

TORINO PROCESS 2018–2020

ARMENIA

NATIONAL REPORT

Disclaimer

Armenia - national Torino Process report (NRF)

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ACRONYMS

ADA	Austrian Development Agency
ADS	Armenia Development Strategy
ALMP	Active Labour Market Programme
AMD	Armenian Dram
ANQA	National Centre for Professional Education Quality Assurance
BFH	Bern University of Applied Sciences
CEDEFOP	European Centre for the Development of Vocational training
CIS	Commonwealth of Independent States
CVT	Continuing Vocational Training
EMIS	Education Management Information System
EQF	European Qualifications Framework
ETF	European Training Foundation
EU	European Union
GDP	Gross Domestic Product
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GNI	Gross National Income
HAFL	School of Agricultural, Forest and Food Sciences
HDI	Human Development Index
HRD	Human Resource Development
ICT	Information and Communication Technology
IEF	Index of Economic Freedom
ILCS	Integrated Living Conditions Survey
ILO	International Labour Organization
QP	Qualification Profile
ISCED	International Standard Classification of Education
IT	Information Technology
IVET	Initial vocational education and training
LLL	Lifelong Learning
LM	Labour Market
MCPO	Methodological Centre of Professional Orientation
MDG	Millennium Development Goals
MoES	Ministry of Education, Science, Culture and Sport
MoF	Ministry of Finances
MoLSA	Ministry of Labour and Social Affairs

MoNP	Ministry of Nature Protection
MTEF	Medium-Term Expenditure Framework
NCET	National Centre for Educational Technologies
NCVD	National Council for VET Development
NCVETD	National Centre for Vocational Education and Training Development
NEET	National Eligibility Cum Entrance Test
NGO	Non-governmental Organisation
NIE	National Institute for Education
NILSR	National Institute of Labour and Social Research
NQF	National qualifications framework
NRF	National Reporting Framework
NSS	National Statistical Service
NTF	National Training Fund
PDSA	"Plan, Do, Study, Act"
POCDC	Professional Orientation and Competences Development Centre
PRM	Population, Refugees and Migration
PSD	Private Sector Development
QP	Qualification Profile
RA	Republic of Armenia
RF	Russian Federation
SES	State Educational Standard
SBS	Small Business Standards
SC	Sectoral Committees
SDA	Strategic Development Agency
SDG	Sustainable Development Goals
SEA	State Employment Agency
SE	Social enterprises
SIVVE	Social Innovations for Vocational Education and Employability of Young People with Disabilities
SKYE	Skills and Knowledge for Youth Economic Empowerment
SME	Small and Middle Entrepreneurship
SNCO	State non-commercial organisations
SP	Social Partnership
SPAP	Social Protection Administration Project
SRC	Sector Reform Contract
SSIDCAP	Sustainable Solutions for Integration of Displaced and Conflict-Affected Persons

TAP	Technical and Administrative Provision
TVET	Technical and Vocational Education and Training
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
USD	United States Dollar
VET	Vocational education and training
VNFIL	Validation of Non-formal and Informal Learning
WBL	Work-based Learning
WG	Working Groups

1. THE NATIONAL REPORTING FRAMEWORK

1. This Report was drafted in the period when considerable reforms in the Armenian VET system and the Education sector in general, were ongoing. They relate particularly to the reorganisation of the ministries and the main structures supporting VET, e.g. the National Centre for VET Development (see [Section A.2.2](#)), rethinking the VET Strategy in the context of the comprehensive Education Strategy ([Section A.2.4](#)), revision of budgetary funds allocation to education system ([Section E.1.3](#)), etc. Therefore, some aspects of the situation in VET are presented here as they appear at the current phase, with a certain room for expectations. More comprehensive picture of the VET system enjoying the first outputs of the above reforms, is expected to be available by the end of 2019, and accordingly, necessary updates in this Report will be performed.

Building block A: Country and VET overview

A.1: Country background

A.1.1 Introduction

2. Armenia is a landlocked country with a territory of 29.8 thousand km². As of 1st January 2019, the population comprised 2,965.1 thousand people, which is slightly less than for the same period of 2018 (2,972.7 thousand people)¹. The country consists of 10 administrative-territorial units (Marz) and the capital city of Yerevan with a special status. The share of urban population is about 64%. In 2017, the life expectancy was equal to 74.8 years².

3. The country is characterised by scarce natural resources, therefore, development of the human capital which has always been considered as the main value of Armenia, is one of the top priorities under any national development programme³.

4. In GDP, the largest share belongs to Agriculture – 13.7%, followed by Wholesale and retail trade – 11.0%, Manufacturing – 10.8% and Real Estate Activities – 8.4%. The next position is kept by Construction – 6.8%. In terms of employment, Agriculture also leads but absorbs considerably larger share of workers – 31.3%; the second largest sector is again Wholesale and retail trade – 9.1% but here it is followed by Education – 10.8%, Manufacturing – 9.1% and Public administration – 8.8%. Only 3.6% of employees are involved in construction⁴.

5. The political situation in Armenia changed dramatically after the “Velvet revolution” in May 2018, which resulted in complete transformation of the political elite. This was followed by snap Parliamentary elections in December 2018 when the former opposition came to power and shaped absolute majority in the National Assembly.

6. The new Government was formed in January 2019, although many of the Ministers (including thereof Education and Science) appointed in May 2018, remained unchanged. In February of the same year, Government Programme was approved⁵. Its states that the activities of the Government will be targeted at building a competitive and inclusive economy oriented to high-tech, industrial and high environmental standards. The main objectives of the Government will be:

- 1) Enhancement of opportunities for economic activities;
- 2) Improvement of the state governance effectiveness;
- 3) Development of human potential;

¹ Statistical Committee of RA. https://www.armstat.am/file/article/sv_12_18a_520.pdf.

² World Bank: <https://data.worldbank.org/country/armenia>.

³ See e.g. Armenia Development Strategy 2014-2025. Government Decision No 442-N, 27.03.2014. https://eeas.europa.eu/sites/eeas/files/armenia_development_strategy_for_2014-2025.pdf.

⁴ Labour Market in RA, Statistical Committees of RA, 2018. https://www.armstat.am/file/article/trud_18_4.1.pdf.

⁵ Government Decision № 65-A, 08.02.2019. <https://www.gov.am/files/docs/3133.pdf>.

- 4) Development of reliable infrastructures and enhancement of accessibility.
7. The measures for reaching the 3rd objective include particularly:
- Promotion of education, ensuring education quality, internationalisation of education;
 - Development of the professional potential required for structural changes in the economy, through modernisation of the education and science;
 - Protection of the rights and dignity of persons with disabilities and ensuring their social inclusion.
8. In May 2019, the Plan of the Measures of the Government for the period of 2019-2023 was approved⁶. This document is partly costed. It defines measures according with established objectives, as well as expected outcomes, deadlines and sources of funding.
9. The Country Context Overview of the World Bank published for Armenia in April 2019, states that in 2018, economic performance slowed after the peak at the beginning of the year, however it demonstrated 5.2% growth. The political transition also didn't have any considerable negative influence on the economy. A solid growth and low inflation registered in 2016 and 2017, resulted in improvement of living conditions and decrease of the national poverty rate from 29.4% to 25.7% for this period⁷.

A.2: Overview of Vocational Education and Training

A.2.1 Overview of VET: set-up and regulatory framework

10. The system of formal Vocational Education and Training in Armenia is mostly school-based and has two levels: Preliminary Vocational (Craftsmanship) Education and Middle Vocational Education. According with the Law on Education (1998), the vocational education is *'aimed at preparation of specialists with relevant qualifications, formation of competences and skills, expansion of the knowledge scope and qualification upgrade by means of succession of general and vocational levels of education'*⁸. Both Preliminary and Middle VET can be implemented on the base of basic general (9-year) and secondary general (12-year) education. In the former case they better fit to ISCED 3 and in the latter – to ISCED 4⁹.
11. Preliminary Vocational (Craftsmanship) Education is implemented in vocational (craftsmanship) schools, other professional¹⁰ educational institutions, educational centres and penitentiary institutions. Craftsmanship education may be provided also in the form of "Master training" as a *'structured training when the direct and indirect instruction is implemented according with the individual training schedule, implemented at educational institution, at organisation or at the master's workshop'*¹¹. Graduates of Craftsmanship education are awarded Diploma on Preliminary Vocational (Craftsmanship) Education and the level (type) of the qualification "Craftsman"¹². The specific titles of qualifications, depending on the profession, can be e.g. "Forester", "Butcher", "Baker", "Carpenter", etc. Duration is three years on the base of basic general education and around one year on the base of secondary general education.
12. Middle Vocational Education can be acquired at middle vocational educational institutions – Colleges, and in universities. Its duration depends on the base of education (basic or secondary general) and on the profession, and varies from 2 to 5 years. Graduates are awarded Diploma on

⁶ RA Government Decision № 650-L, 16.05.2019. <https://www.gov.am/files/docs/3347.pdf>.

⁷ <https://www.worldbank.org/en/country/armenia/overview>.

⁸ According with the Law on Education, the same definitions relates also the Higher and Post-graduate Education.

⁹ In some reports and other papers related to the VET system in Armenia, ISCED level 5 is wrongly attached to the Middle vocational education, which can in no way be considered as Tertiary (even short cycle) education.

¹⁰ In the context of this Report, "professional" in terms of education and educational institutions will mean both vocational and higher.

¹¹ RA Government Decision № 1254-N, 30.12.2008.

¹² Government Decree № 332-N, 31st March 2011

¹² In Armenian, the word "Craftsman" («արհեստավոր») is gender-neutral and is applicable for both men and women. For the simplicity reasons, in this paper we will use the term Craftsman only, assuming however, that it equally refers to the female specialists (Craftswomen), too.

Middle Vocational Education with the level of qualification “Specialist”. Examples of specific qualifications are: “Accountant”, “Technologist of fermentation production and wine making”, “Technician of mechanisation of agricultural”, “Veterinarian”, etc. However, the titles of most of the awarded qualifications is “Technician” without specification of the professional field.

13. The Law on VET defines the Vocational (craftsmanship) schools and the Colleges as organisations with the status of a legal person or a subdivision thereof, implementing a preliminary or middle vocational educational programme, respectively. At present, all public VET institutions have a status of *State non-commercial organisations* (SNCO), acting in accordance with the corresponding law¹³.

14. Within the National Qualification Framework¹⁴, VET occupies the levels 3-5:

Level	Qualification	Education degree (level), the programme	Duration
1 st	CERTIFICATE OF ELEMENTARY EDUCATION	1 st level of Secondary Education	4 years
2 nd	CERTIFICATE OF BASIC EDUCATION	2 nd level of Secondary Education	5 years
3 rd	CRAFTSMAN (with basic education) (Certificate of Master training qualification) ¹⁵	Preliminary Vocational (Craftsmanship) Educational Programme	6 months to 1 year
4 th	1. CERTIFICATE (“Attestat”) OF SECONDARY EDUCATION	3 rd level of Secondary Education – senior school	3 years
	2. CRAFTSMAN (with secondary education) (Diploma of Craftsmanship Education)	Preliminary Vocational (Craftsmanship) Educational Programme	1-3 years
5 th	SPECIALIST (Diploma of Middle Vocational Education)	Middle Vocational Educational Programme	2-5 years
6 th	BACHELOR (Diploma of Bachelor)	Bachelor’s Educational Programme	Minimum 3 years
7 th	MASTER (Diploma of Master)	Master’s Educational Programme	Minimum 1 year
	SPECIALIST WITH DIPLOMA (Diploma of Specialist with Diploma)	Bachelor’s Educational Programme of Specialist with Diploma	Minimum 5 years
8 th	PhD (Certificate of PhD)	Post-graduate Professional Educational Programme	Minimum 3 years

 General Education

 Vocational Education

 Higher Education

15. After introducing mandatory 12-year secondary general education, the Level 3 cannot be implemented anymore as it does not provide secondary education. Nevertheless, this level remains in the framework in order to classify education of those who had received it before making secondary education obligatory.

16. It is important to mention that although the Preliminary and Middle VET are situated at different levels of the NQF, actually these rather are two parallel systems: normally, while entering VET, the applicants make choice between those two levels (i.e. what type of employment would be more suitable for them, e.g. as craftsperson or a middle level manager), and after acquiring the corresponding qualification (and Diploma), have an objective to enter the labour market or (immediately or after a certain period of time) to continue education at a university. This is to say that transition from the VET-related levels 3 and 4 to the level 5 are not seen purposeful. According with the information from MoES, every year only 3-4 graduates of Preliminary VET express a wish to acquire also Middle VET.

¹³ Law on State non-commercial organisations, 2001.

¹⁴ Government Decision № 332-N, 31.03.2011, revised by the Government Decision №714, 07.07.2016.

¹⁵ According with the Government Decision № 1254-N, 30.12.2008, Master training is a structured form of training in the field of vocational education when the direct and indirect instruction is implemented according with the individual training schedule. Can be implemented at educational institution, at organisation or at the masters' workshop.

17. In order to illustrate the scope of knowledge skills and competences provided by VET in Armenia, the descriptors of the corresponding levels are presented below:

3rd level: Craftsman without secondary education	
Knowledge	<ul style="list-style-type: none"> • Basic knowledge of native and foreign languages, ICT, mathematics, as well as of subjects related to social sciences, natural sciences, arts, sports, safe life activities, which are necessary for implementing simple work in a particular area or for further learning; • Knowledge of general concepts, principles and methods that are sufficient for implementing simple professional activities.
Skills	<ul style="list-style-type: none"> • Cognitive, communication, and basic practical skills that are essential for: <ol style="list-style-type: none"> 1) solving certain professional issues and performing tasks via selection and application of corresponding rules, methods, devices and tools, 2) collection and use of required information, applying ICT, if necessary, 3) usage of everyday expressions in a foreign language; • Simple professional skills to apply at the workplace the knowledge and cognition gained through learning.
Competences	<ul style="list-style-type: none"> • Demonstrate autonomy during work and study and take on personal responsibility for the tasks' performance results; • Adjust own behaviour to the circumstances that arise during the problem solving; • Explain and draw conclusions on various phenomena and patterns (regularities) of nature, society and the everyday life; • Possess the rules of social cohesion and demonstrate civil consciousness; • Emphasise the national and universal cultural values.
4th level: Craftsman with secondary education	
Knowledge	<ul style="list-style-type: none"> • Factual and theoretical basic knowledge in all areas of secondary education, in the context of further work or study; • Knowledge of general concepts, principles and methods related to the field of work that are required for further professional activities.
Skills	<ul style="list-style-type: none"> • Various cognitive, communication and practical skills that are needed for: <ol style="list-style-type: none"> 1) solving specific problems, carrying out tasks and studies within the field of work or further study, as well as analysing and summarising the used methods and results, 2) collecting, comparing, classifying and using information, applying ICT; 3) written and oral communication in foreign languages; • Professional skills to apply at the workplace the knowledge and cognition gained through learning.
Competences	<ul style="list-style-type: none"> • Independently organise and manage own work or learning processes in the context that is usually predictable, but is subject to change, and take some responsibility for their evaluation and improvement; • Under clear guidance, identify own educational needs for further learning; • Organise daily activities of others; • Analyse various phenomena of nature, society, and everyday life by applying justification and proving methods; • Maintain rules of social cohesion and demonstrate behaviour of civic consciousness; • Appreciate and value national and universal values.
5th level: Specialist	
Knowledge	<ul style="list-style-type: none"> • Fundamental and comprehensive factual, theoretical and professional knowledge within the field of work or study; • Knowledge of basic concepts, theories and methods of the profession.
Skills	<ul style="list-style-type: none"> • Multifaceted and comprehensive cognitive and practical skills that are needed to: <ol style="list-style-type: none"> 1) identify various including professional issues; 2) make judgments and propose solutions, demonstrating creativity; • Communication and ICT skills that are needed to: <ol style="list-style-type: none"> 1) explain information, ideas, concepts, problems and solutions related to the profession and to present them within a narrow circle of society; 2) facilitate and speed up work in the field of professional activities;

	3) collect, process and analyse quantitative and qualitative data relating to the profession.
Competences	<ul style="list-style-type: none"> • To a certain extent manage and supervise work or study processes in the context where there is unpredictable change, to take responsibility for monitoring and improving own and others' activities; • Identify own educational needs and make a decision about further learning; • Maintain the rules of social cohesion, to exercise civic consciousness in different situations, as well as exercise certain control over keeping these rules in the team; • Apply national and universal values in daily affairs.

18. The lists (classifiers) of professions for Preliminary and Middle Vocational Education are approved by the Government¹⁶ and in total, they presently¹⁷ include 278 qualifications under 112 professions for Preliminary VET and 248 qualifications under the equal number of professions for Middle VET¹⁸. Professions and qualifications are grouped by Broad fields and Narrow fields of education as suggested by ISCED 2013¹⁹. Out of these, around 170 qualifications (80 of Preliminary and 90 of Middle VET) are presently offered in the VET institutions²⁰.

19. The min legal act regulating education, particularly VET, is the **Law on Education**²¹ adopted in 1999. It establishes the principles of the state policy in the field of education, the state guarantees for the right to education, the legal and organisational as well as financial and economic grounds of the education system. The Law defines the structure of the education system, the main concepts related to it the levels and types of education and other principal aspects.

20. The **Law on Preliminary Vocational (Craftsmanship) and Middle Vocational Education**²², was adopted in 2005 after endorsement of the VET Strategy in 2004²³. This law defines more specific issues related to VET and serves as a base for an extensive number of by-law regulating different aspects of VET. The last addendum to this Law were made in 2014 when the principles of the state policy in the field of VET were amended by the requirement to ensure condition for those with special educational needs and inclusive education.

21. There are number of other laws which relate to several aspects of VET. Thus, e.g. the **Law on State Non-commercial Organisations**²⁴ regulates the many administrative and management issues of the VET institutions²⁵; the **Law on Licensing**²⁶ defines the rules and procedures of VET provision licensing, the **Law On Social Protection of Children Left without Parental Care**²⁷ establishes privileges for those children for enjoying vocational and higher education, etc.

A.2.2 Institutional and governance arrangements

22. The **Ministry of Education, Science, Culture and Sport** (MoES)²⁸ is responsible for public policy formulation and the coordination and implementation of the strategies and action plans particularly in the sphere of education, including VET. The Department of Preliminary (Craftsmanship) and Middle Vocational Education consists of 2 divisions: for VET Policy Development and Strategy, and for VET Provision. In total, 10 staffs including the Head of the Department and two Heads of Division are employed. Responsibility for policy monitoring is assigned to the Department of

¹⁶ Government Decision № 1139-N, 01.10.2015.

¹⁷ The last amendments to the lists were done according with the Government Decision № 977-N, 06.09.2018.

¹⁸ For Preliminary VET, more than one qualification may relate to a profession, while for Middle VET only one qualification corresponds to a profession.

¹⁹ See e.g. <http://unesdoc.unesco.org/images/0022/002280/228085e.pdf>.

²⁰ Source: MoES VET Department.

²¹ Law № 297, 08.05.1999.

²² Law № 164-N, 08.08.2005.

²³ Government Protocol Decision № 17, 06.05.2004.

²⁴ Law № 248, 23.10.2001.

²⁵ All public VET institutions have status of state non-commercial organisations

²⁶ Law № 193, 27.06.2001

²⁷ Law № 411-N, 18.10.2002

²⁸ The former Ministry of Culture and the Ministry of Sport and Youth Affairs were merged with the Ministry of Education and Science on 1st June 2019.

Development Programmes and Monitoring, where at least one person deals with the VET issues. The VET financing issues are coordinated by the Financing and Budget Department.

23. The **National Council for VET Development** (NCVD), established in 2008, is tripartite consultative body acting in accordance with the principles of social partnership and includes equal number of representatives of RA Government, employers and trade unions. The main goal of NCVD is providing advice to MoES for decision-making and elaboration of VET development programmes. Thus, the council which holds quarterly meetings, is deeply involved in the VET system governance processes (for more details, see [Section E.2.1](#)).

24. There are a number of downstream institutions, which support MoES to implement policy. In the VET Sector, the principal intermediary structures are: National Centre for Vocational Education and Training Development, National Centre for Professional Education Quality Assurance, National Training Fund, National Centre for Educational Technologies, and the “Professional Orientation and Competences Development Centre” branch of the National Institute for Labour and Social Researches, albeit that the latter is under the Ministry of Labour and Social Affairs (MoLSA)²⁹.

25. **National Centre for Vocational Education and Training Development** (NCVETD)³⁰ which was established in 2008 under the National Institute for Education (NIE)³¹, is the main support institution for VET. It participates in developing VET policies and strategies, medium- and long-term development programmes and action plans; carries out different types of research in the VET system; analyses and evaluates its performance; ensures communication between the VET system and the labour market institutions; organises development and continuous updating of qualification (educational) standards and curricula; provides professional expertise; identifies and adapts international best practices in VET; supports development of NQF and compatibility with EQF, and introduction of credit accumulation and transfer system in VET.

26. The **National Centre for Professional Education Quality Assurance** (ANQA)³², which deals with both VET and Higher Education, was established in 2008 (became operational in March 2009) as an independent body accountable to the Government. The main responsibilities of ANQA relate to the development of standards and procedures for accreditation and external quality evaluation of institutions and programmes which are subject to approval by the RA Government; audit of institutions and quality assessment; assessment of institutions’ internal systems of quality assurance; consultancy on development of standards and methodologies for formative and summative assessment of students; and support to involvement and participation of the country in the European network of quality assurance.

27. The **National Centre for Educational Technologies** (NCET)³³ established in 2004, is responsible for different aspects of the introduction and use of ICT in all levels of education (general, vocational and higher) and also for development of the education management information systems (EMIS). NCET activities also include: improvement of teachers’ computer literacy through training; creation of educational information and communication environment; collection, analysis and dissemination of statistical data; participation in designing strategic and other development programmes; and publication of reports and indicators regarding the education system.

