



ISSUES OF YOUTH LABOR DEVELOPMENT AND WORKFORCE MANAGEMENT IN ARMENIA

POLICY DOCUMENT



2021

This Policy Brief has been developed by OxYGen Foundation within the framework of the project “Modern Parliament for a Modern Armenia”.

The UNDP “Modern Parliament for a Modern Armenia” project is co-implemented with the OxYGen Foundation, the International Center for Human Development, and the Westminster Foundation for Democracy, in partnership with the National Assembly of the Republic of Armenia. The project is funded by the United Kingdom's Good Governance Fund and the Government of Sweden.

The opinions expressed in this document are the author's observations and do not reflect the view of the UNDP or its other partners on this Project.

■ INTRODUCTION

This document was prepared in participatory manner with the help of civil society organizations working in the field of youth, representatives of local self-government bodies, responsible educational institutions, as well as experts of the field.

The document addresses the problems faced by young people in the labor market, highlights the problems of youth employment paying special attention to ensuring equal opportunities for women and men. The document also includes proposals that were voiced during the extended meeting of the National Assembly – Civil Society cooperation platform¹.

The purpose of the document is to present and unite the efforts of those organizations that deal with youth employment issues, propose mechanisms for closer cooperation between the labor market, career centers, educational institutions, policy-making structures, public spheres and other interested structures to complement the existing gaps in the supply and demand chain of the labor market.

¹<https://havasar-infohub.am/%d5%a6%d5%a2%d5%a1%d5%b2%d5%be%d5%a1%d5%ae%d5%b8%d6%82%d5%a9%d5%b5%d5%b8%d6%82%d5%b6-%d6%87-%d5%a1%d5%b7%d5%ad%d5%a1%d5%bf%d5%a1%d5%b7%d5%b8%d6%82%d5%af%d5%a1%d5%b5%d5%ab-%d5%b0%d5%a1%d5%bd%d5%a1/>

■ CONTEXT

One of the major hindrance to the inclusive economic growth is the inadequate realization of the potential of young people and women in the labor market.

According to the International Labour Organization data of 2019² the youth unemployment rate for 2019 is 32.6%, among young men - 31.2%, and among young women it is higher constituting 34.4%.

According to the “Analysis of the jobs dynamics in Armenia”³ conducted by the World Bank, the unemployment among 15-19 years old young people who are not employed, do not study or do not undergo training is 33%: the unemployment among young women is 42% and young men-24⁴.

According to an earlier survey, the rate of economically inactive youth is 41%, and more than half of the economically inactive workforce (53.8%) are young people with higher education⁵.

The challenges associated with current post-conflict and epidemic situation make the problem even more worrying. Preliminary observations of civil society organizations-partners of the OxYGen Foundation, interviews with beneficiaries show that there is an increase in the unemployment rate among young people. The young people have lost interest in studying. The existing uncertainty, including internal political tensions, creates an atmosphere of instability and lack of confidence in future among young people, which can lead to large-scale emigration.

In addition to the above, a number of other challenges that affect the high level of youth unemployment in Armenia remain relevant, namely the discrepancy between the real needs of the education system and the labor market, gaps in soft skills of young people, lack of gender-sensitive approaches, etc.

²<https://ilostat.ilo.org/data/country-profiles/>

³“Work for better future inArmenia”, World Bank, October 2019

⁴In the same place’ page 21

⁵“Youth-focused and gender-sensitive labor market in Armenia” Final Analytical Report,

“Save the Children International” Armenian representation, 2019

https://armenia.savethechildren.net/sites/armenia.savethechildren.net/files/library/LMR%20Report_arm.pdf

■ CURRENT PROBLEMS AND RECOMMENDATIONS

Factors influencing the high level of youth unemployment in Armenia:

■ The issue of choosing a profession

One of the factors influencing the high unemployment rate among young people is the choice of profession. The studies show that the majority of students choose professions in the field of humanities, education, economics, management and health, which are mostly quite saturated. This means that the number of potential employees involved in these scientific fields and the demand for these specialties in the labor market do not match.

“Today, vocational orientation centers have been introduced in regional schools by various international and local organizations as a tool aimed at developing young people self-knowledge and ability to position themselves correctly in the labor market. However, it mainly depends on the level of interest and importance attached by the school principals, various class hours were provided for the organization of such meetings”- youth employee.

Recommendations

- Provide special, mandatory classes on the subject of vocational orientation in schools or create vocational orientation clubs that will help young people get acquainted with the requirements of the market, decide on the choice of a future profession. The specialists of these centers should not combine the work with their main pedagogical/teaching work. Individual specialists are needed who will be trained regularly.
- At the end of the basic school, provide students/young people with a description of profession, according to which he/she will be guided at high school to make the choice and, of course, will continue to develop the appropriate opportunities in order to be competitive in the labor market in the future.
- When graduating from high school, add an insert to the young person's graduation certificate with a description of the student's personal qualities and abilities, which will guide the young person in choosing future profession.

■ Gap between the education and labor market

The discrepancy between the education system and the actual demand for labor market still remains one of the most relevant issues for young people entering the labor market. Theoretical knowledge in universities does not justify the practical needs of employers, thus failing to prepare young people for real job. The existing Cooperation between the employers and local universities is not institutional and focuses only on student internship programs.

Representatives of civil society, as well as the education system, highlighted the scarce professional knowledge and soft skills of young people living particularly in the regions.

“There is a huge difference between the teaching material presented by the education system of Armenia and the real needs and requirements of the employers. After school, graduates are not even able to provide properly compiled CVs, a motivation letter to apply for a job,”- CSO representative.

