

ARMENIA

The ILO Work4Youth project worked with the National Statistical Service of Armenia to implement two rounds of the School-to-work transition survey (SWTS) in 2012 (October–November) and 2014 (September–October). The results of the first survey were published in N. Serrière (2014): *Labour market transitions of young women and men in Armenia*, Work4Youth Publication Series No. 21 (Geneva, ILO) and were also highlighted in the regional synthesis report, S. Elder et al. (2015): *Labour market transitions of young women and men in Eastern Europe and Central Asia*, Work4Youth Publication Series No. 28 (Geneva, ILO). The national report is also available in Armenian. The objective of this country note is to offer a general summary of youth labour market trends in Armenia based on the SWTS. Youth is defined as 15–29.

Main findings of the ILO SWTS

Human capital and mismatch

- All surveyed youth had attended school or a training programme at some point in their lives as of 2014 (in 2012, only 0.3 per cent of youth never attended any school). More than half of the youth population had completed school (57 per cent) while 41.1 per cent was still attending school in 2014. Young women in Armenia have equal opportunities to young men in terms of access to education.
- SWTS results show a correlation between the levels of education and a young person's labour market transition: a young person with tertiary education was able to complete the transition from school to a stable/satisfactory job in less than half the time of a young person with secondary education (with average lengths of 11.1 and 28.2 months, respectively).
- With so many youth in Armenia able to stay in school to the secondary level or beyond, it is not surprising to find a majority of employed youth adequately educated for the job they were doing (70.3 per cent with matching qualifications in 2014). Given the high levels of educational attainment, it was also common to find youth classified as overeducated for their job (19.6 per cent), whereas only one in ten young people were deemed undereducated (10.1 per cent).
- More than one-third (35.9 per cent) of current students in Armenia showed a preference for future work in the government/public sector. While the attraction of public sector employment is understandable given concerns with job security, the ability of the sector to absorb a significant number of young workers is limited.

The ILO **School-to-work transitions surveys (SWTS)** are implemented as an outcome of the Work4Youth (W4Y) project, a partnership between the ILO and The MasterCard Foundation. The project has a budget of US\$14.6 million and will run for five years to mid-2016. Its aim is to “promote 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.

See the website www.ilo.org/w4y for more information.

Underutilization of the youth labour potential remains a top concern

- The youth labour underutilization rate in Armenia was relatively high at 47.5 per cent in 2014, an increase from the 2012 value of 42.3 per cent. The share of underutilized labour potential consisted of 10.9 per cent of the youth population in irregular employment (either in self-employment or paid employment with contract of less than 12 months), 18.9 per cent unemployed and 17.7 per cent inactive non-students.
- The youth unemployment rate decreased between 2012 and 2014 (30.2 to 28 per cent) but remained well above the EU-28 average of 17.7 per cent in the latter year (Eurostat, youth aged 15-29). The unemployment rate of young women was consistently higher than that of young men (33.3 per cent compared to 24.2 per cent for males in 2014).
- For young women, the unemployment rate decreases with the level of education – the female youth unemployment rate of university graduates was 24.3 per cent in 2014 compared to 34.7 per cent for those with secondary general education – while the opposite held true for young men. For young men, the university-educated youth faced an unemployment rate of 24.2 per cent compared to 20.4 per cent for the secondary general graduate.
- The duration of unemployment is often long. More than one-half (53.2 per cent) of unemployed youth had been looking for work for longer than one year in 2014 (compared to 52.3 per cent in 2012).
- The share of youth neither in employment nor in education or training (NEETs) in Armenia increased between 2012 and 2014 (from 27.4 to 31.1 per cent). The share among young women was almost double that of young men in 2014 at 38.5 and 21.7 per cent, respectively, and gap that is explained primarily by the obligation of many young women to remain outside of the labour force to tend to family responsibilities.

Low employment rates for youth remain a strong hindrance to the country's productive transformation

- Only one in three (32 per cent) youth in Armenia was employed in 2014, a slight increase from 30.7 per cent in 2012. Young men were twice as likely to work as young women (employment ratios were 43.7 and 22.6 per cent, respectively).
- Most young workers (74.1 per cent) were in paid employment, but almost a quarter (23.7 per cent) remained in vulnerable employment as own-account workers (11.2 per cent) or unpaid family workers (12.5 per cent). At the same time, 30.6 per cent of youth in paid employment were engaged without a written contract.
- The services sector absorbed the largest portion of Armenia's young workers (51.3 per cent of young male workers and 82 per cent of young female workers), followed by industry (30 per cent of young male workers and 7.7 per cent of young female workers) and agriculture (18.7 and 10.4 per cent, respectively).
- Informal employment affected two-thirds of young workers in Armenia; the informal employment rate increased slightly between the two years (64.2 to 66.4 per cent, respectively).
- Only a small segment (11.9 per cent) of employed youth worked less than 20 hours during the reference week in 2014, while as many as 25.5 per cent worked excessively long hours (more than 50 hours per week).