28. The main goal of the **National Training Fund** (NTF)³⁴, which was established in 2011, is to ensure links between the VET system and the Labour Market and specifically support involvement of

²⁹ In a protocol decision of the 22nd September 2017, the Government announced that the “Methodological Centre for Professional Orientation” will be merged with the National Institute of Labour and Social Research (NILSR), becoming the branch of the institute.

³⁰ <http://www.mkuzak.am/?lang=en>.

³¹ In June 2019, NIE was reorganised and NCVETD, without any change in its Statute or in the scope of functions, has been temporarily subordinated to another organisation, since July 2019. Finalisation of all reorganisation processes are expected by the end of 2019.

³² <http://www.anqa.am/en/>.

³³ <http://www.ktak.am>.

³⁴ <http://armntf.am/>.

employers and their organisations in different aspects of VET. The NTF's main responsibilities are focused on Labour Market research and identification of skills needs, as well as on organisation of continuing VET for different categories of job seekers including employed and unemployed adults. NTF is also officially authorised by the MoES as the body responsible for implementation of the VNFIL (validation of non-formal and informal learning) system, which however is not yet formally launched in the country.

29. The **Professional Orientation and Competences Development Centre** (POCDC) branch³⁵ of the National Institute for Labour and Social Researches is an institution subordinated to the MoLSA and responsible for all aspects of organisation and provision of vocational guidance and career development services at all levels of education, as well as for job seekers including adults. This structure was established in 2006³⁶ with the support of a WB-funded programme *Social Protection Administration Project* (SPAP) as the Youth Professional Orientation Centre. The Centre was renamed in 2013 as methodological Centre for Professional Orientation (MCPO), and since then it has become responsible for the development of policy and methodology in the field of Vocational Orientation and Career Guidance. As mentioned above, at present the Centre is a branch of NILSR. It also provides different types of assistance to the VET colleges: in establishing Career Guidance Units; in organisation and implementation of vocational orientation and career guidance services to general school pupils; College students and graduates³⁷. PO CDC has enjoyed considerable assistance from ETF in terms of staff training, organisation of training for the Colleges' Career Guidance Consultants, development of methodologies, etc.

30. Management of the public VET intuitions is based on the principles of social partnership and is an illustration of multi-stakeholder governance. Every college has a collegial management body, i.e. **College Governance Board** which is responsible for such issues as election of the College Director, approval of College Development (business) Plans and the Budget, discussion and approval of the institutions' internal regulations, as well as curricula, programmes, etc. The Boards meetings are conveyed at least quarterly (for more details, see [Section E.2.1](#)).

A.2.3 Basic statistics on VET

31. In Armenia, as of January 2019, there were 23 Preliminary Vocational Educational Institutions – *Craftsmanship Schools* (7 of them in Yerevan), and 80 Middle Vocational Educational Institutions – *Colleges* (26 of them in Yerevan). There were also 13 private colleges, of which 8 in Yerevan.

32. The total population of students in public VET institutions in 2018-2019 academic year, comprised 28,442 people, 13,177 out which (or 46.3%) were women. The vast majority of the students (84.4%) are involved in secondary VET (on the base of basic general education, 9th grade) while other in post-secondary (on the base of secondary general education, 12th grade). The Table 1 presents some basic indicators related to the enrolment in public VET institutions. The total number of students in private colleges was 1,509 or 5.3% of those in public VET.

Table 1. Basic data on the public VET institutions entrants, students and graduates for 2016-2018

	2016-2017		2017-2018		2018-2019	
	Total	Women	Total	Women	Total	Women
Preliminary						
Entrants	3,161	1,058	3,298	1,198	2,926	949
Secondary	2,078	434	2,172	546	2,217	452
Post-secondary	1,083	624	1,126	652	709	497
Paid	5	3	152	67	52	35
Students	6,251	1,758	6,500	1,913	6,723	1,822
Secondary	5,173	1,135	5,364	1,252	6,003	1,320
Post-secondary	1,078	623	1,136	661	720	502
Paid	10	3	156	68	56	35

³⁵ <http://www.mycareer.am>

³⁶ RA Government Decision № 1915-N, 14.12.2006.

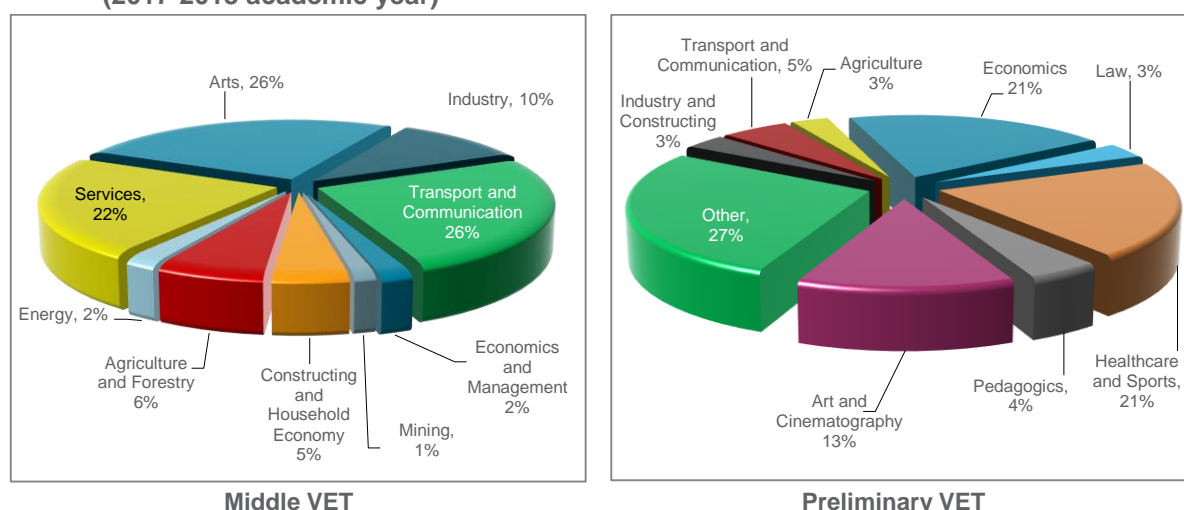
³⁷ Until 2013, MCPO was providing Career Guidance services directly to the beneficiaries, i.e. general school pupils, VET and university students and graduates, as well as to adults.

Graduates	2,359	822	2,671	1,006	2,045	866
Middle						
Entrants	7,850	4,125	7,919	4,243	6,955	3,452
Secondary	5,551	2,473	5,961	2,831	6,107	2,838
Post-secondary	2,299	1,652	1,958	1,412	848	614
Paid	1,805	911	864	571	640	381
Students	21,788	11,528	21,525	11,462	21,719	11,355
Secondary	15,819	7,344	16,199	7,690	17,997	8,684
Post-secondary	5,969	4,184	5,326	3,772	3,722	2,671
Paid	5,762	2,874	3,925	2,087	3,088	1,735
Graduates	7,056	4,036	4,521	2,167	5,566	3,139
Total VET						
Entrants	11,011	5,183	11,217	5,441	9,881	4,401
Secondary	7,629	2,907	8,133	3,377	8,324	3,290
Post-secondary	3,382	2,276	3,084	2,064	1,557	1,111
Paid	1,810	914	1,016	638	692	416
Students	28,039	13,286	28,025	13,375	28,442	13,177
Secondary	20,992	8,479	21,563	8,942	24,000	10,004
Post-secondary	7,047	4,807	6,462	4,433	4,442	3,173
Paid	5,772	2,877	4,081	2,155	3,144	1,770
Graduates	9,415	4,858	7,192	3,173	7,611	4,005

Source: Statistical Committee of RA³⁸.

33. Distribution of the VET students as by groups of professions are presented in the Graph 1.

Graph 1. Distribution of Middle and Preliminary VET students as by groups of professions (2017-2018 academic year)



34. The total number of staffs in the public VET institutions was 6,561 people (1,463 in Craftsmanship Schools and 5,098 in colleges). Out of them, there were 3,874 teachers (74.2% women).

35. In Craftsmanship schools, 81.6% of teachers (84.0% of female teachers) have higher education. In Colleges, this indicator is equal to 92.9% (for women 93.7%), and 8.2% of teachers (8.5% for women) have post-graduate education. The teacher/student ratio for Middle VET dropped from 2013 to 2018 by 1.4 p.p. but for Preliminary VET, after decreasing by 0.5 p.p. from 2013 to 2017, again increased to 7.2 (Table 2).

³⁸ Social Situation of RA in 2018 (unpublished); Social Situation of RA in 2017 (<https://www.armstat.am/en/?nid=82&id=1958>); Social Situation of RA in 2017 (<https://www.armstat.am/en/?nid=82&id=2059>).

Table 2. Student-teacher ratio in VET institution in 2013-2017

	2013	2014	2015	2016	2017	2018
Preliminary VET	7.0	7.4	7.2	7.3	6.6	7.2
Middle VET	7.4	6.6	6.1	6.1	6.0	5.6

Source: Statistical Committee of RA³⁹.

36. In 2017, public expenditure on Education were equal to 127,158,715.2 thousand AMD⁴⁰, which comprised 8.68% of the State Budget and 2.12% of GDP. In 2018, due to the slight (0.34%) growth of Education budget (127,594,171.4 thousand AMD)⁴¹, the two above indicators increased and reached 9.38% and 2.29% respectively⁴².

37. At the same time, the VET budget increased from 2017 to 2018 by 5% (from 18,577,934.2 to 19,510,215.60 thousand AMD). Accordingly, the share of VET budget in the total Education budget increased from 14.61% to 15.29%, in the total State budget from 1.27% to 1.43%, and as a share of GDP – from 0.31% to 0.33%⁴³.

38. In 2019, the Education budget increased dramatically (285,603,849.2 thousand AMD) and comprises 17.33% of the State budget⁴⁴. However, the VET budget decreased considerably (12,289,423.2 thousand AMD) and comprises 4.30% of the education budget and 0.75% of the total State Budget.

A.2.4 Vision for VET and major reform undertakings

39. The MoES has drafted an Education Development Programme 2016-2025, which included reference to the VET Sector. However, this has not been adopted by Government. It was decided to develop a longer-term document – Education Development Strategy 2020-2030, which is in the process of being written. It is planned to have the first draft in September 2019 and final version of the documents to be approved by the Government by the end of the year.

40. At present, the situation with VET is similar to that of the Education system as a whole. The previous main policy document, the *Programme for VET Reforms 2012-2016*⁴⁵, expired and MoES prepared a draft VET Reform Programme (2017-2021). This was submitted to Government in August 2017 but not approved due to “methodology reasons”⁴⁶. The next version of the VET policy document which was reformulated as “VET Strategic Programme for 2018-2022 and Action Plan for its Implementation”, was submitted by MoES for the Government approval in December 2018, but it was again returned to the Ministry with a directive to revise it in accord with the Programme and the Action plan of the new Government. The latter was established in January 2019, and its Action Plan for 2019-2023 was expected to be adopted in May 2019. Ultimately, in June 2019, a decision was taken not to introduce VET Strategy as an independent document but to include it in the comprehensive Education policy paper mentioned in the previous paragraph. At the same time, there is an agreement that the VET goals and objectives defined by the existing draft and its main content will be transferred into the Education Development Strategy 2020-2030 without principal changes. Therefore, it is reasonable to present them here.

41. The goal is to improve the quality of vocational education, to increase the effectiveness of the management system, to strengthen the institutional and human capacity, to modernise the content for ensuring its compliance with the current labour market needs, to increase the cost effectiveness of the sector as well as strengthen the social dialogue. The main objectives of the Strategy particularly are:

³⁹ Ibid.

⁴⁰ Law on the 2017 State Budget.

⁴¹ Law on the 2018 State Budget.

⁴² Own calculations.

⁴³ Law on the 2017 State Budget, Law on the 2018 State Budget, and own calculations.

⁴⁴ Law on the 2019 State budget.

⁴⁵ Government Protocol Decision № 27, 04.07.2012.

⁴⁶ The Government by its Protocol Decision № 42, 05.10.2017, approved the Methodological Directive for the Development, Submission and Implementation of Control over the Strategic Documents Affecting State Revenue and Expenditure, and since then all corresponding documents should be developed and submitted to the Government approval according with this methodology.

- Improving the quality of the VET and its compliance with the labour market requirements, taking into account the priorities and problems of the regional development strategy of each marz of Armenia;
- Ensuring accessibility to the VET for all segments of the population;
- Improving the effectiveness of the VET system through introduction in the educational institutions of internal quality assurance system and external evaluation of quality;
- Ensuring continuous education for VET graduates;
- Strengthening Institutional and Human Capacity of VET Institutions;
- Compliance of the offered qualifications with the National Qualifications Framework and the European Qualifications Framework;
- Expansion of participation of educational institutions in international networks;
- Modernising agricultural VET particularly through renovation of agro colleges' facilities, including introduction of energy-efficiency system and access for the persons with special education needs;
- Establishing in the VET Institutions Career Guidance Units equipped with appropriate specialists; Expanding and Developing Cooperation between the VET institutions and employers;
- Digitalisation of the VET Management System, improving transparency and publicity of accountability and activities of the institutions;
- revision of the educational programmes' structure and content for targeting them at the learning outcomes and increasing the graduates' employability via adapting their professional competences to the modern labour market requirements;
- Enlarging (via merging) the VET institutions, integration of educational programmes, and forming a new network and collaborative system.

42. The draft Strategy defines nine priorities:

- 1) **Structure-content strategy**, which implies first of all transformation of the network of educational institutions.
- 2) **Strengthening of social partnerships**, which will be implemented via revision of the existing Concept and amending a number of legal acts.
- 3) **Modernising the content of the educational programmes**, the necessity of which is conditioned by the revision of the state educational standards and development of new ones, taking into account regional and/or sector development programmes.
- 4) **Developing models of organising the educational process**, which will allow to apply up-to-date content of practical training at the work place as well as in the educational institution and training centres.
- 5) **Improvement of assessment forms**. Changes in the VET system according with the modern requirements of the labour market and society, should be accompanied by the changes in the learning strategies, in assessment of students' knowledge and competences.
- 6) **Introduction of Internet-based educational technologies**. The contemporary challenges require optimisation of education procedures and organisation of training process with use of less resources for achieving the same goals more efficiently.
- 7) **Internationalisation of the VET system**, which presumes creating conditions that will enhance the level of graduates' professional qualifications compliance with the international labour markets requirements.
- 8) **Promoting youth employment and entrepreneurial activity**. The current business environment in which the organisations operate, requires rapid changes and continuous development.

- 9) **Human resource development strategy.** In the modern economy, human resources development is a perpetual process conditioned by the business environment and constant changes.

43. The above priorities were also a guideline for MoES for acting during the last three years (2017-2019) not covered formally by any VET Strategy, and the main achievements of the reforms are:

- 1) With the aim of improving the efficiency of the VET institutions' Governing Boards and for ensuring the full implementation of their functions, in 2018 revised Social Partnership Concept was agreed with the VET National Council and approved by the order of Minister of Education and Science⁴⁷.
- 2) For matching the preliminary (craftsmanship) and middle vocational professions and qualifications with labour market realities and directions of economic development of RA regions, the Classifier of VET professions and qualifications was revised by the Government⁴⁸.
- 3) Over 1,500 people working in the VET system (College Directors, Deputies, teachers, and other specialists) were trained with the support of NCVETD⁴⁹.
- 4) The monthly journal "Vocational Education and Training" is being published.
- 5) Fifty-six new VET state educational standards were developed (or revised) and approved. They all include a compulsory module of Entrepreneurship.
- 6) Career Units with trained Career Consultants were established in 95 VET institutions and have commenced providing career guidance services to students, graduates as well as VET applicants.
- 7) With an aim to expand the introduction of dual training system in VET system in Armenia with the support of GIZ, in 7 VET institutions dual trainings have been piloted for 8 specialisations.
- 8) Within the "Skills Connexion" ETF regional project, the draft Concept of Work-based Learning was developed. It is expected to be approved in 2019.
- 9) In order to optimise the network of preliminary (craftsmanship) and middle vocational education institutions, improve effectiveness of management and increase cost efficiency of VET institutions, a mapping of above institutions was done by MoES.
- 10) Due to introduction of compulsory 12-year education, the regulation on providing student benefits and state scholarship (stipend) to the VET students was amended⁵⁰ which allowed to increase the number of free of charge students in VET institutions.
- 11) A Master course for preparation of VET teachers is being piloted in several Universities.

44. One of the most important reforms which is still ongoing is optimisation of the VET institutions network. Since 2016, two VET institutions in Yerevan, i.e. Financial-Economic College and Agricultural College were merged to the Armenian State University of Economics and Armenian National Agrarian University, respectively; Sevan State College and Sevan Craftsmanship State College were amalgamated, Hrazdan Medical College was merged with the Kotak Regional State College, and the Berd Craftsmanship School with the Berd State College. Ten more mergers are planned in Yerevan and in 3 regions. This will decrease the number of institutions by 11.

⁴⁷ MoES Order № 233-A/Q, 15.03.2018.

⁴⁸ Government Decision № 977-N, 06.09.2018.

⁴⁹ NCVETD Reports for 2017 and 2018. http://www.mkuzak.am/?page_id=166.

⁵⁰ Government Decision № 749-N, 29.06.2017.

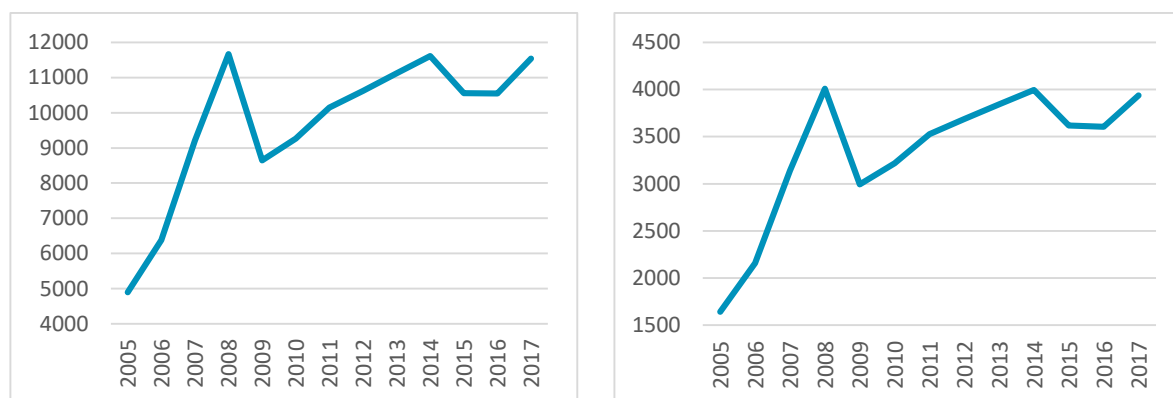
A.3: The context of VET

A.3.1 Socioeconomic context

45. The Republic of Armenia has achieved relatively stable growth over the last 15 years which elevated its status from lower-middle to upper-middle income economy in 2017⁵¹. Among 189 countries, Armenia ranked 83rd in 2018 (stepping forward from the 84th kept in 2015) and is in the group of the countries with high human development⁵².

46. Dramatic decline of GDP and GDP per capita (both over 25%) in 2009, was recovered and in 2017 they almost reached the values of 2008 and 2014, when two peaks were registered (Graph 2).

Graph 2. Dynamics of GDP (million USD) and GDP per capita (USD)⁵³



47. The poverty indicators showed a slight improvement during the last years. Thus the poverty headcount ratio at national poverty lines decreased from 35.8% of population in 2010 to 25.7% in 2017⁵⁴. However, 30 percent of the population still lives under the national poverty line (\$3.3 per capita per day)⁵⁵.

48. The most dynamically growing sectors of the economy are food industry, IT, tourism services, mining products, textile and shoes, tobacco, fresh fruits and vegetables. Since the financial crisis of 2008, the Export/GDP ratio has doubled in Armenia and reached about 18.6% in 2017. Nevertheless, export remains resource-intensive and is limited by a few product groups: base metals, cut diamonds, food and beverages (canned and fresh food, brandy), and tobacco⁵⁶.

49. From 2010 to 2017, a number of indicators improved. Thus the life expectancy increased from 73 to 75 years, while mortality rate (under-5, per 1,000 live births) decreased from 18 to 13. The percentage of population using internet comprised 69.7% against 25% in 2010. The number of days required to start a business, dropped from 14 to 5. At the same time, there was a slightly negative dynamic in gross school enrolment: for primary education the indicator decreased from 99.1% to 94.2, while for secondary – from 105% to 86%. Primary education completion rate also dropped from 94% to 92%⁵⁷.

⁵¹ World Bank: <http://databank.worldbank.org/data/download/site-content/OGHIST.xls>.

⁵² UNDP Human Development Report 2018: <http://hdr.undp.org/en/2018-update>

⁵³ World Bank: <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=AM&view=chart> and <https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=AM>.

⁵⁴ World Bank. Country Profile Armenia: https://databank.worldbank.org/views/reports/reportwidget.aspx?Report_Name=CountryProfile&Id=b450fd57&tbar=y&dd=y&inf=n&zm=n&country=AMD.

⁵⁵ SDG Implementation Voluntary National Review (VNR) Armenia. Report for the UN High-level Political Forum on Sustainable Development (Transformation Towards Sustainable and Resilient Societies), 2018: https://sustainabledevelopment.un.org/content/documents/19586Armenia_VNR_2018.pdf.

⁵⁶ Ibid.

⁵⁷ World Bank. Country Profile Armenia: https://databank.worldbank.org/views/reports/reportwidget.aspx?Report_Name=CountryProfile&Id=b450fd57&tbar=y&dd=y&inf=n&zm=n&country=AMD.

50. Data on migration, activity rate, employment and unemployment presented in the corresponding sections of this report illustrate certain improvements in the socio-economic situation, nevertheless, many indicators are still worrying.