“Today, Career Centers partially cooperate with the private sector, jointly develop curricula for some subjects, but this is not done on a massive scale and in coordinated manner, and this is where the state should provide a support,”- Career Center representative.

“Institutionalized communication should be developed at the state level for cooperation of educational institutions and labor market. The CSOs do not have the capacity to provide large range and work with all young people, therefore, in order to increase efficiency, policy-making structures should be involved and actively cooperate with universities by identifying barriers to young people access to the labor market and by offering solutions,”- Education official.

Recommendations

- Fill in the skills gap through non-formal education, conduct trainings, practical classes paying special attention to the development of digital capabilities and communication skills.
- Institutionalization of cooperation with educational institutions and private sector. Development of joint mechanisms, introduction of effective mechanisms for business-state-educational establishment cooperation. Conducting special courses, practical targeted lessons with involvement of private sector representatives.
- Full and consistent implementation of educational practice, provision of a feedback mechanism with the student who will also evaluate the effectiveness of the practice.

Practical skills, volunteering / practice

The lack of work or volunteer experience does not allow young people to acquire practical knowledge and skills necessary for real work outside of universities. Most employers require work experience, which, of course, the young person who has just received the specialization does not have, and the employer is not always ready to provide a platform, time for the young person to gain experience. But the same young person has experience in volunteer work, where he/she has acquired both professional knowledge and work experience, as well as developed his/her soft skills.

“After graduating from the higher educational establishment, young people can not find a job for the reason that they feel unprepared for the challenges and demands of the labor market, knowing only the theoretical part of the profession,”- representative of Local self - governance bodies.

Recommendations

- Include a clause in the draft Law on Volunteering which may consider “volunteering as a work experience”;
- Establish a special procedure, requirement for the employer to consider the volunteering as a work experience, for example, the job announcement should also include the volunteering experience.

■ Post-Covid and post-war realities and labor market

The post-Covid and post-war realities in Armenia have created new challenges in terms of youth employment. First, due to the long duration of the Covid-19 pandemic, the number of workplaces have been decreased. Second, the need to work online brought to the fore the need for new skills and digital knowledge. New skills and new working conditions have been emerging.

Serious research is needed to measure the real post-crisis impact on young people and women. “After the war we have young people with disabilities, people with mental health problems, internally displaced people. For objective reasons, the economic burden on women's shoulders has increased and all this needs serious research to find out what changes have taken place in the labor market, both due to pandemic and war, and how to respond to the current emergency state,” - CSO representative.

Recommendations

- Develop new inclusive policies, specific, targeted state aid programs to help young people acquire new skills that will help them enter, return to the labor market.
- Special work with the private sector, the state can offer quotas, privileges for the business structures that will offer, provide work to vulnerable groups.
- The National Assembly can establish control and hold the Government accountable for the programs implemented by the State.

■ Young women in the labor market

The barriers that women face in the labor market lead to the underutilization of human capital and economic losses not only for women and their families but for society as a whole. Although the participation of women labor force is lower than that of men, in the able-bodied age group only more than half of women (51.4%) are employed compared to 70.6% of men.

The main hinderance for women are often related to family care, difficulties in combining responsibilities and work activities leading to low participation of women in the labor market and employment sector, as well as to their lower incomes and other manifestations of inequality. Women work part-time more than men (34% vs 18%). Among the unemployed, due to family circumstances, 99 % are women⁶, which indicates that there is not enough state support in the issue of combining family responsibilities and career.

⁶http://www.yso.am/files/CGLS_OXFAM_RESEARCH_2016.pdf

The share of women in the labor force is 55%, but 52.8% of women and 70.7% of men are economically active, while the gender gap in the economic activity of women and men in the 25-34 age group is 40%, which is mainly conditioned by women's family responsibilities (pregnancy, childbirth, child care and care for other family members, etc)⁷.

The main existing problems are:

- De jure and de facto inconsistency of women's labor rights;
- Discrimination against women in the labor market;
- Lack of opportunities to combine work and family responsibilities;
- Lack of mechanisms for protection of labor rights;
- Gender insensitivity of laws and programs related to the field.

Recommendations

- During the revision of the RA Labor Code, consider the special needs of women in the labor market, including expanding the opportunities for combining work and family responsibilities.
- Introduce programs aimed at employment and economic empowerment of women, including work-at-home and work with the use of information technologies.
- In the frame of investment policy, consider the development of industries that provide employment for women.
- Introduce special programs promoting women entrepreneurship, including business consulting services.
- Provide opportunities for women to combine family and professional responsibilities, promote the advocacy of family models based on equal sharing of family responsibilities and mutual respect.
- Expand the network of pre-school institutions, create and develop the institute of babysitters, support women who want to maintain their competitiveness in the labor market after having children through various adaptation professional programs.
- Provide women working in the informal sector (unregistered) with opportunities for social protection, maternity protection and child care.

⁷https://oxygen.org.am/wp-content/uploads/2020/05/Policy-briefs_ARM.pdf

Other recommendations

- Creation of a common platform that will ensure cooperation between all actors of the field- government agencies, inter-ministerial institutions, educational establishments, career centers, private sector, international and local organizations. It will also serve as an information center providing information on existing programs, opportunities, market requirements and available resources.
- Creation of a special section on youth issues in the regional, as well as community development four-year programs. The current challenges of education - labor market should be reflected in strategies that take into account regional characteristics and existing perspectives-human, financial, administrative, etc. Local self-government-youth dialogue should take place which today is done largely through CSOs, while the state should also take on this responsibility.
- Set up youth centers, especially in the regions, which will carry out targeted activities promoting the development of young people capacities and raising awareness. This will help motivate young people to continue staying and working in Armenia.