	3.19	100	5
7	Yerevan	community7	3.15	100	5
8	Yerevan	community8	3.30	100	5
9	Yerevan	community9	0.86	20	1
10	Yerevan	community10	0.78	60	3
11	Yerevan	community11	3.21	100	5
12	Yerevan	community12	2.49	80	4
13	Aragatsotn	urban	1.02	40	2
14	Aragatsotn	rural	2.81	100	5
15	Aragatsotn	big town1	1.29	40	2
16	Ararat	urban	0.92	40	2

MARZ	MARZ_NAME	CV_NAME	%	Households in sample	EA in sample
17	Ararat	rural	3.66	120	6
18	Ararat	big town1	1.50	40	2
19	Ararat	big town2	1.14	40	2
20	Ararat	big town3	1.20	40	2
21	Armavir	small urbans	0.95	40	2
22	Armavir	rurals	3.43	120	6
23	Armavir	big town1	1.58	60	3
24	Armavir	big town2	1.97	60	3
25	Gegharcunic	small urbans	1.54	40	2
26	Gegharcunic	rurals	3.19	100	5
27	Gegharcunic	big town1	1.45	40	2
28	Gegharcunic	big town2	1.38	40	2
29	Lori	small urbans	2.42	80	4
30	Lori	rurals	3.14	100	5
31	Lori	big town1	3.18	100	5
32	Kotayk	small urbans	1.56	60	3
33	Kotayk	rurals	2.84	100	5
34	Kotayk	big town1	2.09	60	3
35	Kotayk	big town2	2.02	60	3
36	Kotayk	big town3	1.50	40	2
37	Shirak	small urbans	1.38	40	2
38	Shirak	rurals	2.90	100	5
39	Shirak	big town1	3.49	120	6
40	Syunik	small urbans	1.57	60	3
41	Syunik	rurals	1.91	60	3
42	Syunik	big town1	1.87	60	3
43	Syunik	big town2	1.24	40	2
44	Vayotz Dzor	small urbans	1.31	40	2
45	Vayotz Dzor	rurals	1.60	60	3
46	Tavush	small urbans	1.60	60	3
47	Tavush	rurals	2.53	80	4
48	Tavush	big town1	1.24	40	2
Total			100.0	3 300	165



This report presents the highlights of the 2012 School-to-work Transition Survey (SWTS) run together with the National Statistical Service of the Republic of Armenia (NSSRA) within the framework of the ILO Work4Youth Project. This Project is a five-year partnership between the ILO and The MasterCard Foundation that aims to promote decent work opportunities for young men and women through knowledge and action. The W4Y Publication Series is designed to disseminate data and analyses from the SWTS administered by the ILO in 28 countries covering five regions of the world. The SWTS is a unique survey instrument that generates relevant labour market information on young people aged 15 to 29 years. The survey captures longitudinal information on transitions within the labour market, thus providing evidence of the increasingly tentative and indirect paths to decent and productive employment that today's young men and women face.

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Work4Youth



For more information, visit our website: www.ilo.org/w4y
Youth Employment Programme
4 route des Morillons
CH-1211 Genève 22
Switzerland
w4y@ilo.org

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