51. In the country, there are considerable discrepancies between the regions. They are conditioned by a number of factors, such as the level of economic development, climate, fertility of land, density of population, etc. For example, in 2018, the highest monthly average nominal wage registered in Syunik (region with a developed mining industry) was equal to 234.6 thousand AMD which was more than two times as big as the lowest average – 105.6 thousand AMD in Aragatsotn. The national average was 172.7 thousand AMD, while in Yerevan – 194.7 thousand AMD. The highest unemployment rates equal to 27.1% (26.8% for men and 27.3% for women) and to 24.3% (29.3% for men and 19.4% for women) were recorded in Yerevan and Shirak, respectively. They are around five times exceeding the lowest unemployment rate which was in Gegharkunik (the region where Lake Sevan is situated) – 5.0% (7.1% for men and 2.3%). It is interesting to mention that in six regions, unemployment rates of women are lower than of men and in other four regions and in Yerevan, they do not exceed unemployment rate of men by more than 2.6 percent points⁵⁸.

A.3.2 Migration and refugee flows

52. During the last years, net migration demonstrated a positive change, nevertheless it remains rather negative. Comparison of this indicator for the years from 2016-2018 shows increase of 6.3 p.p. and for the period of January-March of 2016-2018 increase of 1.8 p.p. (Table 3).

Table 3. Dynamics of Net Migration in 2016-2019

Years	January-December	January-March
2016	-24.8	-5.7
2017	-24.0	-5.1
2018	-18.5	-4.0
2019	n.a	-3.9

Source: Statistical Committee of RA⁵⁹

53. According to ILCS 2017⁶⁰, 22.2% of households contain members aged 15 years and above involved in external and internal migration processes over the period of 2014-2017 which constituted 10.4% of household members of that age group. Of them, as of 2017, 52.4% (around 137 thousand persons) were still absent and resided either in other regions of the country, in Yerevan, in other communities within their region, or in other countries. Those who had returned from migration, comprised 32.8% (around 86 thousand persons), and 2.0% (around 5.2 thousand persons) had arrived at the particular location for the first time⁶¹.

54. As of 2017, 13.9% of migrants were in internal migration (in Yerevan and regions of Armenia), 10.5% in the Republic of Artsakh, and 76.6% were in interstate migration, with the overwhelming 78.2% majority having migrated to the Russian Federation (RF). This country was leading in terms of job-related migration (91.8%) too, but as it can be seen in the Table 4, even larger share of returnees (due to ended employment) also was from RF. For those who migrated for establishing businesses, the second destination, after RF (43.0%), were the European countries (20.1%)⁶².

⁵⁸ Food Security and Poverty in 2018. Statistical Committee of RA, 2019.

https://www.armstat.am/file/article/f_sec_4_2018_1.pdf.

⁵⁹ https://www.armstat.am/file/article/sv_03_19a_520.pdf.

⁶⁰ World Bank, 2017. <https://datacatalog.worldbank.org/dataset/armenia-integrated-living-conditions-survey-2016>.

⁶¹ Statistical Committee of RA, 2018. https://www.armstat.am/file/article/demog_2018_7.pdf.

⁶² Ibid.

Table 4. The shares of Migrants as by Migration Reasons and Destinations / Return Places, 2017 (%)

Reason for departing / returning	Place of Destination/Return						
	Yerevan	RA Regions	Artsakh	RF	Other CIS countries	European countries	Other countries
Work / Job search	1.9	1.7	0.9	91.8	1.5	1.1	1.1
Business	0	0	11.7	43.0	13.9	20.1	11.3
Employment over	1.1	0.6	0.7	94.8	2.8	0	0

Source: 2017 ILCS

55. According the above source, more than 50% of migrants sent money and/ or goods to their families and/ or friends/ relatives within the 12 months preceding the survey.

56. Since 2012, a large flow of refugees from Syria (mostly of Armenian ethnicity) has migrated to Armenia. According with the United Nations High Commissioner for Refugees (UNHCR)⁶³, they were around 22,000 persons of whom 15,000 continue to stay and seek protection in Armenia. There are no official data available on their involvement in the LM (registered unemployment) but it is commonly known that many of them were highly qualified crafts-people and entrepreneurs and established their own small businesses.

57. Syrian Armenians, since 2012 has been involved in VET and the statistics indicates⁶⁴ that if till 2011 there were maximum four Syrian citizens studying in the Armenia VET system, in 2017 they were already 17 (of them 5 women) and in 2017 their number reached 51 (16 women). The peak was in 2015 with 59 students (33 women).

58. In Armenia, as of 31st December 2018, there were refugees and asylum-seekers also from Azerbaijan (1,390 people), Iraq (1,092); Republic of Artsakh (573), Ukraine (122), Iran (76), Yemen (21) and other countries (102), constituting in total 18,085 people.

A.3.3 Education sector context

59. As mentioned above (see [Section A.2.1](#)), students can enter both levels of VET – Preliminary and Middle, after basic general and secondary general education. Thus, VET in Armenia is implemented as secondary and post-secondary (for the Diagram of the Education system in Armenia, see the Annex 1).

60. It is important to mention that the students with basic general education who enrolled in the VET institutions (at both levels), study also general subjects in parallel with the vocational training. Therefore, their diplomas are recognised also as certificates of secondary general education and allow to continue education in universities. In the past, there was an opportunity for the preliminary VET students not to take the general classes and obtain diploma with a vocational qualification only (see explanations to the NQF level 3 in the [Section A.2.1](#)). This category of VET graduates will have, however, no right to apply for university.

61. In 2018-2019 academic year, the students of secondary VET comprised 32.1% of the total number of those involved in secondary education (for women, the share of VET students was 30.0%). Particularly, of those graduated basic general education (9th grade), 32.1% (for women – 29.6%) continued their education in VET. During the last 5 years, the VET students' share within the total number of learners involved in secondary education, demonstrates a stable growth (Table 5):

⁶³ <https://www.un.am/en/agency/UNHCR>.

⁶⁴ Statistical Committee of RA. Social Situation in Armenia for 2012-2017.

Table 5. Share of Secondary VET students in the total number of secondary education learners

Year	Share of secondary VET students in secondary education		Share of the basic general education graduates enrolled in VET in the given year	
	Total	Women	Total	Women
2018-2019	32.1%	30.0%	32.1%	29.6%
2017-2018	31.5%	27.6%	23.6%	20.5%
2016-2017	30.5%	26.0%	20.6%	17.4%
2015-2016	29.4%	25.1%	19.1%	15.9%
2014-2015	27.1%	23.1%	16.6%	13.6%

Source: Statistical Committee of RA.

62. Graduates of Colleges (with Middle VET) who have demonstrated high academic progression, are allowed to continue their education in the universities by the corresponding profession, from the second year of study. The procedures of transition are defined by a special regulation approved by the Government⁶⁵, and are rather complicated. They require particularly, that the difference in the education content (subject, modules) does not exceed a certain limit. This is assessed by a special committee established in the corresponding universities which make also selection of the college graduates based on their marks. In addition, every year, MoES approves lists of colleges and universities between which the transition is allowed, as well as the number of sits as per institutions, which are foreseen for the that transition. For example, 2,310 sits for full-time education and 1,431 sits for part-time education were allocated in 26 universities for the 2017-2018 academic year, and 1,647 and 1,371 sits for the 2018-2019 academic year. For 2019-2020, respectively 1,411 and 1,377 sits have already been planned.

63. According with the Law on Education, every level of professional, including vocational education, has so-called main and supplementary programmes. The former, which is described above, is the formal (initial) education leading to the qualification, while the latter is formulated as '*non-formal learning with the maximum duration of five months, implemented in the framework of a supplementary (continuing) educational programme*'⁶⁶. The Law defines also that the Supplementary educational programmes shall be implemented throughout the entire life of a person in order to meet the professional and individual educational needs and shall be considered as means of ensuring non-formal learning. The purpose of supplementary education is to improve, update and complement previously obtained (foregoing) knowledge, skills, competences and values⁶⁷.

64. The Law on VET defines⁶⁸ the supplementary (continuing) education as '*education process beyond the framework of main (initial) vocational educational programmes, targeted at improving professional qualities, ensuring professional re-qualification, upgrading and complementing the qualification of a person*'⁶⁹.

A.3.4 Lifelong learning context

65. Lifelong learning in Armenia is defined by the Law on Education as '*Learning outcomes achieved through participation in formal education, and non-formal or informal learning throughout the entire life, by which the individual forms or improves his/her knowledge, skills, competences and the system of values*'.

⁶⁵ The most updated version of the regulation is approved by the Government Decision № 752-N, 08.07.2015. However, this mechanism of college-university transition is active since mid-1990s.

⁶⁶ Law on Education, Article 3, point 1.6.

⁶⁷ Law on Education, Article 26.

⁶⁸ Law on VET, Article 3.

⁶⁹ These definition contains a number of conceptual mistakes or at least uncertainties. Thus, the concepts of '*professional qualities*' or '*professional re-qualification*' are not defined anywhere and their meanings are unknown. If, however, '*professional re-qualification*' is expected to be understood as awarding a new qualification, the legislation does not make it impossible to achieve through supplementary (continuing) education. It is unclear also what '*complementing the qualification*' shall mean. '*Upgrading the qualification*' is another unknown (undefined) concept.

66. In 2009, a Concept of Lifelong Learning in Armenia was endorsed by the Government⁷⁰. It analysed the situation with LLL in Armenia, identified its problems and challenges and proposed several solutions therefor. Some of the LLL problems formulated by the above document 10 years ago, such as insufficient funding of Lifelong Learning, weak coordination and management of LLL sector management, absence of statistical data regarding LLL, are still relevant.

67. Another policy document, a Strategy of Supplementary and Continuing Education in Armenia, was adopted by MoES in 2012⁷¹. This paper suggests that, in the context of lifelong learning, the country's educational system is based on two pillars:

- Formal education system;
- Supplementary and continuing education, which is carried through non-formal or informal learning.

68. There is a variety of forms and types of non-formal learning which are e.g.:

- Trainings implemented in accordance with the requirements of the law, e.g., those foreseen for the civil servants or other categories of public employees (judges, policemen, military servants, etc.);
- Vocational trainings of the registered unemployed, disabled or other vulnerable people, implemented within the state programmes, e.g. by the State Employment Agency (SEA) of MoLSA;
- Training courses provided by companies for their own staffs or job applicants;
- Commercial training courses (vocational and non-vocational) provided by private companies (but also by some public organisations, e.g. VET colleges) as services to the population or other private or public customers;
- Targeted courses carried out by different international organisations and projects, including those of charitable nature;
- Various preparatory courses, including private tutors' activities.

69. In the 2018 and 2019 State Budgets, for vocational training of unemployed and persons at risk of dismissal, 136,875 thousand AMD and 123,750 thousand AMD, respectively, were allocated (including payment of stipends during the period of the training). For the same years, for different types of training for the public employees, more than 2 billion AMD was allocated⁷². This funding is provided to MoLSA.

A.3.5 International cooperation context: partnerships and donor support

70. There are a number of donors supporting VET developments in Armenia, and the principal one is the European Union (EU). The systemic reforms of the Armenian VET system are implemented in the framework of the “**Better Skills for Better Jobs**” programme which is funded through the **European Union Budget Support** modality (Sector Reform Contract (SRC) in the Employment and Vocational Education and Training Sectors). The total value of the SRC is €15 million. The overall objective is to assist the Government of the Republic of Armenia: *to enhance labour market efficiency and contribute to the employability of VET graduates in Armenia*. The specific objectives of the SRC are derived from the Armenia Development Strategy 2014-2025 and the National Employment Strategy and Action Plan 2014-2018 and comprise the following:

- To improve the labour market intermediation and guidance services, in order to ensure better access to employment for both men and women;
- To improve the employment perspectives of graduate students in a pilot sector (VET agricultural institutions).

71. A maximum of €13 million may be transferred to the Armenian State budget during the fiscal years 2018-2020 subject to the Armenian Government meeting the General and Specific Conditions

⁷⁰ Government Protocol Decision № 43, 15.10.2009.

⁷¹ MoES Order № 1163-A/Q, 20.12.2012.

⁷² Law on 2018 State Budget and Law on 2019 State Budget.

set out in the Technical and Administrative Provisions (TAPs) appended to the Financing Agreement. The funds will be disbursed through 3 instalments (variable tranches only): instalment 1 – €1.5 million; instalment 2 – €3 million; and instalment 3 – €8.5 million. In addition, a further €2 million have been allocated in support of complementary measures (€0.8 million for Technical Assistance, €0.8 million for a Grant Scheme and €0.4 million for administrative costs).

72. In order to receive the instalments previewed under the Budget Support component, the Government must maintain compliance with four General Conditions (Public Policy, Macro-economic Stability, Public Finance Management Reform and Budget Transparency) throughout the lifetime of the programme and achieve the indicators set out in the Policy Matrix which includes 12 specific conditions for financial years 2017-2019.

73. The TAPs identify **four results** to be achieved during the course of the SRC:

- Improved mechanism to match labour supply and demand;
- Improved qualifications and employability of jobseekers;
- Improved mechanism to match labour supply of VET agricultural institutions with demand;
- Improved qualification and employability of VET agricultural students.

74. Out of the 12 Indicators, 9 relate to VET and 3 to employment. MoES and MoLSA are responsible for meeting those indicators' requirements, respectively:

- 1) For 90%⁷³ of agricultural and agriculture-related qualifications defined by Government Decree, state VET educational standards and relevant curricula are approved and include compulsory module of entrepreneurship.
- 2) 90% of teachers of Agricultural VET institutions are trained on reviewed, newly developed and adopted agricultural and agriculture-related state VET educational standards and curricula.
- 3) Eight Agricultural VET Institutions are offering work-based learning schemes (i) for selected professions/qualifications, (ii) with at least 3-month duration, and (iii) using newly equipped and renovated specific infrastructure (as defined in the condition 7 below).
- 4) Management Boards of 8 VET institutions are implementing their functions as defined in the reviewed concept on Social partnership.
- 5) Internal Quality assurance system respecting CEDEFOP recommendations for VET and in line with local legislation, is introduced in 4 agricultural VET institutions.
- 6) Eight agricultural VET institutions are renovated and reconstructed and meet the requirements of energy efficiency, aseismic stability and availability for the people with disabilities.
- 7) Eight agricultural VET institutions are equipped with necessary infrastructure according to (i) approved development strategy of each selected agricultural VET Institution, and (ii) recommendations of external Technical Assistance.
- 8) 17,000 employers are officially registered in "Gorts" database and receiving services provided by SEA.
- 9) 9,000 temporarily employed (engaged, including seasonal and paid works) persons are involved in annual state employment programmes.
- 10) 895 young persons (16-29 y.o.) are employed within State programmes aimed at sustainable employment creation, based on SEA administrative statistics.
- 11) 90% of graduating students are receiving career guidance in their college, provided by a specialist following "Career Guidance Methodological Centre" methodology.

⁷³ All targets are presented as of the final year of the project implementation. For some indicators, intermediate targets are also defined.

12) 45% of graduates, who studied in education system of 17 VET institutions modernised under 2010-2014 EU budget support, have found job according to their qualifications within one year after graduation.

75. Different levels of success in implementing the indicators' requirements were registered, particularly due to the reasons connected with the 2018 political changes in the country. Accordingly, in 2018 and 2019, the Government submitted to the EU a request about the revision of certain indicators' targets and also the deadlines for implementation. The main challenges expectedly relate to the construction works and supply of equipment. No official reaction from Brussels was received by mid-June 2019.

76. The **"SAY YES Skills for Jobs"** project under the **EU4Youth** initiative, has been designed by World Vision Germany, and is being implemented by the *World Vision office in Armenia*⁷⁴ in collaboration with the *Global Developments Fund*, to address unemployment and lack of income opportunities for youth in rural areas. The project targets young women and men aged between 15 and 35 years old, particularly those with fewer opportunities and support them to get a job or start their own business.

77. Within the Project, modular work-based learning (WBL) courses for four agrarian professions – Vine making, Agro-machinery metalworking, Veterinary and Cheese production, were developed and 48 young people from Ararat, Alaverdi, Gavar and Stepanavan and the surrounding localities, respectively, were trained in 2018. In 2019, 50-60 more people will enjoy those courses in accordance with improved and expanded curricula. The trainings were implemented in the real production at the corresponding enterprises acting in the above communities. For that purpose, in total 24 trainers (teachers from 4 VET colleges and instructors from the companies) were trained on WBL delivery.

78. The Project has also established 7 SKYE Youth Clubs⁷⁵ in the three marzes of Armenia (Ararat, Gegharkunik and Lori) in which 140 young adults meet weekly for 2-3 hours to learn and serve their communities together. In 2020, after finalising the WBL, VNFIL for the trainees who completed the mentioned courses, will be piloted. This will be followed by developing recommendations to MoES on refining the regulation of the VNFIL mechanism in Armenia.

79. Under the **EU4Youth** initiative, another regional⁷⁶ project **"Better Skills for Better Future"** (2018-2020) is being implemented in Armenia by *Save the Children International Armenian Representative Office* in partnership with *OxYGen Foundation for Protection of Youth and Women Rights*.

80. Six VET institutions, i.e. Yerevan State College of Informatics, Sisian State College, Artik State College, Sevan State College, Berd State College and Berd Craftsmanship State School⁷⁷, are the project beneficiaries. For them, new curricula in the fields of Tourism and IT⁷⁸ are being designed based on the modern labour market needs. Capacity building for those institutions' teaching staff for ensuring effective implementation of the new curricula, is also foreseen.

81. For the Tourism sector, a dual (work-based learning) educational model for the qualification of "Service management at hotels and tourism complexes" will be piloted at Sisian State College in cooperation with GIZ. The project is also implementing a capacity building course on transversal skills

⁷⁴ This project has also a component in Georgia which is implemented by the World Vision office in Georgia in cooperation with Association "Anika" and Georgia Farmers' Association.

⁷⁵ The Skills and Knowledge for Youth Economic Empowerment (SKYE) model is a holistic and integrated approach to help young people with fewer opportunities to develop the skills, behaviours and attitudes necessary to obtain sustainable livelihoods and participate constructively in their communities. This is achieved through group based training and support services organised in so called clubs. The model is a youth-focused economic development model that has been co-developed by World Vision, New Horizons Foundation and Competency based Economies through Formation of Entrepreneurs (CEFE) International to address these needs. SKYE Clubs are groups of young people who meet each week to identify community problems and to brainstorm, plan and implement community service or social enterprise projects.

⁷⁶ Three countries are involved in the project: Armenia, Georgia and Ukraine.

⁷⁷ In 2019, Berd State College and Berd Craftsmanship State School were merged and transformed into Berd Multifunctional State College.

⁷⁸ For the IT sector, the project is cooperating with the Synergy International Systems (www.synisys.com) and Gyumri Information Technologies Centre (<http://www.gtc.am>).

of 300 youth. After piloting, those courses are planned to be integrated into the formal VET curricula for all qualifications.

82. The **Swiss Church Aid** (HEKS/EPER) finances the project “VET Development in Syunik marz”, which is implemented by the *Strategic Development Agency* (SDA) NGO in cooperation with the *School of Agricultural, Forest and Food Sciences* (HAFL) of *Bern University of Applied Sciences* (BFH). The Project duration has commenced in October 2016 and will last till September 2020. Its main goal is to contribute to the development of vocational education and advisory services in agriculture by putting in practice innovative approaches and to create a more adapted market-oriented practical education in the field of veterinary, milk processing and delivery of advisory services to farmers.

83. The project is focused on developing the capacities of selected VET institutions, i.e. Sisian branch of the Armenian National Agrarian University and Goris Agricultural College, and strengthening the links between those institutions and private sector for providing competence and activity-oriented practical education. Teachers and master trainers are to be involved in series of trainings provided by HAFL which will help them to acquire new skills and to learn new methods and tools for providing innovative and market-oriented VET in agriculture. It is planned to initiate a Stakeholder Dialogue platform which will involve main stakeholders and donors implementing projects in VET field in Armenia, in order to effectively coordinate projects operating in the field, share experiences and expertise and support capitalisation of project achievements and further replication⁷⁹.

84. Since 2016, the **GIZ** programme “Private Sector Development and TVET South Caucasus” (PSD) has been implementing a project dedicated to the introduction of Dual TVET system in Armenia, in close cooperation with MoES and private companies in selected sectors, i.e. Tourism, Wine processing, Precise engineering and IT. The objective of the dual system is seen as fostering local economic development and increasing youth employment through recognition of TVET quality by the private sector.

85. The PSD programme focuses also on the development of supportive legislation and normative documents as a base for sustainable run of the dual TVET system in Armenia. Additionally, the Programme supports the institutional set up of qualifications in the VET Colleges and the organisation of practical education in private companies, as well as capacity development for VET teachers and instructors from the private sector. The introduction of the Dual TVET System in Armenia is inspired by the German Model, and considers the following steps: 1) in 2016: analysis of the skills in selected sectors and identification of training needs; 2) in 2017: formulation and standardisation of curriculum and modular programmes; 3) in 2018: training of trainers and piloting of developed dual TVET programmes, as well as design of quality management system.

86. With a permission of MoES, since 2018, five formal VET dual TVET courses for 90 apprentices are being implemented in four pilot VET colleges in cooperation with 21 private companies. In 2020, 75 more apprentices are foreseen to be involved in new courses. In addition, three short-term training programmes with duration of 4-6 months were implemented in 2018 for 3 professions with involvement of 67 apprentices. Other 61 learners will enjoy those courses in 2020.

87. “**Anushavan Abrahamyan**” **Educational Foundation** has been supporting the Armenian VET system since 2006. The beneficiaries are nine VET institutions: Tavush Regional State College, Syunik Regional State College, Vayots Dzor Regional State College, Ararat State College, Armavir State Industrial-Pedagogical College, Vanadzor State Polytechnic College, Vardenis State College, Hrazdan Craftsmanship State School, and Maralik Craftsmanship State School. The main modality of assistance is provision of equipment and renovation of the facilities. Thus, in all the mentioned institutions Robotics and Computer labs with modern equipment and were established. Most of the colleges received also workshops (laboratories) for Cooking and Serving; Sewing and Design; Beautician and Cosmetics; Carpentry; Construction.