Selection of data tables

Table 1. Youth population by educational status, 2012 and 2014 (%)

Educational status	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Never attended school	0.3	-	0.5	-	0.2	-
Dropped out before graduation or completion of school	1.9	2.0	2.4	2.2	1.4	1.8
Currently attending school	45.3	41.0	48.3	40.7	43.0	41.2
Education completed	52.5	57.0	48.8	57.2	55.5	56.9
Total	100	100	100	100	100	100

Table 2. Key youth labour market indicators – traditional distribution, 2012 and 2014 (%)

	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Employed	30.7	32.0	39.9	43.7	23.3	22.6
Unemployed (strict definition)	13.3	12.4	13.0	13.9	13.5	11.2
Inactive	56.1	55.6	47.0	42.3	63.2	66.2
Total	100	100	100	100	100	100
Youth labour force participation rate	43.9	44.4	53.0	57.7	36.8	33.8
Youth unemployment rate (strict definition)	30.2	28.0	24.6	24.2	36.6	33.3

Note: The "strict" definition of unemployment refers to persons without work, available to work and actively engaged in a job search. The "broad" definition excludes the job search criteria. The youth unemployment rate is the number of unemployed persons divided by the youth labour force (employed plus unemployed).

Table 3. Key youth labour market indicators – alternative distribution, 2012 and 2014 (%)

	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
In regular employment	20.6	21.1	25.7	26.8	16.5	16.5
In irregular employment	10.1	10.9	14.2	16.9	6.8	6.1
Unemployed (broad definition)	16.8	18.9	15.2	19.9	18.1	18.1
Inactive students	37.1	31.4	39.4	28.5	35.3	33.8
Inactive non-students	15.4	17.7	5.5	7.8	23.3	25.6
Total	100	100	100	100	100	100
Youth labour force participation rate (broad definition)	47.5	50.9	55.1	63.7	41.4	40.6
Youth unemployment rate (broad definition)	16.8	18.9	15.2	19.9	18.1	18.1
Youth labour underutilization rate	42.3	47.5	34.9	44.6	48.1	49.8

Table 4. Distribution of NEET youth by composition, 2012 and 2014 (%)

Sex	2012			2014		
	NEET rate	of which:		NEET rate	of which:	
		Inactive non-students	Unemployed non-students		Inactive non-students	Unemployed non-students
Total	27.4	16.6	10.8	31.1	21.4	9.7
Male	15.9	5.7	10.2	21.7	11.1	10.6
Female	36.5	25.3	11.3	38.5	29.6	9.0

Table 5. Employed youth by status in employment, 2012 and 2014 (%)

Status in employment	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Wage and salaried workers (employees)	74.9	74.1	72.1	70.1	78.7	80.3
Employers	1.7	2.0	2.6	2.5	0.5	1.3
Own-account workers	6.5	11.2	7.9	12.9	4.5	8.4
Contributing (unpaid) family workers	16.9	12.5	17.3	14.5	16.3	9.5
Not classified	-	0.2	-	-	-	0.5
Total	100	100	100	100	100	100

Table 6. Distribution of youth employment by sector at the 1-digit level, 2012 and 2014 (%)

Sector	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Agriculture	17.5	15.4	18.7	18.7	15.8	10.4
Industry	17.8	21.3	26.9	30.0	5.6	7.7
Services	64.7	63.3	54.4	51.3	78.6	82.0
Agriculture, forestry and fishing	17.5	15.4	18.7	18.7	15.8	10.4
Mining	0.9	0.9	1.4	1.5	0.3	0.0
Manufacturing	8.9	10.4	12.5	12.7	3.9	6.8
Electricity, gas, steam	1.3	1.8	1.9	2.4	0.5	0.9
Water supply	0.7	0.5	1.1	0.9	0.0	0.0
Construction	6.1	7.7	10.0	12.6	0.9	0.0
Wholesale and retail trade	19.2	17.9	19.9	15.6	18.1	21.3
Transport	3.7	4.0	4.7	6.0	2.4	1.0
Accommodation	1.7	2.0	2.1	2.6	1.2	1.1
Information and communications	5.5	3.4	4.7	3.5	6.5	3.4
Financial activities	3.3	2.7	2.1	0.3	4.8	6.5
Real estate	0.1	0.1	0.0	0.0	0.3	0.2
Professional scientific activities	1.1	1.9	0.5	1.2	1.8	2.9
Administrative and support activities	0.7	0.5	0.4	0.3	1.0	0.9
Public administration	10.8	12.4	12.7	14.8	8.2	8.8
Education	9.2	7.9	2.1	1.6	18.8	17.7
Health and social work	2.5	2.9	1.1	0.6	4.4	6.5
Arts and entertainment	1.6	2.8	0.8	1.8	2.7	4.4
Other services	4.8	4.0	2.4	2.1	8.0	6.9
Private households	0.5	0.7	0.8	0.9	0.0	0.3
Activities of extraterritorial organizations	0.2	0.1	0.0	0.0	0.5	0.2