⁷⁹ For more information see: <https://sda.am/index.php?id=99>.

88. In addition, two colleges were equipped with Wine-making laboratories, two others with Jewellery and one with Welding workshop. The foundation has also donated minibuses to four institutions for ensuring students transportation. Renovation works (mostly doors, windows, toilets) were done on several VET colleges.

89. The 2nd Phase of the “Applying the G20 Training Strategy – A Partnership of the **ILO** and the Russian Federation” project covers the period of 2016-2019 and aims at implement three major outcomes: 1) Governments’ and stakeholders’ capacity to develop and implement skills development policies and strategies in line with ILO HRD and Sustainable Development Goals (SDG) policy benchmarks strengthened; 2) capacity of sectoral organisations and of competent bodies to understand, design and apply occupational standards, vocational qualifications, and competency-based training programs developed; and 3) the methodology of skills foresight and the TVET institution manager training programs are upgraded, approved and applied. The beneficiary countries are: Armenia, Jordan, Kyrgyzstan, Tajikistan, Viet Nam and five Regions of the Russian Federation. Representatives from Armenia participated in a number of events related to the new methodology of VET planning, labour force demand and supply, skills anticipation, occupational standards, competency-based qualifications and skills assessment methods,

90. During the period of November 2018 till May 2019, **British Council in Armenia** implemented a project entitled “*English and Employability Skills for Career Development*”⁸⁰. The project objective was to increase employability of 17-20 years old VET students of the Ararat region of Armenia via *developing their English language skills as a workplace requirement, providing them access to sources of information on their profession and employability opportunities, equipping them with core transferable employability skills*. In the framework this project two “Development Centres” in the Masis Agricultural College and the Ararat Regional State College has been established. They offered two extracurricular courses to the students of those institution: 1) English for Work, and 2) Employability Skills for Work. Those Centres are expected to be sustainable and continue their activities after the project live.

91. In the period of 2015-2018, **Austrian Development Agency (ADA)** implemented “Organic Agriculture Support Initiative” with a total budget of 3.3 million Euro, out of which 2.8 million Euro were provided by the European Union. The main partners were the Ministry of Agriculture and the Ministry of Education and Science. The objective of the project was to improve rural livelihoods in a sustainable manner through increasing the local value added of the Armenian organic producers and processors. Within one of the Project components, a module “Principles of Organic farming” has been developed to be introduced in some agricultural curricula of 8 pilot VET schools. In addition, a methodological guide for teachers was published.

92. The “Hydro-chlorofluorocarbon Phase-out Management Plan” (HPMP) Phase II project (Ozone Project) which is funded by the *Multilateral Fund for the Implementation of the Montreal Protocol*, was launched by the Ministry of Nature Protection (MoNP) of Armenia in March 2018 jointly with **UNDP** and **UNEP**. The engagement and support by MoES was crucial for the HPMP stage II implementation, training component, hence a Memorandum of Understanding between the MoNP and MoES was signed in April 2018. In August 2018, a new profession “Refrigeration Systems” with a “Refrigeration Technician” qualification was added to the list of classifier and approved by the Government. Three sets of multimedia training equipment were procured in September 2018 and successfully installed in three Regional State Colleges in Yerevan, Armavir and Ararat, selected jointly by the two Ministries.

93. Furthermore, all three vocational institutions were equipped with sets of recovery and recycling tools and equipment for refrigeration workshops that will enable students to get trained on environmentally safe installation and maintenance of refrigeration and air-conditioning equipment. State educational standard for the new qualification “Refrigeration Technician” was developed and is planned to be piloted in the three above Colleges from September 2019. The relevant teachers of

⁸⁰ <https://www.britishcouncil.am/en/programmes/education/english-career-development>.

those institutions will be trained on best practices in refrigeration at the Regional Training Center to be opened in Yerevan in September 2019.

94. **KNAUF Armenia LLC** is a new partner for VET in Armenia. A memorandum of cooperation between this company and MoES was signed in 2018. Presently, preparatory works are being implemented for introducing a new profession “Dry Construction” (construction with a use of gypsum plasterboards) in the College of the Armenian National University of Architecture and Construction. In this institution new workshops will be equipped and training of construction specialists will be organised.

95. In the context of international cooperation, in 2012, Armenia joined “**World Skills**” international organisation, where the country is represented by NCVETD. Students of different VET colleges from Armenia participated in the competitions in 2012-2016 and 2018. This was mainly funded by the State Budget with certain contribution of GIZ. The skills where Armenian students competed were Jewellery, Robotics and IT, Cooking and Garment Design. It is planned also to participate in the 2019 contest to be held in Kazan.

Building block B: Economic and labour market environment

B.1: VET, economy, and labour markets

B.1.1 Labour market situation

96. The labour market analyses carried out by the NSS RA⁸¹ demonstrate that the employment and unemployment rates stayed at the same level between 2013 and 2017, with marginal down and up fluctuations between 16-18%. In 2017 unemployment rate has increased compared to 2013, however has decreased slightly compared to 2016. Despite these negative tendencies, some positive shifts were observed in the formality of the economy: the share of informal employment has dropped including decrease in non-agricultural sector between 2013 and 2017 (from 19.6% of 2013 to 18.3% of 2017)⁸².

97. The level of unemployment is about 17.8 percent⁸³. The unemployment rate is especially high among young people: 38.4% among 15-24 age group and 21.2% among 25-34 age group. The major reason for unemployment among the youth is caused by the lack of effective mechanisms and services to ensure a smooth transition from education to labour market, especially in small towns outside of Yerevan. According to the statistical data, the duration of job search for the unemployed aged 24-29 years is more than 2 years.

98. Analysis as by education attainment levels shows that the share of VET graduates in the total number of graduates is lower compared with those with higher and post-graduate, as well as general secondary education (Table 6). However, data on unemployment rate with those cohorts are unfortunately not available.

Table 6. Unemployment as by education attainment levels as a share of the total unemployed, %

	<i>Total</i>		<i>Men</i>		<i>Women</i>		<i>Urban</i>		<i>Rural</i>	
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
<i>Higher and post-graduate</i>	27.5	29.8	25.0	27.2	30.5	32.8	28.4	32.1	21.8	18.9
<i>VET</i>	26.0	23.9	22.2	20.3	30.4	28.0	27.4	25.1	17.0	18.3
<i>General secondary</i>	42.0	42.2	46.7	46.7	36.7	37.0	40.2	39.3	53.9	55.6
<i>General basic, primary and lower</i>	4.4	4.1	6.1	5.7	2.5	2.2	4.0	3.4	7.4	7.2

99. The level of employment also has regional peculiarities: the employment rate among urban population (employed/economically active population ratio) continues to remain low compared with the rural population. In 2017, the employment rate among rural population was 62.3%, while it makes 42.5% among the urban population. However, it should be noted, that those engaged in agriculture are mostly unregistered self-employed, with low productivity and low income, which often does not provide for their minimum living standards and increase the likelihood of poverty compared to the urban population. The increase in poverty rate in urban and rural areas was 1.8 and 2.9 percentage points respectively in 2008-2015⁸⁴.

100. Significant mismatch between labour supply and demand is the other peculiarity of Armenia labour market: the structural discrepancy between the real needs of the labour market and the labour supply released by education sector leads to considerable gaps in supply and demand of workforce. The regular surveys among the employers conducted by the National Institute of Labour and Social Research (NILSR) reveal that about 27% of employers could not find quality workforce for vacancies announced⁸⁵. About 54% of employers were forced to hire specialists with lower qualification and had

⁸¹ Labour Market Statistics, NSS RA https://www.armstat.am/file/article/trud_18_9.pdf.

⁸² Labour Market of RA, NSS RA 2018 https://www.armstat.am/file/article/trud_18_4.3.pdf.

⁸³ Labour Market of RA, NSS RA 2018; Table 9.26. Unemployment Rate by Age Groups

⁸⁴ Social Snapshot and Poverty in Armenia, 2017, http://www.armstat.am/file/article/poverty_2017_a_2.pdf

⁸⁵ Survey among Employers by Sectors of Economy, NILSR MoLSA, 2016 <http://www.employment.am/>

to conduct on-the-job trainings to improve their skills. Low level of employment among women compared to men is another peculiarity of Armenia labour market; salaries of women are also lower compared to men, while university enrolment rate is higher among women and their academic performance is higher compared to men alike.

101. In terms of the economic sectors, the largest share of employment was registered in Agriculture (33.6% in 2016 and 31.3% in 2017), followed by Wholesale and retail trade (11.5% in 2016 and 11.1% in 2017), Education (10.7% and 10.8%), Manufacturing (8.3% and 9.1%) and Public Administration (8.6% and 8.8%). It is remarkable that the share of employed women is higher in Agriculture and considerably higher in Education (Table 7).

Table 7. The Share of Employed Persons by Types of Economic Activity, %

NACE (rev.2)	Sector	Total		Men		Women	
		2016	2017	2016	2017	2016	2017
A	<i>Agriculture, forestry and fishing</i>	33.6	31.3	30.6	28.2	36.9	34.8
B	<i>Mining and quarrying</i>	0.9	0.9	1.5	1.6	0.2	0.2
C	<i>Manufacturing</i>	8.3	9.1	10.0	10.9	6.4	7.2
D	<i>Electricity, gas, steam and air conditioning supply</i>	2.4	2.5	3.8	3.9	0.9	1.1
E	<i>Water supply; sewerage, waste management and remediation activities</i>	0.5	0.5	0.8	0.8	0.2	0.3
F	<i>Construction</i>	3.7	3.6	6.8	6.7	0.3	0.2
G	<i>Wholesale and retail trade; repair of motor vehicles and motorcycles</i>	11.5	11.1	12.5	11.5	10.4	10.8
H	<i>Transportation and storage</i>	3.3	3.9	5.0	6.1	1.3	1.4
I	<i>Accommodation and food service activities</i>	2.3	2.3	2.0	2.2	2.7	2.5
J	<i>Information and communication</i>	1.9	1.9	2.4	2.1	1.3	1.7
K	<i>Financial and insurance activities</i>	1.3	1.5	1.1	1.3	1.5	1.8
L	<i>Real estate activities</i>	0.2	0.3	0.3	0.3	0.1	0.3
M	<i>Professional, scientific and technical activities</i>	1.3	1.6	0.8	1.5	1.8	1.7
N	<i>Administrative and support service activities</i>	0.6	0.4	0.8	0.5	0.5	0.3
O	<i>Public administration and defence; compulsory social security</i>	8.6	8.8	12.1	12.7	4.7	4.5
P	<i>Education</i>	10.7	10.8	4.2	4.4	17.9	17.7
Q	<i>Human health and social work activities</i>	4.8	4.7	1.5	1.6	8.4	8.0
	<i>Arts, entertainment and recreation</i>	1.7	1.8	1.4	1.4	2.0	2.2
S	<i>Other service activities</i>	1.8	2.1	1.8	1.7	1.9	2.6
T	<i>Activities of households as employers</i>	0.5	0.5	0.2	0.3	0.7	0.7
U	<i>Activities of extraterritorial organisations</i>	0.1	0.2	0.2	0.3	0.1	0.2

B.1.2 Specific challenges and opportunities: skill mismatch

102. The issue of the skill mismatch is commonly accepted and often is expressed at different forums and discussion⁸⁶. This is one of the main complains of the employers over the VET system and is appreciated also by the education authorities. Thus, the need of bringing the skills of the VET graduates into the correspondence with the labour market requirements is clearly stated also in the policy documents such as the VET Reform Programme 2017-2021 or draft VET Reform Strategy 2019-2022.

⁸⁶ The skills mismatch in Armenia is thoroughly discussed also in the ETF paper "Mapping Youth Transitions to Work in the Eastern Partnership Countries. Armenia" (2018, unpublished).

103. At the same time, in Armenia, the skill mismatch is poorly studied and documented. The last available information is published by NSS in 2017⁸⁷ and suggests that in 2015 and 2016, for 78.8% and 82.6% of employed people respectively, the level of education complied with the work done. It is remarkable that the share of “undereducated” workers was considerably smaller than those who were “overeducated” (Table 8).

Table 8. Employed Persons by Education and Correspondence to the Work Done, %

	<i>Total</i>		<i>Men</i>		<i>Women</i>		<i>Urban</i>		<i>Rural</i>	
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
The work comply with qualification	79.8	82.6	79.4	81.5	80.2	83.9	77.4	78.5	82.6	87.0
Overeducated	17.5	16.6	17.3	17.6	17.7	15.6	19.9	20.7	14.8	12.3
Undereducated	2.8	0.7	3.4	0.9	2.1	0.5	2.7	0.8	2.8	0.7

104. It is clear that the correspondence of the education level with the job position does not mean at all that the skills of the employees also match the requirements. Not only the level of qualification but also the field of education should be considered. This is equally relevant also to the case of overeducated employees. Accordingly, the “undereducated” people can demonstrate even better skill match as a result of non-formal training or a long-term work experience.

105. Certain information about the skill mismatch can be found also in some project studies. Thus, e.g. a recent survey implemented by World Vision in 2018 among rural youth in 4 regions of Armenia⁸⁸, suggests that 53% of the unemployed youth think that they have missing vocation skills for a proper job placement. At the same time both youth and employers mention also considerable lack of soft (key) skills such as languages, IT skills, communication skills, etc.

106. Findings of some earlier but still interesting surveys are worth to be illustrated here. Thus, in 2015, the World Bank reported⁸⁹ about 71% of employees of work age, having an adequate number of years of education, 15% of overqualified and 14% underqualified. An ILO research carried out among youth aged 15-29⁹⁰, suggested that the above indicators are equal to 70.3%, 19.6% and 10.1%, respectively.

B.1.3 Specific challenges and opportunities: migration

107. The labour migration *from* Armenia is extensive and some official data with this regard are presented in the [Section A.3.2](#). At the same time, there is no statistics about the labour immigrants in Armenia most probably due to negligible amount of this category people. Therefore, this phenomenon can hardly be considered as affecting the national labour market.

108. The existence of brain-drain is also commonly accepted but again no statistics is available this about this appearance.

B.1.4 Specific challenges and opportunities: digital transformation

109. Armenia is rather successful and advanced in digital transformation of the society. There are many demonstrations of this, such as introduction of e-Government, entirely digitalised documents circulation in all public institutions⁹¹, electronic signatures for all citizens, which are available more than 10 years. The population enjoys a wide range of on-line services (also with mobile applications)

⁸⁷ Labour Market in the Republic of Armenia. NSS, 2017. https://www.armstat.am/file/article/trud_2017_4.1.pdf.

⁸⁸ “Survey on Identification of Skills Needed in the Agrarian Sector and Motivation of Youth to Pursue a Career in the Agricultural Sector in Armenia”, <https://www.wvi.org/sites/default/files/Report%20Survey%20on%20Skills%20Need%20eng.pdf>.

⁸⁹ Armenia Skills toward Employment and Productivity (STEP) Survey Findings (Urban Areas). World Bank, 2015. <http://documents.worldbank.org/curated/en/774051473400159803/pdf/108199-WP-P145377-PUBLIC-ArmeniaSTEPSkillsReportFullyeditedJan.pdf>.

⁹⁰ SWTS country brief. ILO, 2016. https://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_537747.pdf

⁹¹ A system called “Mulberry”.

including e.g. e-banking, national payment system “ArCa” (in parallel with all main international payment systems), the local analogue of international voice and messaging systems – “Zangi”, or availability of on-line registration of any business. Invoicing of economic operators was made possible on-line in 2011 and since 2014-2015 it is mandatory and the only way of invoicing for any organisation acting in the country. Presently, only in the “Guide to Armenian Information Technology Companies”⁹² over 320 IT companies are registered, more than half of which are producing system and/or customised software.

110. This transformation, however, has not had a specific, at least clearly visible impact on VET. On one hand, a module “Computer driving” was made mandatory for the state educational standards of all qualifications in late 2000s (before, there was a corresponding subject in almost all curricula), on the other hand, no considerable changes in the content of VET were made till present for meeting the requirements of new digitalised technologies e.g. in the industry. The VET students are sometimes taught the digital technologies introduced in the companies during their apprenticeship period, specifically in the case of the pilot dual education. Nevertheless, for some qualifications, like “Accountancy”, teaching of operations in digital environment (e.g. the Armenian Accountancy System “AS-Accountant”) became unavoidable.

111. At the same time, there is emerging demand of more IT specialists and the VET institutions are approached by different companies with a proposals of cooperation. Moreover, the student also become more demanding in terms of learning new IT skills directly or indirectly related to their professions. Working with digital technologies becomes more and more popular among the VET students, although beyond the formal curricula. For example, in Syunik Regional State College, the students develop digital animation films advertising their institution, while in the Yerevan State College of Informatics, “digital creativity” of the students (development of e.g. own media resources) is a normal practice.

B.1.5 Strategic policy responses involving education and VET

112. The principal policy framework of the country is defined by the Armenia Development Strategy (ADS) 2014-2025⁹³. The ADS identifies four priorities: 1. Growth of Employment; 2. Development of human capital; 3. Improvement of the social protection system; and 4. Institutional modernisation of the public administration and governance systems. Within the Priority 1, the emphasis is upon improving the effectiveness of labour resources, increasing the employment rate, facilitating the re-entry of unemployed, socially disadvantaged and marginalised people into the labour market, and implementing a minimum wage policy in order to alleviate poverty. The focus of Priority 2 is to improve access to vocational and higher education, enhance the quality of professional education and align it with the needs of the labour market. The primary goal is to promote the employment of graduates.

113. In the field of Education, the state policy is normally defined by National Programmes for Education Development which are adopted by the Parliament as a Law. The last Programme was for the period of 2011-2015⁹⁴ and has already expired. The Programme defined the following priority directions for education development:

- Investment policy promoting programmes of exceptional achievements;
- Building capacities in leading the reforms;
- Enhancing accountability and transparency;
- Improving educational content and standards;
- Capacity-building of the teaching staff;
- System optimisation and institutional reforms;

⁹² “Guide to Armenian Information Technology Companies” (<http://itguide.eif.am>) is created and operated by Enterprise Incubator Foundation (<http://www.eif-it.com>), a leading IT business incubation and consulting agency in Armenia.

⁹³ Government Decree № 442, 27.03.2014.

⁹⁴ Law № 246-N, 19th July 2011.

- Increased participation in international networks.

114. Within that Programme, the priorities for VET development were:

- Integration of preliminary and middle vocational educational system into the common European education area⁹⁵;
- Ensuring effectiveness and efficiency of the VET system⁹⁶.

115. In addition, the Programme foresaw improvements to the Management and Governance, under which *inter alia* it was planned to develop mechanisms for programme monitoring and improvement and completion of the education management information system (EMIS).

116. The National Employment Strategy and Action Plan 2013-2018, which regulates State employment policy, was adopted in November 2012⁹⁷. The Strategy is grouped around 10 components: 1) ensuring relevance of labour market and economy; 2) ensuring link between labour market and educational system; 3) promotion of demographically and regionally-balanced development; 4) state regulation of labour market; 5) planning, implementation, monitoring and evaluation and targeted management of annual programme of state regulation of the labour market; 6) state regulation of wages and labour productivity; 7) state regulation and control of labour relations; 8) social partnership; 9) legal provisions; and 10) management information systems.

117. In 2014, the Parliament of Armenia adopted a new Employment Law (№ 152-N, 11th December 2013) and the Government established the State Annual Programme for Employment which included 11 active labour market programmes (two of these programmes have sub-programmes, which are sometimes counted as individual programmes and in some reports, it is stated that there are 13 active labour market programmes) directed to support the economic activity of most vulnerable groups of population who are non-competitive in the labour market. These include the long-term unemployed (more than 5 years); people with disabilities; young persons aged 16-29 years; women, families with many children and those enrolled in family benefit programmes. The programmes also include support with employment for graduates from orphanages and ex-prisoners.

118. Development of a new Employment Strategy covering the period of 2019-2022⁹⁸ has been initiated by MoLSA and is being supported by ILO. The following areas are suggested by the ILO experts⁹⁹ to be considered in this document:

- 1) Strengthen the link between education and the labour market.
- 2) Further on education and the labour market for young people.
- 3) Encourage employers to invest more time and money in training.
- 4) Activate registration with the State Employment Agency.
- 5) Analytically sound strategies in Armenia should be adequately coordinated at the inter-ministerial level.
- 6) Data demand, collection and use should be promoted with sound M&E system for the new strategy.

⁹⁵ The corresponding tasks were: a) Promote the integration of vocational education and training institutions into the global educational systems; b) Bring the VET qualifications system into compliance with the European Qualifications Framework; c) Introduce a common credit accumulation and transfer system; d) Raise the professional awareness of specialists on the best practices and achievements of other countries; e) Join the Copenhagen Declaration and Process; f) Promote networking of VET institutions.

⁹⁶ Tasks: a) Build an efficient system of professional orientation and counselling; b) Encourage social partnership and dialogue; c) Build an effective network of VET institutions; d) Based on economic priorities of the Republic of Armenia, determine priorities of primary and middle vocational education professions and introduce an effective system of identification of demand for professionals; e) Improve the training-material base of VET institutions; f) Improve accountability and transparency of institutions' activities.

⁹⁷ Government Protocol Decision № 45, 08.11.2012.

⁹⁸ As the finalisation and approval of the new Employment Strategy can hardly be expected before November-December 2019, the time period coverage of the document may be revised and shifted to e.g. 2020-2024.

⁹⁹ "The Armenian Labour Market: Considerations for the Next National Employment Strategy", Duncan Campbell, Per Ronnas, Susanna Karapetyan, ILO 2018.

- 7) Macroeconomic policy undergirds employment and development objectives and might be re-directed to those ends.

B.1.6 The role of VET in remedies through active labour market policies (ALMPs)

119. The main services in employment sector funded by the state budget include support with job placement or arrangement of temporary employment of unemployed, job seekers and persons recognised as non-compatible in the labour market. In addition, the employment services include support to job seekers with selection of appropriate jobs and provide the employers with workforce of necessary skills and qualifications.

120. The Active Labour Market Programmes (ALMP) included in the Annual State Employment Programmes are of four types:

- 1) **Programmes, which support immediate job placement or self-employment of the beneficiary.** These programs are: “Partial compensation to employers who hire a person uncompetitive in labour market and financial support for patronage services to persons with disabilities who are placed in job”; “Organisation of Job fairs”; “Support to unemployed with getting the employment far from his/her place of residency”; “Lump sum compensation to employers for placing on job a person uncompetitive in labour market”; “Support to persons uncompetitive in labour market to start small entrepreneurship or cattle breeding”; “Support to use the services of non-state Job placement agencies”.
- 2) **Programmes, which are designed to support job placement or self-employment of beneficiaries within 3 months after the end of the programme.** These programmes are: “Professional trainings of job seekers at risk of dismissal or unemployed”; “Support to unemployed to obtain work experience with own professional qualification”.
- 3) **Programmes, which provide support to beneficiary to get relevant job among vacancies available:** “Financial support to persons uncompetitive in labour market to visit the potential employer”.
- 4) **Programmes that provide temporary employment:** “Support to rural farming to promote seasonal employment”; “Temporary employment of unemployed through paid public works”.

121. The main transfers to population from the state budget through the employment sector programmes include: support to unemployed with obtaining professional work experience according to their qualification and providing lump sum compensation to employers when they hire a person incompatible in the labour market.

122. The unemployed, job seekers and person incompatible in the labour market are the main beneficiaries of the State Active Labour Market Employment programmes (ALMPs).

123. In 2018 the Annual State Employment Programme included 11 active labour market programmes and promoted employability for 2,672 job seekers. Prevailing majority of beneficiaries were women – 84%; people with disabilities made 5% or 126 persons. The implementation of active labour market programmes resulted in permanent job placement for 1,962 persons.

124. The Annual Employment programme for 2018 was approved by the Government in September 2017¹⁰⁰ and included 15 activities, including 11 ALM programmes with funding of 1.75 billion AMD (3.1 million EURO). There were two new ALMPs among them: 1) Vocational training for young mothers without work experience who are uncompetitive in the labour market and have no specialisation; and 2) Partial compensation to young mothers who have child below 2 years old and are in maternity leave, and want to return to work before the child turns 2 years old.

125. During 2018, about 154 thousand people applied and received consultations and referrals through regional centres of the SEA. Of them, more than 20 thousand people enjoyed career guidance

¹⁰⁰ Government Protocol Decision № 41, 28.09.2017.

(vocational orientation) services. Job placement was promoted for about 11,996 job seekers, including 8,159 (68%) women; youth aged 16-29 old made 3,894 or 33%. 83% or 9,932 individuals who were supported with job placement were persons uncompetitive in labour market.

B.1.7 Identification of skills demand and its bearing on VET provision

126. Every year, for planning the VET enrolment (mainly for free of charge funded from the State Budget) but also for paid sits), MoES officially requests information on demand of VET at the regional level from Marzpetarans (regional authorities) and at the sectoral level from the line Ministries. This sources, however, supply only quantitative information, i.e. the number of those with VET qualifications who are demanded in the economy of the region or the sector, if any. In addition, two main structures representing employers, i.e. the Chamber of Commerce and Industry and the Republican Union of Employers of Armenia are also requested to provide corresponding information on the VET demand. Accuracy and validity of those data can, of course, be always disputable but the main issue still is the qualitative aspect, i.e. the skills (or knowledge and competences) which the VET graduates should be equipped with. This issue is not made a discussion subject at the stage of enrolment planning.

127. The VET institutions are also requested to provide proposals on the enrolment of the given year. Their position is important in terms of the institutions' ability (availability of human and material resources) to deliver training in accordance with the demand. Existence of the corresponding licence should also be considered.

128. Another main provider of quantitative information is the State Employment Agency. Thus, e.g. a survey implemented by this institution in 2018 among 2,154 organisations both private and public and belonging to different size and different sectors of economy. As a result, in 305 of those organisations 846 vacancies were identified. Among those related to VET, the most demanded qualifications were: different types of technicians, electricians, accountants, sales managers, waiters, manicurists, make-up specialists, gardeners, florists, furniture manufacturers, jewellers, seamstresses, welders, plasterers, crane operators, carpenters, locksmiths, carpet makers, etc.

129. In the country, there is actually no effective mechanisms neither for identifying the present demand for skills in the labour market, nor moreover for anticipating the future needs. The most practical method used in Armenia for defining required competences and for translating them into learning outcomes, i.e. involvement of the employers' representatives in the state educational standards development processes, is discussed in the [Section D.3.4](#) of this Report.

130. It should be stated that for defining the education content and the skills demand, MoES strongly considers also the findings of researches and surveys carried out by some donors and projects which specifically useful for identifying the soft skills required by the employers. Examples of such studies are the "SAY YES Project Baseline Evaluation"¹⁰¹ and the "Survey on Identification of Skills Needed in the Agrarian Sector and Motivation of Youth to Pursue a Career in The Agricultural Sector in Armenia"¹⁰², both carried out within the "EU4Youth – SAY YES Skills for Jobs" project implemented by the World Vision Armenia and its partner Global Developments Fund; "Youth-Focused and Gender-Sensitive Labour Market Research in Armenia" carried out by the Save the Children¹⁰³.

B.1.8 Supporting migrants and refugees through VET

131. Within the formal VET system, there is no specific policy or activities targeted at the migrants or refugees. Nevertheless, there are some initiatives, including those funded by donors, which have objective to address specifically the issues of the Syrian Refugees. Particularly, from 2015 to 2017 an EU-funded project¹⁰⁴ "Promoting the Integration of Syrian Armenians" was implemented by the

¹⁰¹ https://www.wvi.org/sites/default/files/Report_eng%2C%20SAY%20YES%20baseline_Final.pdf.

¹⁰² <https://www.wvi.org/sites/default/files/Report%20Survey%20on%20Skills%20Need%20eng.pdf>.

¹⁰³ https://armenia.savethechildren.net/sites/armenia.savethechildren.net/files/library/LMR%20Report_Eng.pdf.

¹⁰⁴ EU funding comprised 94.1%, and 5.9% was co-funded).

Armenian Red Cross. The aim of the project was to promote the integration of Syrian Armenians¹⁰⁵ into economic activities and children's education, and was implemented in Yerevan, Shirak, Lori, Kotayk, Aragatsotn, Ararat and Armavir marzes.

132. Different type of support was provided. They related to both economic and socio-culture. For the former, a webpage was created to allow employers to find Syrian Armenian employees quickly; consultations were organised enabling Syrian Armenians to get acquainted with LM requirements and legislation. For the latter, socio-cultural events were organised in schools and public places to raise awareness and to integrate. Over 5,000 schoolchildren were involved in educational activities, including 800 Syrian Armenians.

133. Currently, the World Vision Armenia implements a two-year (2019-2020) project "Sustainable Solutions for Integration of Displaced and Conflict-Affected Persons" (SSIDCAP) funded by the US Department of State Bureau of Population, Refugees and Migration (PRM). The goal of the project is to contribute to sustainable access to employment opportunities and livelihoods for displaced and conflict-affected individuals in Armenia. SSIDCAP is built on the successful components of two projects funded by PRM in 2017 and 2018.

134. The project will reach at least 760 direct beneficiaries; refugees, asylum-seekers and persons in a refugee-like situation by country of origin, displaced and conflict-affected individuals as well as local nationals, male and female, mainly (but not only) in Yerevan, city of Charentsavan and Darbnik community in Ararat marz.

135. Another initiative is the Business Facilitation Unit which will be established in Yerevan and capacity building activities will be carried out to enable two grass-root organisations, the Syrian Armenians Union and "Aleppo" Compatriotic Charitable Organisation, to integrate the Business Facilitation Units into their structure. Forty competitively selected start-ups and SMEs will be exposed to the theme of innovation and entrepreneurship. An Advisory Council will provide financial support and professional support to the start-up businesses and SMEs.

136. To increase SME access to regional and national markets and business networks and associations, business-to-business networking meetings, regional expositions, and (inter)national sales fairs will be organised by the Business Facilitation Unit.

B.2: Entrepreneurial learning and entrepreneurship

B.2.1 Job creation and VET

137. Promotion of self-employment through formal VET is addressed *via* introduction of entrepreneurial learning which is discussed in the [Section B.2.2](#) below. At the same time, there are initiatives targeted at this issue also through non-formal training activities. Thus, within the "EU4Youth SAY YES Skills for Jobs" project, one of the interventions is establishment and operationalisation of 15 SKYE youth empowerment clubs. They are opened in the four VET institutions and 312 youth – mainly students of those colleges – are engaged to learn to be active citizen, gain leadership, entrepreneurship and employability skills, through activities and from each other.

138. Those club leaders, who teach at the Colleges also state that they try to make use of the interactive teaching methods at their regular classes as well, as they see the value of experiential learning. The project team has evaluated employability skills of the club members to measure their baseline knowledge and compare to what they will learn in future. The Armenian SKYE club members have also been engaged in entrepreneurial activities, to further strengthen their knowledge and practices in entrepreneurship and potentially start their own business. There are additional opportunities created for the SKYE club members (and all other youth) for development. Those are IT and English classes, and free online educational resources in both countries. It is anticipated that the

¹⁰⁵ According to the estimations, more than 20 thousand Syrian refugees have come to Armenia. Many of them left but a substantial number remained and try to integrate.

SKYE clubs will be good complements to the formal education for the youth to become more competitive in the labour market.

B.2.2 VET policies to promote entrepreneurship

139. In the draft Strategy of VET reforms, one of the priorities is “Promotion the youth employment and entrepreneurship”. Accordingly, in the Action plan the following measures are foreseen: 1) development of a Concept on Entrepreneurial Education; 2) Introduction of a module on Entrepreneurship on the VET Standards; 3) Development and piloting of training-methodological materials and manuals aimed at forming of entrepreneurial skills in the VET sector; 4) Training of VET teachers and managers according with the Module on Entrepreneurship.

140. Out of those four measures, three (№ 2-4) have already been implemented. Thus, in 2017, a module on Entrepreneurship was developed with a support of the GIZ project Private Sector Development South Caucasus, and it will become compulsory for all VET programmes from the academic year 2019-2020. The module is planned for 72 hours and recommended to be taught during the final year of instruction when the students have already master the main competences related to the qualification. The module foresees the following learning outcomes:

- Present the process of designing a justified business idea;
- Present the regulation on establishment and registration of a company, and the management process;
- Perform market research and assessment activities;
- Characterise the resources of the company and assess effectiveness of their utilisation;
- Perform calculation of expenditures, and define the price of the good (service);
- Design a business plan and a plan of activities;
- Calculate taxes and duties, prepare a financial report.

141. In 2017, GIZ developed a Manual for Entrepreneurship VET Teacher Training and a Guidelines for Entrepreneurship VET Teachers. Training “Development of Entrepreneurial Skills and Facilitation Techniques” was provided for 25 VET Teachers with use of the above materials. In addition, a Guidebook for TVET students was published. It contains a variety of materials supporting theoretical and practical learning, as well as assignments across the subject or individual sections in accordance with the objectives of the “Entrepreneurial Learning” module.

II. Summary and analytical conclusions

142. The fact of **skill mismatch** is accepted by all stakeholders (public and private) and the need of bringing the skills of the VET graduates into the correspondence with the labour market requirements is clearly stated in the policy documents. At the same time, the level and the forms of the skill mismatch is poorly studied and documented. Moreover, there is actually no effective mechanisms neither for identifying the present demand for skills in the labour market, nor for anticipating the future needs. The content of education is solely defined *via* development of state educational standards with participation of a limited number of employers. For the planning of the VET enrolment, MoES collects information on demand of VET from line ministries, regional authorities and the employers' unions. Unfortunately, not only the accuracy and validity of those data are disputable but also the required skills (or knowledge and competences) are not made a discussion subject.

143. The country has a rather high level of **digitalisation**. Demand of IT specialists, including those with VET, is growing. In addition, the students become more demanding in terms of learning new IT skills. This transformation, however, has not had a specific impact on VET, and working with digital technologies, which is popular among the VET students, remains beyond the formal curricula.

144. The principal **policy framework** of the country is defined by the Armenia Development Strategy 2014-2025. The sector-related documents, i.e. National Programmes for Education Development and

the VET Reforms Programme, both expired in 2016 and were not renewed. Currently, a comprehensive document for a longer period – Education Development Strategy 2020-2030, is being developed and is expected to be approved latest in the first quarter of 2020.

145. The Employment Strategy also has expired (in 2018) and development of a new strategy for the period till 2022, is ongoing with a support of ILO experts.

146. Regarding the above-mentioned issues, the following recommendations are done:

- develop and introduce an effective mechanism for skill mismatch identification as well as a system for better planning of VET enrolment;
- revise curricula of all formal VET qualifications with a view of teaching more and advanced IT skills to the students (e.g. through enhancing the compulsory module of Computer Driving as well as imbedding elements of IT application in the other modules, where relevant), develop and introduce methodologies for wider use of IT tools during the teaching and learning processes. The VET institutions could offer also additional (non-formal) IT courses to their students and staffs, and also to the population;
- develop a concept on restructuring and optimising the VET system, including all its aspects, i.e. the levels of VET, profiles and qualification levels, standards and curricula, network of institutions and their status, etc.;
- make efforts for ensuring the relevance and credibility of the Education Development Strategy, which is under development, and specifically its VET-related part, also with consideration of the recommendations of this Report;
- after approval of the above Strategy, design a mid-term (e.g. 5-year) costed VET reforms Action Plan (can be at the ministerial level) and develop and introduce an effective mechanism for its implementation monitoring.

Building block C: Social environment and individual demand for VET

C.1: Participation in VET and lifelong learning

C.1.1 Participation

147. VET remains the second choice for both basic general and secondary general education graduates. Thus, although the share of those who selected VET after graduating basic general education was growing considerably during the last years, they still comprise less than half of those who continued education in upper secondary general (Table 9).

Table 9. Shares of basic general education graduates as by further education pathways, %

Year	Continued in the secondary general		Enrolled in VET	
	total	women	total	women
2018-2019	67.2	71.9	26.7	23.2
2017-2018	54.0	57.2	23.6	20.5
2016-2017	57.0	60.8	20.6	17.4
2015-2016	59.8	63.1	19.1	15.9
2014-2015	59.9	64.4	16.6	13.6

Source: Statistical Committee of RA.

148. While comparing the further education pathways of secondary general education graduates, one can note that again, the share of those who enrolled in VET is demonstrating a stable growth in 2014-2017 but is far behind (more than 5 times less than) the share of those who entered universities (Table 10).

Table 10. Shares of secondary general education graduates as by further education pathways

Year	Graduated from secondary general		Out of them:							
			Entered University				Entered VET			
	total	women	total		women		total		women	
			No	%	No	%	No	%	No	%
2018-2019	28,874	13,701	9,512	32.9%	4,429	32.3%	1,557	5.4%	1,111	8.1%
2017-2018	18,749	9,762	15,538	82.9%	7,675	78.6%	3,084	16.4%	2,064	21.1%
2016-2017	22,655	11,702	17,649	77.9%	9,196	78.6%	3,382	14.9%	2,276	19.4%
2015-2016	23,726	12,393	18,061	76.1%	9,394	75.8%	3,549	15.0%	2,439	19.7%
2014-2015	23,700	12,432	17,473	73.7%	9,001	72.4%	3,492	14.7%	2,397	19.3%

Source: Statistical Committee of RA.

149. As a result, the number of University students is still more than two times as big as the number of VET students (Table 11).

Table 11. Number of university and VET students

Year	Number of university students		Number of VET students	
	total	women	total	women
2018-2019	69,622	35,938	28,442	13,177
2017-2018	78,747	41,441	29,563	14,354
2016-2017	81,648	43,926	29,444	14,199
2015-2016	84,591	46,180	31,174	15,078
2014-2015	79,623	41,579	35,778	17,354

Source: Statistical Committee of RA.

150. The main reason of this is the traditional “attractiveness” of higher education for both youth and their parents.

151. The number of free seats for both preliminary and middle VET has been increased considerably since 2014 and is more or less stable with some deviation in 2015 and 2018 (Table 12). This allowed to enhance the youth opportunities to receive VET and to involve almost all applicants in free of charge education.

Table 12. Number of free seat for VET¹⁰⁶

	2012	2013	2014	2015	2016	2017	2018
Preliminary VET	3,997	3,977	4,117	4,117	4,277	3,960	3,977
Middle VET	3,882	3,882	8,404	5,411	7,992	8,309	6,546
Total VET	7,879	7,859	12,521	9,528	12,269	12,269	10,523

C.1.2 VET opportunities for vulnerable and marginalised groups

152. There are several groups of population which have privileges in terms of entering both VET institutions and universities. These are:

- first and second degree handicapped¹⁰⁷ and up to 16 years old disabled children;
- orphans (up to 18 years of age);
- children and spouses of deceased and first degree handicapped military servants;
- those who completed the compulsory military service.

153. Upon passing the entrance examinations (if any) successfully, they enjoy a right of free of charge education¹⁰⁸.

C.1.3 Policies to improve VET access and participation

See Section B.1.5.

C.1.4 Promoting VET access and participation for vulnerable and marginalised groups

154. Except those discussed under the [Section C.1.2](#), there are no other categories of population formally considered as vulnerable in terms of education opportunities and no other benefits for acquiring education are established in Armenia. Nevertheless, the vulnerability in terms of VET opportunities (or education in general), can relate to all youth from low income families. Participation in VET, even if free of charge, requires additional expenditures, e.g. for transportation which is specifically relevant to rural youth who should every day reach the VET institutions located in the towns (regional or sub-regional centres). Accommodation in dormitory also causes addition financial burden on families. In many cases, the youth in poverty cannot afford VET (or higher education) due to the need of entering labour market urgently (even without any qualification) or to work e.g. in the family farms in the villages, for earning livelihood.

155. Increase of the free of charge seats’ number was at least a contribution to making VET more accessible. The stipends (scholarships) paid to the VET students are also supportive but they are miserable – around 8-9 Euro per month. In the Craftsmanship schools, 100% of students enjoy stipends, while in the Colleges – only 70%, depending on their academic progression. However, in the 2020 State Budget, necessary amount of money has already been allocated to ensure stipends also for 100% of College students.

¹⁰⁶ Government Decisions № 722-N, 07.07.2012; № 628-N, 13.06.2013; №5 69-N, 06.06.2014; № 600-N, 10.06.2015; № 692-N, 23.06.2016; № 728-N, 23.06.2017; № 686-N, 15.06.2018.

¹⁰⁷ There are three levels of definition for the handicapped population. The first level is the most severe.

¹⁰⁸ Government Decision № 545, 27.08.1999.

C.1.5 Flexible VET provision in support of participation in VET

156. Increase of participation in VET is one of the MoES strategic objectives, however, the flexibility of formal VET provision is rather limited. It is true that the VET institutions have a certain freedom in defining the content of provided education in line with the modules and the learning outcomes prescribed by the state educational standards (see the [Section D.3.4](#)), as well as in choosing the instruction methods, but the most of the training organisation and provision aspects, such as commencement of the academic year, duration of the courses, the forms of instruction delivery¹⁰⁹, are strongly regulated by different documents and the VET institutions have no authority for any considerable deviations.

157. Modularisation introduced since the second half of 2000s, was supportive indeed for increasing the effectiveness and quality of VET. The modules are a valuable tool for delivery of short-term non-formal VET courses¹¹⁰ but do not contribute to flexibility of the formal VET.

158. Awarding of partial qualifications is also not introduced yet (for more details, see the next section).

C.1.6 Validation of non-formal and informal learning

159. Within an ETF project implemented in 2013-2014, a Concept on Validation of Non-formal and Informal Learning (VNFIL) in Armenia and an Assessment Guide were developed and validation mechanisms for the profession of cook were piloted. This was followed by the adoption of two regulations by the Government in 2015¹¹¹: on Organisation and Implementation of Supplementary (Continuing) Educational Programmes and on Assessment and Recognition of the Non-formal and Informal Learning Outcomes. These regulations which were drafted by an expert group with support of UNDP¹¹², should ensure in Armenia introduction of a mechanism which would allow validation of individuals' knowledge, skills and competences for awarding them at least partial qualifications. However, this innovative approach was not accepted by the then Government and the approved version of the regulation states that the continuing (non-formal) learning *'cannot result in awarding of a qualification or in official recognition of learning outcomes except the cases defined by the laws'*. At present, no such cases are defined by any law, thus making the "existing" validation system futile.

160. In 2015, MoES authorised¹¹³ the National Training Fund (NTF) as a body responsible for coordination, organisation and supporting the operationalisation of the systems for assessment and recognition of the non-formal and informal learning outcomes. Currently the VNFIL mechanism is not operational due to the lack of capacity (primarily financial) at the NTF to provide appropriate training programmes for assessors who would validate a learner's competences as well as to organise the entire process of assessment and validation.

161. In order to foster the VNFIL in the country, within a current EU-funded project "EU4Youth – SAY YES Skills for Jobs"¹¹⁴, a capacity building programme for NTF and also for selected VET colleges to carry out validation mechanism, will be organised. This will be followed by a pilot VNFIL assessment in VET colleges of the learners who, in the framework of the above project accomplished a WBL courses related to 4 agricultural professions: veterinary, wine-making, cheese-making, and agricultural mashing and tools. Thereafter, recommendations to MoES on refining the VNFIL regulations will be developed.

¹⁰⁹ The following forms of instruction are foreseen in Armenia: Full-time (on-site or stationary), Part-time (extramural or by correspondence), Distance, and External (family and self-education).

¹¹⁰ Considerable information about provision of non-formal VET, including e.g. vocational training of unemployed, is presented in many other sections of this report.

¹¹¹ Government Decision № 1062-N, 10.09.2015.