Table 7. Young wage and salaried workers by type of contract, 2012 and 2014 (%)

Type of contract	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Written agreement	75.2	69.4	66.4	62.9	86.1	78.3
Oral agreement	24.9	30.6	33.7	37.1	13.9	21.7
Unlimited duration	74.9	74.8	68.9	67.8	82.4	84.2
Limited duration	25.1	25.3	31.1	32.3	17.6	15.8
– Less than 12 months	12.7	13.8	14.4	16.0	10.5	10.8
– 12 months to less than 36 months	9.1	7.1	11.6	9.1	5.9	4.3
– 36 months or more	3.4	4.4	5.1	7.1	1.2	0.8
Total	100	100	100	100	100	100

Table 8. Youth informal employment by composition, 2012 and 2014 (%)

	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Youth formal employment rate	35.8	33.6	32.3	26.8	40.6	44.1
Youth informal employment rate	64.2	66.4	67.7	73.2	59.4	55.9
Of which:						
– Informal employment outside the informal sector (share in informal employment)	62.9	59.7	61.5	57.1	65.1	65.0
– Employment in the informal sector (share in informal employment)	37.1	40.3	38.5	42.9	34.9	35.0
Total	100	100	100	100	100	100

Table 9. Employed youth by overeducation, undereducation or matching qualifications, 2012 and 2014 (%)

Qualifications match	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Undereducated	11.6	10.1	11.8	10.4	11.5	9.7
Overeducated	21.5	19.6	21.8	21.0	21.1	17.5
Matching qualifications	66.8	70.3	66.4	68.5	67.4	72.8
Total	100	100	100	100	100	100

Table 10. Youth unemployment rates by level of completed educational attainment, 2012 and 2014 (%)

Educational attainment	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Primary	-	-	-	-	-	-
Secondary vocational	46.0	26.5	41.4	18.3	69.8	61.6
Secondary general	23.9	24.2	17.4	20.4	33.6	34.7
Post-secondary vocational	45.1	31.6	34.4	25.9	58.6	36.4
University and postgraduate studies	29.5	24.2	23.0	24.2	33.9	24.3

Table 11. Unemployed youth by duration of job search, 2012 and 2014 (%)

Duration of job search	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Less than a week	0.6	2.6	1.3	3.8	0.0	1.3
1 week to less than 1 month	3.3	2.6	2.5	2.3	3.8	2.9
1 month to less than 3 months	13.5	17.4	11.2	14.9	15.2	19.8
3 months to less than 6 months	17.6	14.9	21.4	12.0	14.7	17.7
6 months to less than 1 year	12.8	9.5	15.2	10.9	10.9	8.1
More than a year	52.3	53.2	48.4	56.1	55.3	50.3
Total	100	100	100	100	100	100

Table 12. Youth population by stages and subcategories of transition, 2012 and 2014 (%)

Stage of transition	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Total transited	20.8	20.8	26.6	27.1	16.1	15.8
Transited to stable employment	17.3	16.2	21.4	20.0	14.1	13.1
Transited to satisfactory temporary employment	0.9	1.5	1.8	1.8	0.2	1.3
Transited to satisfactory self-employment	2.6	3.1	3.5	5.2	1.9	1.5
In transition	39.6	45.1	32.2	43.9	45.5	46.2
Unemployed (broad definition)	12.0	13.4	10.4	13.9	13.3	12.9
In non-satisfactory temporary employment	2.0	2.6	2.5	3.7	1.7	1.8
In non-satisfactory self-employment	4.5	4.5	6.8	6.9	2.7	2.6
Active students	8.2	9.5	8.8	12.1	7.7	7.5
Inactive non-students with aim to work in the future	12.9	15.1	3.8	7.3	20.2	21.4
Transition not yet started	39.6	34.0	41.1	29.1	38.4	38.0
Inactive students	37.1	31.4	39.4	28.5	35.3	33.8
Inactive non-students with no plans to work in the future	2.5	2.6	1.7	0.5	3.1	4.2
Total	100	100	100	100	100	100

Note: Unless otherwise specified, the categories exclude current students.