¹¹² UNDP Project "Support the modernization of the Vocational Education and Training System", 2006-2012.

¹¹³ MoES Order № 980-A/Q, 23.11.2015.

¹¹⁴ Implemented by World Vision Armenia in cooperation with "Global Developments" Fund, as well as World Vision Georgia, Georgian Farmers Association (GFA), and Association Anika.

C.2: Equity and equal opportunity in VET

C.2.1 Success of learners in VET

162. Graduation rate of VET students is rather high. Although the absolute number of dropped-out graduates is rather stable (approximately 1,500-1,600), their share does not exceed 7% of the total number of VET students of the given year. The drop-out dynamics is presented in the Table 13 below:

Table 13. Dynamic of VET students drop-outs

	2014-2015		2015-2016		2016-2017		2017/2018		2018/2019	
	Total	Women	Total	Women	Total	Women	Total	Women	Total	Women
Total drop-outs, out of them, by reasons:	1,609	417	1,499	384	1,497	298	1,603	369	1,628	397
physical disability (including health)	51	41	14	6	8	7	14	10	28	22
financial incapacity	215	85	181	59	112	36	99	45	74	30
unsatisfactory academic progression	227	74	205	51	223	52	259	76	279	90
mobilised to army service	488	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
other reasons	628	217	1,099	268	1,154	203	1,231	238	1,247	255
As % of total number of VET students of the given year	6.1%	3.8%	6.5%	4.1%	6.8%	3.3%	7.0%	3.8%	5.7%	3.0%

Source: Statistical Committee of RA.

163. It is remarkable that the share of women's dropped-outs is considerably less than of men, and this is not only due to the mobilisation of the latter to army¹¹⁵. Analysis shows that both the number and the share of dropped out male students are much higher while considering other reasons, too.

164. The data suggest that the most of the drop-outs (except conscription) are due to poor academic progression, followed by the financial incapacity. However, if the absolute number of those who left education due to the former reason is relatively stable (there is a minor growth for 2017-2018), the number of dropped-out ones because of the latter, is evidently decreasing. This can be an indicator of gradually improving solvency of the population. It should be taken into account also that those who dropped out due to the financial reasons, are representing the categories of paid and free of charge students almost equally. So, financial incapacity should not be only understood as inability to pay the tuition fee. Some students probably cannot afford education at all (being obliged e.g. to work for earning means of subsistence), or have no enough money for transportation, or for other education-related expenses.

165. Graduation rates of VET students are also less than in universities. Thus, e.g. the drop-out rates of the first-level higher education students (Bachelor programme, NQF level 6) were 11.1% (4.4% for women) in 2014-2015, 10.2% (3.7% for women) in 2015-2016, 10.4% (3.8% for women) in 2016-2017, and 10.8% (3.7% for women) in 2017/2018.

C.2.2 VET learners in need of additional learning and training support

166. In Armenia, there are no state programmes targeted at specific categories or specific needs of VET students, except those related to the enrolment privileges (see [Section C.1.2](#)) and inclusive education (see [Section C.2.4](#)). However, in general, many of VET students are in need of different types of support. E.g. for most of the students in the regions who should travel from their villages to the towns where the VET institutions are located, the transportation issue is a difficulty *per se*. For others, specifically from poor families, even clothing and footwear, descent enough for appearing in the institution, is an issue.

¹¹⁵ Data on those who dropped-out due to mobilisation to the army service are only available till 2014-2015 academic year. For the following years, their number was included in the "other reasons".

167. This kind of needs are usually addressed by the donor-funded project or charitable actions such as e.g. provision of minibuses by the “Anushavan Abrahamyan” Foundation presented in the [Section A.3.5](#). Another example of a similar initiative is the EU-funded project “Social Innovations for Vocational Education and Employability of Young People with Disabilities” (SIVVE) implemented by Save the Children International Armenian Representative office in partnership with “Professional Education Reforms” NGO in 2016-2018 in Aragatsotn, Armavir, Kotayk, Tavush, Syunik and Vayots Dzor marzes and in Yerevan. The objectives of the project were:

- Promote social innovation in TVET sector in order to create equal employment opportunities as a basic human right for young people with disabilities and generate shared growth;
- Enhance the capacity of TVET institutions to pilot social enterprises (SE), where the young people with disabilities are employed and share the experience with other colleges to scale it up;
- Organise professional orientation meetings with children at their graduating year at the special and inclusive schools and their parents;
- Enrol young people into TVET institutions for long-term (formal) vocational education;
- Organise market-oriented short-term inclusive classes at TVET institutions;
- Improve physical accessibility of institutions;
- Improve the capacities of TVET and special school teachers to deliver professional orientation and inclusive education.

168. As a result:

- 917 teachers of 46 TVET institutions attended a series of workshops on the main principles of work with young people with disabilities and inclusive education;
- Short-term vocational education classes were conducted at 7 competitively selected TVET institutions (Yerevan State Regional College N2, Kotayk State Regional College, Tavush State Regional College, Armavir State Art College, Sisian State College and Syunik State Regional College);
- 282 young people with disabilities were enrolled to get marketable knowledge and skills;
- 64 young people with disabilities from Yerevan and project target marzes were enrolled in TVET institutions for 2016-2017 academic year for a formal long-term education;
- 5 TVET institutions received small grants for setting up innovative Social Enterprises.
- 25 young persons with disabilities were employed at the newly established TVET-based social enterprises.

C.2.3 Measures in support of equity in VET

See Sections C.1.3 and C.2.4.

C.2.4 Inclusive education and VET

169. In Armenia, the legislative base for Inclusive Education was formed in 2005, when the Law On Education of the Persons with Special Education Needs was adopted¹¹⁶. However, its actual implementation started in 2001, when a tripartite agreement was signed between the competent state education authorities, the Yerevan secondary school № 27 and the “Bridge of Hope” NGO. Under this agreement the above school was recognised the first public institution implementing Inclusive Education. Afterwards, the number of general schools officially recognised and “inclusive” increased

¹¹⁶ This Law was deemed invalid in 2015

considerably¹¹⁷. At present, the MoES policy is that all schools should be able to organise inclusive education and inclusiveness in education should be a norm throughout the system.

170. In 2016, the Government endorsed the Action Plan and Schedule for Introducing Integrated Inclusive Education System in Armenia for the period till 2022¹¹⁸. Nevertheless, this covers general education only. For VET, there is no specific policy paper or a regulation related to inclusive education, however, the statement of the Law on VET¹¹⁹ about the State guarantees particularly for *'equal opportunities to receive vocational education and training by means of providing special conditions for education and ensuring inclusion'* is understood as a requirement to establish conditions for those with special educational needs and for their inclusion in the mainstream education, in all VET institutions. This process, however, has only started and considerable resources are necessary for adapting the VET institutions facilities, purchase and instalment of corresponding equipment, development of human and methodological and didactic resources.

171. At present, inclusion is relatively successful in Yerevan State College of Humanities, Yerevan State Craftsmanship School of Ornamental Arts, Vanadzor Craftsmanship school, Yerevan State Craftsmanship School of Decorative Applied Arts, where the number of students with special educational needs is tangible. In some other colleges only a few students of this category can be found.

C.3: Active support to employment

C.3.1 Employability of VET graduates

172. Data on job placement or other career pathways of VET graduates should have become available in EMIS which unfortunately is still inactive. Therefore, this information is usually collected on *ad hock* base by MoES from the institutions or through the monitoring of their career units' activities implemented by the POCDC.

173. Results of two studies are presently available. In 2017 and 2018, POCDC collected data on job placement from 41 selected VET institutions – 12 craftsmanship schools and 29 Colleges. For the former, 72% of 2016 graduates and 76% of 2017 graduates found job, while for the latter these indicators were 70% and 71%, respectively. More details on the job placement of those 41 institutions' graduates are presented in the Table 14.

Table 14. Data on Job placement of 2016 and 2017 graduates of selected 41 VET institutions

Institutions	Total number of 2014-2015 graduates	Out of them:						
		Continued education in university	Mobilised to Army	Emigrated	Found job			
					Total		according to their qualification	
					Number	%	Number	%
2015-2016 graduates								
12 Craftsmanship Schools	1,126	65	391	47	451	72%	301	48%
29 Colleges	4,684	1,003	562	255	1,999	70%	1,280	45%
Total	5,810	1,068	953	302	2,450	70%	1,581	45%
2016-2017 graduates								
12 Craftsmanship Schools	1,148	72	231	48	606	76%	427	54%
29 Colleges	4,262	1,037	394	197	1,853	71%	1,123	43%
Total	5,410	1,109	625	245	2,459	72%	1,550	45%

Source: POCDC, based on the reports from the institutions.

¹¹⁷ Assessment of Implementation of Inclusive Education in the Republic of Armenia. Open Society Foundations-Armenia, Centre for Educational Research and Consulting 2013. http://www.osf.am/wp-content/uploads/2018/03/Inclusive-education-report_CERC_ENG1.pdf.

¹¹⁸ Government Protocol Decision № 6, 18.02.2016.

¹¹⁹ Article 4, part 2, point 4.

174. The results of the same studies showed that in terms of professions (qualifications), the best indicator was for “Milk and Dairy Products Technology” where 100% of 2016 graduates seeking job, were job placed according with their qualification. Other professions, graduates of which had high percentage (over 85%) of job placement, were: Tourism (100% in total and 50% according with the qualification), Dental Technician (91.9% and 58.5%), Carpentry, parquet, glassware (91.7% and 41.7%), Wine making (88.9% and 55.6%), Technology of bread, pasta and confectionary (85.7% and 85.7%), where the latter is the leader in terms of job placement according with the qualification.

175. The worst indicators were for Agronomy (21.4% and 21.4%), Organisation of public catering (14.3% and 0.0%), Banking (12.5% and 12.5%), and Midwife (9.3% and 0.0%).

176. Another study was implemented within the current EU Budget support programme for assessing job placements of the graduates of 17 VET institutions modernised under 2010-2014 EU budget support. For these institutions, the results are comparable with those for the above 41 (Table 15).

Table 15. Data on Job placement of 2014-2017 graduates of 17 VET institutions modernised under the 2010-2014 EU SBS

Year	Total number of 2014-2015 graduates	Out of them:							
		Continued education in university	Mobilised to Army	Emigrated	Were seeking job	Found job			
						Total		according to their qualification	
						Number	% of job seekers	Number	% of job seekers
2013-2014	1,772	213	279	137	874	636	72.8	298	34.1
2014-2015	1,847	254	315	149	931	701	75.3	353	37.9
2016-2017	1,861	303	288	99	937	686	73.2	381	40.7

Source: MoES, based on the reports from the institutions

177. Thus, around three quarters of graduates seeking job, found it but less than half were job-placed according with their qualifications.

C.3.2 Economic factors with an impact on transition

178. All the stakeholders accept¹²⁰ the fact that the main factor of relatively low level of the VET graduates' job placement is the unfavourable situation with the opening of new vacancies in the LM. According with some assessments, in 2018, only 8-9 thousand new work places were created and the number of vacancies was around 7 thousand¹²¹. At the same, time low salaries and unattractive working conditions are also an obstacle for the VET graduates to accept the jobs relevant to their qualifications. This results often in employment not related to the profile of the acquired education (see also the [Section C.3.1](#)).

179. The last available data suggest that in 2015 around 36% of Armenian economy was in shadow¹²², This also has a negative impact on the job placement, at least in terms of formal data about the employment: many of those who really have a job, are not registered and do not appear in the formal statistics. In addition, according to the State Statistical Committee, in 2017, the informal employment rate in Agricultural and Non-agricultural sectors was equal to 44.5% (44.6% for men and 44.5% for women) and to 18.3% (21.9% for men and 13.9% for women) in Non-agricultural sectors¹²³.

¹²⁰ These conclusions are mainly based on the results of the Focus Groups discussions as no official information, e.g. statistical data or surveys related to this topic, are available.

¹²¹ Non-official data based on expert assessments.

¹²² “Shadow Economies Around the World: What Did We Learn Over the Last 20 Years?”, IMF Working Paper, 2018. <https://www.imf.org/~media/Files/Publications/WP/2018/wp1817.ashx>.

¹²³ Labour Market in the Republic of Armenia in 2003-2017, Statistical Committee of RA, 2018. https://www.armstat.am/file/article/trud_18_4.3.pdf.

180. One more factor affecting the VET graduates job placement is the fact that for the most of occupations, there is no any regulation in terms of education level or even the profile. This results in a situation that many jobs relevant to VET are occupied by people with higher education or *vice versa* without professional education. The Table 16, which shows the share of employed persons by occupations and educational attainment, suggests that around a quarter of the positions of *Professional technicians*, and about 20% of *Service and sales workers*' positions for which the specialists are normally prepared by the VET system, are occupied by people with higher education. At the same time, the share of non-skilled people (those with general education) acting as *Skilled agricultural; Craft workers, Operators and assemblers*, is around 1.5 time as big as those with VET.

Table 16. Employed Persons by Occupation and Educational Attainment

	Total		Tertiary, postgraduate		Vocational		General secondary		General basic, Primary and lower	
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
Legislators, senior officials, managers	6.0	6.1	15.2	15.1	4.4	3.9	1.3	1.6	0.7	0.9
Professionals	15.7	16.5	47.8	48.2	2.7	2.8	2.6	3.6	1.6	2.2
Technicians professionals	9.6	8.8	11.8	9.3	23.1	23.1	1.9	2.0	0.1	0.0
Clerks	2.9	3.4	4.3	5.5	4.5	4.4	1.5	1.8	...	0.0
Service and sales workers	11.8	12.3	8.5	9.3	15.1	16.5	13.3	12.8	5.2	6.4
Skilled agricultural; Craft workers, Operators & assemblers	47.0	44.9	11.5	11.2	43.9	41.2	68.6	66.9	80.5	74.4
Elementary occupations	6.9	7.9	0.8	1.4	6.3	8.1	10.8	11.5	12.0	16.1

Source: Statistical Committee of RA¹²⁴.

C.3.3 Overview of policies in support of employability and transition to employment

181. According with the results of a survey published by the Statistical Committee in 2018¹²⁵, only 12.4% of inactive population in 2016 and 11.5% in 2017 found that their education was very useful for obtaining job. The shares of those who assessed their education relatively useful, were 26.4% and 20.0%, and those who assessed as not useful – 13.6% and 9.3%, respectively (Table 17).

Table 17. Attitude of Economically Inactive Population towards the Usefulness of Obtained Education

	Total		Men		Women		Urban		Rural	
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
Very useful	12.4	11.5	12.6	9.3	12.4	12.6	14.3	14.2	8.2	5.7
Relatively useful	26.4	20.0	23.2	16.2	28.0	22.0	31.9	24.1	14.0	11.2
Not useful	13.6	9.3	14.0	8.8	13.4	9.6	14.8	10.7	11.0	6.5
Have no professional education	44.1	55.9	47.0	63.3	42.7	52.1	35.8	47.3	63.1	74.3
Difficult to answer	3.5	3.3	3.3	2.4	3.5	3.7	3.3	3.8	3.8	2.3

182. Representatives of employed population had much more positive attitude towards usefulness of their education for job placement: 25.3% in 2016 and 23.9 in 2017 found it very useful, respectively 34.8% and 28.4% – relatively useful and only 6.9% and 7.0% not useful¹²⁶ (Table 18).

¹²⁴ Labour Market in the Republic of Armenia in 2003-2017, Statistical Committee of RA, 2018.
https://www.armstat.am/file/article/trud_18_4.1.pdf

¹²⁵ Labour Market in the Republic of Armenia in 2003-2017, Statistical Committee of RA, 2018.
https://www.armstat.am/file/article/trud_18_3.pdf

¹²⁶ Labour Market in the Republic of Armenia in 2003-2017, Statistical Committee of RA, 2018.
https://www.armstat.am/file/article/trud_18_4.1.pdf

Table 18. Attitude of Employed Persons towards the Usefulness of Obtained Education

	Total		Men		Women		Urban		Rural	
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
Very useful	25.5	23.9	25.1	22.2	26.0	25.7	35.2	33.1	15.0	13.8
Relatively useful	34.8	28.4	35.8	28.7	33.7	28.0	41.2	33.9	28.0	22.2
Not useful	6.9	7.0	7.5	6.8	6.3	7.2	6.5	6.8	7.3	7.2
Have no professional education	32.4	40.1	31.3	41.4	33.7	38.6	16.8	25.6	49.2	56.0
Difficult to answer	0.3	0.7	0.3	0.8	0.4	0.5	0.3	0.6	0.4	0.8

183. Economically inactive youth was even more sceptical about the usefulness of their education: in 2016, 15.5% of 15-24 years old and 12.5% of 25-29 years old assessed it not useful. In 2017, these indicators were equal to 6.0% and 12.2%, respectively¹²⁷ (Table 19). However, it should be noticed that among inactive youth, the percentage of those without professional (vocational or higher) education was also larger, and the results of the youth questioning are not entirely compatible with those presented in the Table 17 above.

Table 19. Attitude of Economically Inactive Youth towards the Usefulness of Obtained Education by Age Groups

	Total		Men		Women		Urban		Rural	
	15-24	25-29	15-24	25-29	15-24	25-29	15-24	25-29	15-24	25-29
2016										
Very useful	4.7	14.8	4.7	11.5	4.7	15.6	4.6	16.5	4.8	11.8
Relatively useful	14.5	23.0	12.5	15.6	16.2	25.0	19.7	28.1	7.3	14.5
Not useful	15.5	12.5	16.2	10.6	14.8	13.0	18.5	12.6	11.2	12.4
Have no professional education	60.8	45.1	62.1	57.6	59.5	41.8	53.3	37.6	71.0	57.7
Difficult to answer	4.7	4.6	4.5	4.7	4.8	4.5	3.9	5.1	5.7	3.6
2017										
Very useful	3.7	11.6	2.0	9.2	5.3	12.1	4.6	15.9	2.6	5.7
Relatively useful	6.1	19.3	5.2	13.9	7.0	20.6	8.6	22.4	3.4	15.2
Not useful	6.0	12.2	6.3	10.1	5.8	12.7	7.3	13.9	4.6	9.9
Have no professional education	81.8	50.9	84.4	63.5	79.1	48.0	76.9	41.2	87.1	63.9
Difficult to answer	2.4	6.0	2.1	3.3	2.8	6.6	2.5	6.5	2.3	5.3

184. Data on NEET can also be an indicator of employability and transition to employment. This category has the largest share among youth of 25-29 years old (45.1% in 2016 and 44.5% in 2017), followed by the cohort of 20-24 (40.9% in 2016 and 40.3% in 2017). Indicators of NEET are higher for women for all age groups (Table 20).

Table 20. NEET by Age Groups, as % to the population of the same age group

	Total		Men		Women		Urban		Rural	
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
Total	34.6	34.6	22.7	23.4	46.5	45.9	35.7	35.9	32.9	32.7
15-19	14.2	15.6	11.3	12.0	17.7	20.2	13.4	14.8	15.1	16.4
20-24	40.9	40.3	27.8	29.7	52.7	50.1	41.2	40.2	40.5	40.4
15-24	28.5	28.7	19.5	20.7	37.8	37.5	28.6	29.3	28.3	28.1
25-29	45.1	44.5	28.5	28.4	60.4	59.1	46.2	46.1	42.8	42.0

¹²⁷ Labour Market in the Republic of Armenia in 2003-2017, Statistical Committee of RA, 2018.
https://www.armstat.am/file/article/trud_18_6.pdf

185. Very often, except the proper knowledge and skills, the employers require a certain work experience for hiring staff, which is a serious challenge for the recent VET and university graduates. Therefore, one of the state employment programmes implemented by SEA, is targeted at those young people who completed vocation or higher education but did not find job within at least 1 year. The objective of this programme is to support young people to gain work experience according with their qualification. For this purpose, the employers who agree to accept these young interns, are paid to cover their salaries (equal to national minimal salary established by the legislation) and taxes for six months. Unfortunately, the number of young people involved in this programme is rather limited and does not exceed 150-200.

C.3.4 Career guidance

186. At present, career guidance units with at least one trained career specialist, are systematically functioning in 95 public VET institutions. Since 2018, around 49 million AMD (approx. 88.3 thousand Euro) have been foreseen annually for the salaries of those Career consultants. The career guidance services are provided according with the methodology developed by Professional Orientation and Competences Development Centre – POCDK (see also [Section A.2.2](#)). The latter is responsible also for training of the Career specialists of VET institutions. In the period of 2013-2018, 143 such specialists were trained. Out of them, 39 (representing 37 institutions) and 43 (25 institutions) passed training in 2017 and 2018, respectively.

187. In July 2019, a new 40-hour training course was implemented for 42 Career consultants from 40 institutions (17 from Yerevan and 23 from the regions). The topics of the training particularly were: international experience of Career guidance, the objectives and the functions of the career centres, requirements towards the Career Consultant professional knowledge and competences, methodology of individual and group service provision. The participants were provided also with the “Career Management” manual developed by POCDK.

188. A package of materials related to the institutional and methodological base of the VET institutions’ Career Guidance units developed by POCDK was approved by its Board (13th June 2013) and then piloted with support of the ETF project “*ETF Activities in Armenia Linked to the Reforms of Vocational, Education and Training*”, during the period of 2013-2016. The package includes: *Exemplary Regulation on the VET institutions Career Guidance Unit; Job Profile of the Career Consultant/Coordinator; Exemplary questionnaire for monitoring of the career guidance units*. The package was officially transferred from MoLSA to MoES in March 2017, and then, in May 2017, MoES disseminated it to the VET institutions.

189. According with the above exemplary regulation of the Career Unit, the main objective of the latter is to promote competitiveness of students and graduates in the labour market and identify the opportunities of their job placement according with the received qualification *via* implementation of such tasks as: provision of career information, counselling and guidance; development of career planning competences; identifying the student's personal characteristics, capacities and preferences; provision of services related to the transition to the labour market, career planning and management, including those targeted at the employability, entrepreneurship and other key skills. Within the scope of the Career unit's tasks, the Career consultant implements functions in the following 4 directions: information and consulting works; development of career competences; assistance to job placement and administrative works.

190. Monitoring of the VET institutions’ Career Units activities was implemented in February-March 2018, jointly by POCDK and MoES, and was aimed at identification of both the nature and the content of the services provided by those units to the beneficiaries and the number of students enjoyed the above services. In the 83 VET institutions monitored by POCDK, of 7,693 graduating students, 3,950 received career guidance services.

191. A clear manifestation of the Career Guidance units’ achievements are data on the VET institutions’ 2015-2016 and 2016-2017 graduates’ job placement presented particularly in the [Section C.3.1](#).

II. Summary and analytical conclusions

192. Increase of **participation in VET** is one of the MoES strategic objectives. The share of youth who selected VET after graduating basic general education is growing but they still comprise less than half of those who continued education in upper secondary general. Traditional “attractiveness” of higher education for both youth and their parents, is still in place and VET remains the second choice. For making VET more accessible, the Government has been increasing considerably the number of free seats for both preliminary and middle VET since 2014. The stipends (paid to all students of Craftsmanship schools and to 70% of College students¹²⁸) should be a tool for both attractiveness and availability of VET, are still very small. Limited flexibility in many aspects of formal VET provision (commencement of the academic year, duration of the courses, the forms of instruction delivery) are not supporting the increase of VET participants. However, institutions have a wide freedom of defining the education content and instruction methods.

193. The Action Plan and Schedule for Introducing Integrated Inclusive Education System in Armenia for the period till 2022 approved by the Government in 2016, relates to general education only, while for VET there is no specific policy paper concerning inclusiveness. The Law on VET requires equal opportunities to receive VET, particularly *via* establishment conditions for those with **special educational needs** and for their **inclusion** in the mainstream education, in all VET institutions. The process of meeting the requirement of the Law has started but only a few institutions are able to ensure inclusiveness.

194. The level of **VET graduates’ job placement** remains relatively low (73-74% of those who sought job and around 40% according with the received qualification). The main factors of that, according to the stakeholders’ assessments, are unfavourable situation with the opening of new job places, low salaries and unattractive working conditions, as well as existence of considerable shadow economy. Another factor is that for the most of occupations, there is no any regulation in terms of education level or even the profile. This results in a situation when many jobs relevant to VET, are occupied by people with higher education or without any professional education.

195. There are no many ALM measures supporting the VET graduates’ **transition from education to work**. Probably the only one is the programme of SEA through which the employers who agree to accept young VET and university graduates, are paid to cover their salaries for six months. This gives young people an opportunity to gain work experience according with their qualification. However, the capacities of this programme do not allow to cover more than 200 beneficiaries per year.

196. As a tool for supporting VET graduates’ job placement, **career guidance** has been introduced in the VET system since 2013, and in almost all institutions, career guidance units with at least one trained career specialist, have been systematically functioning since 2018. At present, the salaries of those Career consultants are fully covered by the State budget and they keep receiving periodical trainings provided by POCD. The latter continuously implements also monitoring of the VET institutions’ career guidance units’ activities.

197. The **VNFIL system** is formally in place (corresponding regulations are approved by the Government) and there is an institution (NTF) authorised for its implementation. However, in practice this mechanism is not functioning, mainly due to financial but also procedural issues. One of the main weaknesses of the existing legislation is that VNFIL cannot lead to awarding of any formal qualification. For fostering the VNFIL, a capacity building for NTF and development of recommendations on improvement of the defined procedures, are expected to be done in 2020 by the EU-funded project “EU4Youth – SAY YES Skills for Jobs”.

198. The following recommendations are done for improving the situation with participation in formal and non-formal VET:

¹²⁸ It is foreseen to provide 100% of College students with stipends from 2020.

- consider possibility of discussing the ways of improving the flexibility of formal VET provision in terms of e.g. enrolment period (two enrolments per academic year could be possible), duration of the courses, and other aspects;
- revise the legislation on VNFIL with a view to consider the possibility of awarding formal qualifications as a result of VNFIL procedures (accompanied with strengthening the quality assurance mechanisms), as well as awarding of partial qualifications;
- expand the coverage of the existing ALMPs targeted at the support of the VET graduates' transition from education to work, and introduce new measures contributing to their job placement;
- develop and adopt legislation/regulations establishing requirements towards the education level and qualification for the VET-related occupations;
- in the capital investment plans, foresee measures and necessary funds for ensuring physical conditions for students with SEN in all VET institutions within e.g. a period of 3-4 years;
- train specialists (from among the existing teachers or newly employed ones) of working with students with SEN and develop curricula and didactic materials for those students;
- continue developing the career guidance system *via* provision of periodical training of the career consultants, necessary methodological and other resources, monitoring and evaluation of their performance.

Building block D: Internal efficiency and operation of the VET system

D.1: Teaching and learning environment

D.1.1 Teaching and learning methods, including work-based learning

199. VET in Armenia is mostly school-based. Practical training including the two types implemented in the institution's laboratories and workshops, i.e. *educational practice with theoretical instruction* and *educational practice without theoretical instruction*, as well as the *work or pre-graduation practice* which take place at enterprises or other corresponding organisations, constitutes from 15% to 24% of the total volume of curricula, in hours.

200. In addition, after introduction of the modular training which is targeted at formation of competences, considerably increased the part of practical instruction delivered within the teaching of the modules, and for most of the curricula comprises up to 55%-60% of the total time budget. Thus, the purely theoretical teaching covers no more than 40% of the hours. For many curricula it is even less than 30%. For example, the 3.5-year curricula of the qualification "*Technologist of bread-making, pasta and confectionery production*" for Middle VET, foresees 30 weeks (or 1,080 hours) of different types of practices and 1,290 hours for practical training within the school-based teaching of modules, while the theoretical training is only for 940 hours or around 28%.

201. The teaching methods are also changing. They are becoming more student-centred and are targeted at the learning outcomes defined by the state educational standards which are of competence-based nature since late 2000s. The task of the teacher is not anymore considered as transfer of information to the students but ensuring that they achieve those learning outcomes and attain the required skills and competences. NCVETD systematically monitors if those new approaches are properly used in the VET institutions and the targets are achieved (see [Section E.1.2](#)).

202. Introduction of competence-based or rather competence-targeted education was unavoidably accompanied by the competence-based assessment. During the mastering the modules, a number of formative assessments of the students' knowledge, skills and competences are carried out. In the context of modular learning provided in the VET system of Armenia, assessment is understood as a testing if the learning outcome (or at least its critical elements) has (have) been achieved. For every learning outcome, a set of performance criteria are defined by the standards' modules, and further specified in the exemplary curricula, under the section "Assessment rules/methods".

203. For proving the attained skills, the students are asked to implement a practical work: all learning outcomes defined by the standard, should be demonstrated *via* performing certain operations and assessed against specific requirements. In the case of "theoretical" or "knowledge-based" learning outcomes, the performance criteria require presentation and/or explanation of the specific aspects of the topic, knowledge about which has to be attained. For assessing the knowledge, students are given a test with 30 questions related to the above topics. The test will be considered passed if at least 90% of the questions are answered correctly.

204. At the same time, there are issues of effectiveness of the practical training specifically thereof implemented at the companies. This is conditioned mainly by poor motivation of the employers to be involved in VET and provide their production and other sites and personnel for the students practical training. The reasons are diverse – from the low capacities of the companies (small facilities, limited human resources, scarce of materials and equipment) for accepting the trainees, to absolute distrust to, or ignorance of, the VET system and its students compared with the higher education, graduates of which are much more welcome at the companies even for the positions relevant to the VET graduates.

205. However, the situation is improving. During the last years, thanks to the efforts of MoES and specifically the VET Department, extensive number of partnerships of VET institutions with private companies were established and memoranda signed. Among those partners such companies as Grand Tobacco, Knauff Armenia in Yerevan, Ijevan Wine-Brandy Factory, Tavush Textile in Tavush

marz, "Lorva Kat" Cheese Production LLC, Gloria sewing factory LLC in Lori marz, Areni wine factory in Vayots Dzor marz, Zangezur Couper-Molybdenum combine CJSC in Syunik marz and many others. In the framework of these cooperation cases, not only practical training of the VET students at the companies is foreseen. Employers participate in curricula development, in teaching and assessment processes, which also improves the opportunities of the graduates to be job placed at the partner enterprises.

206. The work-based learning as a specific form of VET, is just being introduced. It is piloted in a number of VET institutions by GIZ, based on the German dual education model (see [Section A.3.5](#)). The Concept on WBL recently developed with support of ETF and was approved by the NCVD on the 25th June 2019.

D.1.2 Teaching and learning environment

207. Considerable improvements of the physical conditions of the VET institutions has commenced since 2009, when within the EU SBS programme, 12 Regional state colleges started receiving modern training equipment and also enjoyed buildings renovation. Before, only limited equipment was provided by different donors (e.g. EU Tacis project in 2004-2006, UNDP VET Modernisation Project in 2007-2012). In 2016, 5 more institutions were involved in the programme of SBS support. Later, some other donors also invested to the improvement of the VET institutions facilities (see e.g. [Section A.3.5](#)).

208. Investments from the State Budget (except those made within the EU SBS programme) to improvement of the VET institutions infrastructure are extremely limited. In fact, all other institutions not involved in the support mentioned in the above paragraph, are still in the conditions inherited from the 1980s or have only little parts of premises renovated during the last decades, or extremely limited training equipment which can be considered as relatively modern. Some budgetary investments for improving the building conditions are foreseen for 2019-2023 (see [Section D.1.4](#)).

209. Heating remains one of the main issues. Even the institutions where completely new autonomous heating system were recently established, mainly through the EU SBS funding, cannot always afford the expenditures related to the fuel (natural gas), and during the winter period, proper temperature is only ensured in a limited number of rooms.

210. The quality textbooks, specifically in Armenian, are also constantly lacking. For many qualifications, mainly obsolete literature is still in use. Nevertheless, after introduction of modular instruction, a new approach to development of teaching and learning materials was adopted. The students' need to refer to books is minimised. Now this is the teachers' obligation to prepare learning materials for every lesson foreseen by the modules which are printed and distributed to the students before or during the corresponding classes. Although reference to textbooks remains necessary but this is not a primary need anymore.

211. Another measure targeted at overcoming the lack of modern profession related books and textbooks, is publication of qualification- or module-specific manuals, which mainly organised by NCVETD with support of donors and different projects. Since 2012, around 80 manuals for a wide scope of education fields have been published and made available to the VET students. They all are also publicly available in electronic form at the NCVETD web-site¹²⁹.

D.1.3 Policies to improve training/teaching and learning methods in VET

212. Improvement of the teaching/learning methods is connected with two main factors, i.e. the capacities of the teaching staff as well as the availability of modern training means (including equipment and didactic materials). Introduction of the modular training resulted in the shift from subject-based teaching which was mainly a transfer of information to the students, towards the education targeted at formation of skills and competences defined by the corresponding learning

¹²⁹ http://www.mkuzak.am/?page_id=151.

outcomes. This new approach requires that the teachers and trainers apply different methods of instruction and ensure different ways of learning for students. These new methodologies are subject to the teacher retraining systematically organised by NCVETD (see Sections [D.2.4](#) and [D.2.6](#)).

213. Development of the VET institutions' material base necessary for applying more advance methods, is discussed under the [Section D.1.2](#) as well as [Section A.3.5](#). Nevertheless, for increasing the effectiveness of the teaching and learning processes, there is still a considerable need of both internal improvements (material and human resources) and external support for introducing and adapting the best international practices.

D.1.4 Improving the training and learning environment

214. For the coming years, considerable improvements of the VET institutions facilities are still expected within the EU SBS programme. In its framework, eight agricultural colleges are planned to be refurbished and equipped. In 2019, design works have been started for two of them, and they will continue in 2020. These improvements will cover not only renovation of the existing buildings but construction of new training facilities or auxiliary buildings such as cow barns, milk processing workshops, analytical laboratories, etc.

215. The buildings renovation shall meet all the requirements of energy-efficiency, accessibility for the people with disabilities as well as the aseismic stability. For 2019, around 33 million AMD (over 62 thousand Euro) was allocated¹³⁰ for renovation of one Craftsmanship and one Middle VET institution. In addition, for the period of 2019-2022, a sum of about 9.4 billion AMD (~17.7 million Euro) is planned for improvement of the physical conditions of at least 11 VET institution. A modern equipment is also expected to be supplied to those institutions in order to ensure provision of quality VET according with the state educational standards developed or reviewed during 2017-2019.

D.2: Teachers and trainers

D.2.1 Composition of the workforce of VET teachers and trainers

216. There are two categories of teaching staff in VET institutions: *lecturer* and *master of practical training*. The Law on VET defines the former as '*pedagogical worker of the system of vocational education and/or training, who ensures the mastering of theoretical knowledge and contributes to the development of practical competences of the student (learner)*' and the latter as '*pedagogical worker of the system of preliminary and middle vocational education and/or vocational training, who ensures vocational skills of a person*'. Thus, there are certain differences in both the functions and also in the wages of those two categories but in Armenia, in most of the cases they are not considered separately. The official statistics too, while providing data on the VET institutions' teaching staff, does not distinguish between the two categories and presents integrated data. Therefore, for the purpose of this Report, we will refer to VET *teachers* intending both lecturers and masters of practical training.

217. During the last five years, the number of teachers in the VET system of Armenia was relatively stable, fluctuating between 4.5 and 5.0 thousand. The share of women is traditionally high (Table 21).

Table 21. Number of VET Teachers in 2013-2018

	Total						Share of women, %					
	2013	2014	2015	2016	2017	2018	2013	2014	2015	2016	2017	2018
Preliminary VET	1,058	987	961	862	991	937	64.2	62.2	67.8	69.6	69.7	68.4
Middle VET	3,842	4,052	3,753	3,551	3,599	3,903	75.1	75.3	75.0	75.2	75.3	74.9
Total VET	4,900	5,039	4,714	4,413	4,590	4,840	72.8	72.8	73.5	74.1	74.1	73.6

Source: Statistical Committee of RA.

218. The average number of teachers per institution, unlike the student/teacher ratio which has been

¹³⁰ RA Government Decision № 863-N, 04.07.2019.

decreasing during the last years, is relatively stable for both preliminary and Middle VET (Table 22).

Table 22. Average Number of Teachers per Institution and Student-teacher Ratio in VET Institutions in 2013-2017

	Average number of teachers per institution						Student/teacher ratio					
	2013	2014	2015	2016	2017	2018	2013	2014	2015	2016	2017	2018
Preliminary VET	23.5	22.0	22.0	20.0	23.0	20.4	7.0	7.4	7.2	7.3	6.6	7.2
Middle VET	46.9	49.0	46.0	46.0	46.0	48.8	7.4	6.6	6.1	6.1	6.0	5.6

Source: Statistical Committee of RA.

219. Unlike the general education system, where there are four categories (ranks) of teachers¹³¹, in VET no categories or levels are introduced. Most of the teachers receive minimal salaries defined by the government (55 thousand AMD) but some earn up to 80-90 thousand AMD in the case of more workload. Besides, the VET institutions' Directors are free to establish any bonuses within the available financial resources (mostly own generated *via* provision of additional services).

220. For the years 2015-2018, from 89.2% to 93.1% of VET teachers (from 90.5% to 93.7% for women) had higher (or post-graduate) education. Teachers holding scientific degree (Candidate of Sciences and Doctor of Sciences) comprised around 4%, and other 4% had scientific title (Professor and Associate Professor) – Table 23¹³².

Table 23. Distribution of teachers as by Education Levels and Scientific Degrees and Titles

		Number of teachers as by education level			Out of them			
		Total	Out of them		Scientific degree		Scientific title	
			Middle VET	Higher	Doctor of Sciences	Candidate of Sciences	Professor	Associate Professor
2018	Total	5,794	397	5,397	9	166	9	136
	women	4,406	276	4,130	1	86	2	69
2017	Total	3,665	347	3,318	12	157	6	121
	women	2,729	223	2,506	1	83	-	61
2016	Total	3,580	381	3,199	9	141	8	112
	women	2,651	253	2,398	1	69	-	55
2015	Total	3,820	411	3,409	7	146	7	112
	women	2,826	259	2,567	1	66	2	47

Source: Statistical Committee of RA.

221. The official statistics does not provide data on the age of the VET teachers by the age groups. Nevertheless, necessary information can be found in the reports of the VET institutions' performance monitoring implemented systematically by NCVETD. For example, in the 10 Colleges monitored in 2017, distribution of the teachers by the age groups was as follows:

20-35	-	29.5%
36-45	-	21.8%
46-55	-	17.1%
56-65	-	24.5%
65+	-	7.2%

222. Thus, the total number of the 56+ group representatives comprise around 32% of teachers. At the same time the share of young teachers (20-35 years old) is close to 30% which should be considered

¹³¹ Those categories are awarded depending on the experience and the level of teachers' professionalism. There are specific requirements and procedures established by Government Decisions and MoES Orders for awarding of the categories which affect also the amount of salaries.

¹³² Those holding scientific degree or scientific title are involved in Middle VET only.

as a positive change if to compare with the situation in the past when the average age of VET teachers was around 55 years old¹³³.

D.2.2 Entering the teaching profession in VET

223. Appointment of the teachers is the authority of the VET institutions' Directors. At the national level, there are no specific formal requirements for becoming VET teacher, except the education level. Specialists with higher education can be involved as lecturers, and those with Middle or even Preliminary VET as Masters of practical training. There are, however, exceptional cases when due to lack of available candidates, specialists with lower than required education level are hired as teachers. More specifically, the requirements towards the professional qualities and the experience of the teachers are defined by state educational standards of the qualifications.

224. Thus, this is the institution's responsibility to select the teachers but particularly, according with the results of 6 Regional State Colleges' pilot assessment implemented by ANQA in 2017¹³⁴, most of the institutions do not have clear policies and procedures thereof and the recruitment of new teachers is mainly not carried out through competition¹³⁵. Moreover, in the colleges there is no a mechanism for vacancy announcements. Although in the contracts concluded with the teachers, the employee's rights and obligations are appropriately defined, the VET institutions usually do not have documented job profiles for the teachers, where specific requirements for the professional qualifications of the teaching staff would be defined. Therefore, when selecting a teacher, the base education and teaching experience in the given area are considered.

225. In some colleges, teachers are selected from the current staff reserve; in some others the new teachers should pass a trial period. Normally, the new teachers (specifically the young ones without considerable pedagogical experience) enjoy support and orientation provided by the experienced colleagues and some methodology targeted training are organised for them by the corresponding Chairs. However, observations suggest that within the institutions, the mentoring mechanism is not properly established.

D.2.3 Employment status of teachers in VET

226. The percentage of the teachers who are members of the institutions' main staff¹³⁶ is slightly decreasing from 84.1% in 2013 to 80.0% in 2018. This is conditioned most likely by expanding the scope of the qualifications offered by the VET institutions which resulted in larger number of taught subjects and modules, as well as by introduction of modular form of instruction (Table 24).

Table 24. Distribution of teachers by types of employment in 2013-2018

	Total						Share of women					
	2013	2014	2015	2016	2017	2018	2013	2014	2015	2016	2017	2018
Preliminary VET												
Main staff	983	914	895	790	880	865	63.2	61.3	67.7	68.2	68.9	68.4
Part-time staff	46	44	28	39	68	44	76.1	72.7	67.9	84.6	73.5	70.5
Hourly rate staff	29	29	38	33	43	28	79.3	75.9	71.1	84.8	81.4	64.3
Middle VET												
Main staff	3,139	3,148	2,925	2,790	2,785	3,009	76.0	76.2	75.9	75.7	76.2	75.9
Part-time staff	441	533	449	417	439	555	66.4	65.1	66.1	69.5	67.7	70.1
Hourly rate staff	262	371	379	344	375	339	79.0	82.2	78.6	78.5	77.3	74.0

¹³³ See e.g. Torino Process 2014 Armenia.

¹³⁴ https://www.etf.europa.eu/sites/default/files/m/97F66615CB0D7965C1257DE80056D623_TRP%202014%20Armenia_EN.pdf

¹³⁵ <http://www.anga.am/hy/հրապարակումներ/տարածաշրջանային-պետական-քոլեջներում-փորձական-փորձաքննության-արդյունքներ/>

¹³⁶ At present, MoES is developing a regulation on the teachers' recruitment, including competition procedures.

¹³⁷ The "status" of main staff teacher does not necessarily mean full-time employment or full load rate. See below.

Total VET												
Main staff	4,122	4,062	3,820	3,580	3,665	3,874	73.0	72.9	74.0	74.1	74.5	74.2
Part-time staff	487	577	477	456	507	599	67.4	65.7	66.2	70.8	68.4	70.1
Hourly rate staff	291	400	417	377	418	367	79.0	81.8	77.9	79.0	77.8	73.3

Source: Statistical Committee of RA.

227. Of the main staff teachers, less than 60% have full (720 hours per year) or more than full rate load. This is more obvious for the Middle VET where the variety of subjects and modules is larger compared with Preliminary VET (Table 25).

Table 25. Distribution of teachers as by rates in 2013-2018

Rate	Number						As % of the total number					
	2013	2014	2015	2016	2017	2018	2013	2014	2015	2016	2017	2018
Preliminary VET												
0.25	121	104	97	76	98	112	12.3	11.4	10.8	9.6	11.1	12.9
0.5	124	118	139	124	139	118	12.6	12.9	15.5	15.7	15.8	13.6
0.75	182	183	176	158	162	172	18.5	20.0	19.7	20.0	18.4	19.9
Full	342	321	306	260	276	292	34.8	35.1	34.2	32.9	31.4	33.8
More than full	214	188	177	172	205	171	21.8	20.6	19.8	21.8	23.3	19.8
Total	983	914	895	790	880	865	100					
Middle VET												
0.25	229	286	371	279	278	330	7.3	9.1	12.7	10.0	10.0	11.0
0.5	393	431	480	473	497	527	12.5	13.7	16.4	17.0	17.8	17.5
0.75	553	504	543	485	481	431	17.6	16.0	18.6	17.4	17.3	14.3
Full	794	883	614	729	721	808	25.3	28.0	21.0	26.1	25.9	26.9
More than full	1,170	1,044	917	824	808	913	37.3	33.2	31.4	29.5	29.0	30.3
Total	3,139	3,148	2,925	2,790	2,785	3,009	100					
Total VET												
0.25	350	390	468	355	376	442	9.9	10.3	8.2	10.1	13.6	11.4
0.5	517	549	619	597	636	645	16.7	17.4	12.3	13.5	16.9	16.6
0.75	735	687	719	643	643	603	18.0	17.5	19.6	17.8	20.3	15.6
Full	1,136	1204	920	989	997	1,100	27.6	27.2	25.6	28.4	22.3	28.4
More than full	1,384	1,232	1,094	996	1,013	1,084	27.8	27.6	34.3	30.2	27.0	28.0
Total	4,122	4,062	3,820	3,580	3,665	3,874	100					

Source: Statistical Committee of RA.

D.2.4 Quality of teachers and trainers in VET

228. There is no formal mechanism for assessment of VET teachers' performance. In the late 2000s, a staff appraisal system for VET institutions was developed and proposed by a EU funded VET project which was only piloted in a limited number of colleges but never introduced and operationalised. The main reason was that this system was not officially made obligatory for the institutions and the institutions managers did not have motivation for applying it.

229. A "Guide on assessment and possible replacements/rewards, financial incentives of teachers and school principals" was developed and approved by the NCVD in September 2011 but again this initiative was not materialised particularly due to the fact that the additional financial resources which would be necessary for financial incentives of the employees, were not available.

230. There is a well-established VET teacher retraining system, coordinated by NCVETD (see also the [Section D.2.6](#)). Every year around 1,000 VET teachers are retrained. Thus, between 2014-2017, in total of approximately 4,147 VET teachers were trained by NCVETD (1,122 in 2014; 1,016 in 2015; 934 in 2016, 975 in 2017, and 477 in 2018)¹³⁷. In addition, during the same period, 150 College

¹³⁷ Information on the training topics and the number of trained specialists is available on the NCVETD official webpage: http://www.mkuzak.am/?page_id=166&lang=en.

Directors and Deputies, 207 Management Board members, 107 standards development experts, and other staff within the VET system were trained on different topics. However, most of the teachers' trainings are dedicated to the pedagogical issues (methodology) and only very limited courses are vocation-related. This is mainly conditioned by the limited financial resources as well as with difficulties in identifying the companies which would be interested to accept the VET teachers as trainees.

231. Some colleges have imbedded in their Business Plans provisions about incentives for teachers, nevertheless, resources necessary for this purpose are usually not allocated (not available) and those provisions are not systematically applied.

232. Regarding the aged teachers, although they have extensive experience, effective mastering of latest teaching methods and technologies is often rather difficult for them. Moreover, some of the senior teachers sometimes mistrust the young professionals, which does not create favourable conditions for the progress and improvement of the young teachers.

D.2.5 Attracting and retaining teachers and trainers in VET

233. As mentioned in the [Section D.2.1](#), the salaries of VET teachers are uncompetitive and do not attract highly qualified specialists to this profession. They do not enjoy also so called “social package”¹³⁸, which is available for many other categories of public servants, such as general school teachers, artists, civil servants, etc.

234. At present, MoES is making efforts to initiate certain improvements of the above situation but the results can hardly be expected within a relatively short period of time. No other policies or actions are designed for attracting and retaining teachers and trainers in VET, yet.

235. Nevertheless, a little inflow of young teachers, specifically in the regions, is already registered. This is conditioned by the fact that the recent university graduates often do not have a large variety of job opportunities in their communities, and teaching sometimes is considered as a good start for their career, particularly for young women.

D.2.6 Steering, motivating and supporting professional development

236. Regulation on the Retraining of the VET Institutions' Teachers and Masters is approved by MoES in 2014¹³⁹. It defines that retraining of the teachers is mandatory and every teacher should pass retraining at least every 5 years. NCVETD is the institutions which is assigned for organisation of the VET teachers training. This structure is responsible also for development of the content and defining the duration of every training programme.

237. The retraining is mainly funded from the State Budget and the number of teachers involved in training depends on the availability of financial resources. Nominations of the teachers within the quotas provided to institutions by NCVETD, are done by the Directors on the base of the teachers training needs defined by institutions internally. Usually the demand exceeds the financial capacities of NCVETD. However, every year, approximately 20% of the VET teachers' total population is involved in the training which means that any teacher has opportunity to be retrained every 5 years.

238. The trained teachers are awarded a Certificate, the model of which is also defined by the above regulation.

D.2.7 Ensuring the quality of teachers in VET

239. According with the Programme for VET Reforms 2012-2016¹⁴⁰, *Capacity building of the teaching and management staff* was defined as one of the main objectives of the VET sector development. Accordingly, in the Schedule of the reforms programme implementation measures, the following

¹³⁸ Integrity of healthcare, educational and other social services established for the public servants and their family members.

¹³⁹ MoES Order № 1058-N, 29.10.2014.

¹⁴⁰ Government Protocol Decision № 27, 04.07.2012.

activity was foreseen: “Continuous capacity building of human resources of VET system, including the trainings of administrative and pedagogical staff and Management Board members of the VET institutions”. This should result in ‘Increase of the organisation and implementation of the education process, as well as the effectiveness of management’. This should be reached through the yearly training of 1,000 people. No other measures targeted at the VET teachers’ quality improvement were planned.

240. Similarly, in the draft Strategy, *Strengthening Institutional and Human Capacity of VET Institutions*, is one of the objectives. Nevertheless, it can hardly be expected that, except the retraining discussed above in this [Section D.2](#), any other effective measures, specifically those requiring tangible financial resources (e.g. for increasing the teachers’ salaries) can be planned and implemented.

241. The own (internal) efforts of the VET institutions, should be continuing. The ANQA assessment of the selected institutions (see [Section D.2.2](#)) suggests, and this is mainly common for the VET system in Armenia, that in the colleges various quality assurance mechanisms have been adopted such as the anonymous surveys on the assessment of the teaching staff (teaching and learning methods), the focus group discussions revealing the needs of the students, self-assessment and many more.

D.3: Quality and quality assurance

D.3.1 Quality and relevance of education and training content in VET

242. Although the state educational standards, which define the content of VET and the requirements towards its results, are developed with deep involvement of employers, the relevance of VET to the LM needs is still insufficient. There are no specific reports assessing this irrelevance but the dissatisfaction of employers with the VET outcomes is continuously voiced during different forums, discussions, debates, in the statements, speeches and addresses of both employers and the public officials. They also accept that the situation is improving but is still far from being adequate.

243. This is conditioned both by internal and external factors. The former is about the quality of the learning environment in the VET institutions (building, equipment, teaching and learning materials, human resources) presented in details in other sections of this report, while the latter particularly is a result the mistrust of the private sector towards the VET system (sometimes not really well-grounded but rather stereotypic) which does not allow establishing closer cooperation between the LM and VET which would contribute to the more intensive development of VET.

D.3.2 Defining the quality of learning outcomes

244. The Law on Education defines the **Quality of Education** as a ‘measurable outcome of the organisation of education aimed at achieving the goals and objectives set by the education policy, which is assessed taking into account the individual needs of the learner, the environment for the education organisation, the programme content of the education, the education organisation process and the learning outcomes assessed against the established criteria’.

245. At the same time, the definition of the concept of Quality proposed by ANQA which is the structure responsible for quality assurance for both higher education and VET (see also the [Section A.2.2](#)), is multi-aspect and multi-dimensional: Academic Quality; Quality as enhancement or improvement; Quality as Excellence; Quality as Fitness for Purpose; Quality as Fitness of Purpose. This, however, was defined primarily for the higher education, while for VET, ANQA recommends to consider the quality as *Fitness for the set purpose* (at least it follows this aspect while working with VET), which is formulated as ‘a concept that focuses on the defined objectives and mission of the institution or programme with no check of the fitness of the processes themselves in regard to any external objectives or expectations. Fitness of purpose evaluates whether the quality-related intention of an organisation is adequate’.¹⁴¹

¹⁴¹ Glossary of Quality Assurance. ANQA, 2010. <http://www.anqa.am/en/publications/glossary-of-quality-assurance/>.

246. In accordance with the said approach, throughout external quality assessment, the extent to which education services or learning outcomes achieved by students are in concord with defined objectives is determined. This definition also urges institutions to define clear-cut aims and objectives in their missions, the level of fulfilment of which will be assessed and rated. External quality assurance gives primary focus to the achievement of the objectives set by educational institutions, determine the level of their compliance with the quality assurance Criteria and Standards established by the RA Government, the priorities in education development, and public demands.

247. In 2011, the Government approved¹⁴² the criteria and standards for professional education accreditation, developed by ANQA, which are actually the quality assurance standards. They consist of two parts: institutional and programme accreditation. The institutional accreditation (quality) standards are:

- 1) The institution's policy and the activities are in accordance with its mission which is in line with the NQF.
- 2) The institution's management system, the administrative structures and their functioning are efficient and targeted at fulfilment of the institution's mission and objectives, following the norms of management ethics.
- 3) The educational programmes are in compliance with the institution's mission, comprise a part of institution planning and promote mobility and internationalisation.
- 4) The institution provides appropriate support to students, for ensuring effectiveness of the educational environment.
- 5) The institution has pedagogic and support staffs equipped with professional qualities which are necessary for achieving the mission of the institution and meeting the objectives of the educational programmes.
- 6) The institution provides research and its link with learning.
- 7) The institution has resources necessary for creating learning environment and effective implementation of the assigned mission and goals.
- 8) The institution is accountable to the state and society for its education, research and resources used.
- 9) Through external links, the institution encourages exchange of experience and development, promoting internationalisation of the institution's.
- 10) The institution has an internal quality assurance system that contributes to the continuous improvement of all institution processes and the shaping the quality culture.

248. And the programme accreditation standards are the following:

- 1) The educational programme is in concord with the NQF, national qualifications descriptors, and state educational standards as well as is in line with the institution's mission.
- 2) The educational programme ensures teaching staff with necessary professional qualifications to realise the goals of the educational programme.
- 3) The teaching and learning practices used within the educational programme, ensure the achievement of intended learning outcomes.
- 4) The academic programme provides assessment system that allows ensuring the students' progress as well as the formation and achievement of the learning outcomes.
- 5) The programme ensures links between learning and research and creative activities.
- 6) The programme promotes the quality education provisions by creating an environment conducive to learning.

249. All the above criteria are equipped with the corresponding standards. In addition, a number of

¹⁴² Government Decision № 959-N, 30.06.2011.

methodological documents, e.g. a Guide to Self -Assessment¹⁴³, Guide to the establishment of internal quality assurance system¹⁴⁴, an Accreditation Manual¹⁴⁵, were developed by ANQA.

250. The state Accreditation Criteria and Standards have been developed with involvement of the all relevant stakeholders including VET representatives. The approved Criteria and Standards served as a basis for the ANQA to develop the templates for the institutional and programme accreditation self-assessment, again with involvement of the all relevant stakeholders. The self-assessment templates are part of the Statute on State Accreditation of Institutions and their Academic Programmes in the Republic of Armenia (hereinafter Statute) and approved by the RA Government.

251. To further adapt the template of institutional accreditation to the needs of VET institutions, a working group consisting from the representatives of VET institutions was established and the template has been revised accordingly. Also, ANQA staff conducted the synopsis of the State Accreditation Criteria and Standards with the CEDEFOP recommendations, the results of which have also been reflected in the self-assessment template for institutional accreditation by making respective changes. The question of revision of the State Accreditation Criteria and Standards as well as the Statute should be determined at the Government level, so they are still remained unchanged.

D.3.3 Quality assurance processes in VET

252. Along with the accreditation criteria described in the previous section, the Regulation on the State Accreditation of Educational Institutions Implementing Professional Education, and the Professions (Curricula) Offered by them, was also approved by the Government¹⁴⁶. Alike all other documents related to education quality assurance, this regulation was also developed by ANQA with a view of higher education but now is also applied for VET with some reservations.

253. The regulation defines all procedures of the accreditation and particularly states that the process of institutional accreditation is carried out through 3 consecutive stages:

- 1) First stage: internal evaluation of institutional capacities by the education institution according to the form (self-evaluation) developed by ANQA and approved by the Board of Trustees;
- 2) Second Stage: external evaluation of self-evaluation and implementation of education and quality assurance processes of an education institution by an expert panel according to the requirements defined by the law for the particular type of education institution, state education standards for academic programs as well as according to the standards for institutional accreditation approved by RA Government (expertise);
- 3) Third stage: based on the results of self-evaluation and external evaluation ANQA Accreditation Committee (hereinafter referred to as Accreditation Committee), the procedures of formation and composition of which are approved by ANQA Board of Trustees, makes one of the following decisions:
 - Award institutional accreditation,
 - Award conditional institutional accreditation,
 - Reject institutional accreditation.

254. The decision made by ANQA Accreditation Committee together with the accreditation certificate and supplement forms are sent to the Ministry for the Minister's approval. The accreditation certificate is approved by the Minister immediately if there are no procedural shortcomings. In terms of content, the Minister is not competent to interfere. Institutional Accreditation is awarded for 4- or 6-year period. Accreditation for 4 years is awarded to the education institution if the shortcomings mentioned in the

¹⁴³ ANQA, 2010. <http://www.anqa.am/en/publications/a-guide-to-self-assessment/>.

¹⁴⁴ ANQA, 2011. <http://www.anqa.am/en/publications/guide-to-the-establishment-of-internal-quality-assurance-system-in-tlis-available-in-armenian/>.

¹⁴⁵ ANQA, 2015. <http://www.anqa.am/en/publications/anqa-accreditation-manual-2015/>.

¹⁴⁶ Government Decision № 978-N, 30.06.2011. English version is available at: <http://www.anqa.am/en/accreditation/accreditation-process-and-documents/statute-on-state-accreditation-of-institutions-and-their-academic-programs-in-the-republic-of-armenia/>.

experts' report are not significant, with low-risk, non-urgent and can be eliminated within 4 years.

255. The conditional Institutional Accreditation is awarded for 2 years' period if the shortcomings mentioned in the experts' report are significant, with high-risk and urgent, however can be eliminated within 2 years. The programme accreditation is implemented in a similar way but is targeted to accreditation of individual education programmes.

256. The first steps related to the quality assurance in the VET institutions were initiated in 2009. Moreover, in 2012 the pilot accreditation of several VET institutions have been conducted. In 2015 ANQA organised and carried out trainings for employees of the 12 Regional State Colleges on the topic of internal quality assurance and expertise. In the result, officers responsible for internal quality assurance in those institutions, were appointed. In 2016, they implemented self-analysis of their institutions, followed by a process of piloting mutual assessment. Since that period, in more than 140 workers from 80 institutions were trained on the topic of "Introduction and development of internal qualification system".

257. In February 2018, ANQA commences accreditation process of 4 agricultural colleges¹⁴⁷, which was a condition of the EU Budget support programme "Better Skills for Better Jobs" (see [Section A.3.5](#)). In the result of the implemented activities, the following was achieved by the end of 2018:

- the ANQA accreditation templates, the self-assessment guide, electronic questionnaire for institutional capacities and the experts were aligned with the CEDEFOP requirements;
- training packages for the employees and experts on introducing internal quality assurance system and self-assessment were developed;
- in the colleges, working groups (each consisting of 5 members) for introducing internal quality assurance processes and for development of documentation, were established in the result of trainings provided for the college staffs;
- for the provision of external assessment of the colleges, a base of 26 teachers and 29 students was established in the results of a 3-phase training;
- with support of ANQA, self-assessment was implemented in all four agricultural colleges;
- four expert groups (each involving 3 teachers and 1 student, all trained) for external assessment were established;
- with support of the ANQA coordinator, the above groups implemented preliminary evaluation of 4 self-analyses and identified the issues to be considered during the visits.

258. Nevertheless, some planned key activities, necessary for accomplishment of the accreditation procedures, have remained incomplete, mainly due to funding issues.

D.3.4 Creating and updating VET content

259. The VET content is defined by the State Educational Standards which are approved by MoES for every qualification and by the modular curricula. According with the Law on Education, the State Educational Standard is a '*norm which defines the mandatory minimum content of educational programmes*¹⁴⁸, *the maximum academic workload of learners and the qualitative requirements towards graduates*'.

260. For drafting the standards and the curricula (the latter are composed of an exemplary training plan and a set of programmes related to each module of the standard), the MoES establishes Working Groups (WG) involving (on a contractual base) representatives of public VET institutions and the

¹⁴⁷ Vanadzor State Agricultural College, Gavar State Agricultural College, Stepanavan State Agricultural College, Goris State Agricultural College.

¹⁴⁸ The same Law states that 'the educational programme defines the content of education of certain level and profile, the volume of required knowledge and skills'. There are main and supplementary educational programmes foreseen for each level of education. The equivalents of the term "educational programme" can be Education (training) course, Curriculum, etc.

employers. The Regulation on formation of those WGs is approved by MoES¹⁴⁹ and defines the number of members of the WG (5 to 7¹⁵⁰), the procedure for their nomination, the duties of the WG Leader, and related administrative issues.

261. The *Concept of Developing and Introducing Competence-Based State Educational Standards of Professions and Qualifications of Vocational Education in Armenia*¹⁵¹ suggests that the objective of the standard is to set requirements towards the education outcome, i.e. to the formation of the graduates' competences, which would meet the personal educational demands and the requirements of both national and international labour markets, taking into account their current needs and the future developments.

262. The following principles of the SES development and introduction are defined by the Concept:

- targetedness to formation of a modern person and citizen, reproduction and development of labour force, its competitiveness in the labour market;
- compliance of the standard's content with the requirements of the economy and the labour market;
- continuity of the educational (learning) processes;
- integration into the international education system;
- cooperation with the social partners;
- systematic review of the standards in line with developments in the labour market and in the education system;
- integrity of the standards development and revision processes;
- possibility to objectively assess the compliance of the graduates' achievements with the requirements of the standards and the defined criteria;
- flexibility of the structure and the content of the standards.

263. In Armenia there is no category or a concept of *occupational or professional standards* which would specifying the requirements towards the competent performance in a specific workplace, and would serve also as a base for designing the state educational standards. Therefore, for development of the latter, an intermediate exercise – designing of qualification description/profile – is normally carried out. The qualification profiles are developed by the same WG members who are assigned for working out the SES, and for this a methodology similar to the one used for occupational analysis, is applied. It is also to mention that the structure of this document is not adopted by any legal act, moreover, the qualification profiles (QP) are not a subject to approval and do not constitute a formal part of the SES. Thus, the QPs are used merely as a methodological (working) tool for developing the SES. Nevertheless, they are published at the official web-site¹⁵² of the National Centre for Vocational Education and Training Development (responsible for organisation of SES development) along with the SES and the modular curricula.

264. The State Educational Standards are developed and approved according to the Regulation adopted by the Government¹⁵³ and are designed in line with the components of those standards defined by MoES¹⁵⁴. The latter foresees the following structure for Standards:

1. General Characteristics of the Qualification;
2. Characteristics of the professional activities of the graduates;
3. General Requirements towards the main educational programme of the profession;

¹⁴⁹ MoES Order № 267, 11.04.2012.

¹⁵⁰ For revising the existing standards, a smaller group consisting of 3-4 experts, may be established.

■ ¹⁵¹ Government Protocol Decision № 8, 04.03.2010.

¹⁵² http://www.mkuzak.am/?page_id=5154#.

¹⁵³ Government Decision № 333, 22.03.2012.

¹⁵⁴ MoES Order № 772-N, 04.09.2009.

4. Requirements towards the mandatory minimum of content of the main educational programme of the qualification: competence-based learning outcomes (with a set of performance indicators for each) grouped by modules;
5. Requirements towards the conditions for the education process implementation;
6. Exemplary curriculum (training plan) of the qualification and explanatory notes.

265. Before being submitted to the MoES approval, all draft standards are subject to expertise (technical review) of, and validation by, the corresponding Sectoral Committees (see also the Sections [E.2.1](#) and [E.2.2](#)).

266. Since 2008, in total 203 competence-based SES for vocational education have been developed and approved in the country. Out of them, 57 standards were revised during the period of 2011-2017, using a permanently improving methodology.

267. Before introducing any new qualification (profession) in the Classifier of VET professions, the corresponding state educational standard should be developed and approved.

268. The exemplary modular curricula related to each standard are also developed by NCVETD and provided to the VET institutions. The later, however, are completely free in using or adapting those curricula which are considered as recommended support document only. The institutions are also free in selecting the ways and methods of delivering the instruction but their obligation is to ensure that the learning outcomes defined by the standards, are fully achieved.

D.3.5 EU key competences

269. The state educational standards described in the previous section, are composed of modules (units) and for each of them, sets of learning outcomes with corresponding performance criteria, which can be objectively measured, and assessment means are defined. Those modules are grouped into two clusters: Key skills and Professional Competences. The key skills include the following modules (all for 54 hours) which are common for all qualifications' standards:

- Communication;
- Safety and First Aid;
- General Working Skills;
- Entrepreneurship¹⁵⁵;
- Computer Driving.

270. In addition, every curricula includes a number of subjects which are mandatory for all VET programmes. These subjects and their durations by hours are:

- Armenian Language and Basics of Speech Culture – 72;
- Basics of Economics – 54;
- Basics of Political Science and Sociology – 54;
- Basics of Law – 36;
- History – 54;
- Russian language – 72;
- Second Foreign language – 72;
- Physical education – 130;
- Landscape Studies and Basics of Ecology – 36;
- Civil Defence and Basics of Emergency Situations – 28.

271. Depending on the qualification, some of those subjects may be removed as instead the students

¹⁵⁵ See also [Section B.2.2](#).

are taught corresponding professional modules. E.g. for all economic qualifications, such as “Accountant”, the subject “Basics of Economics” is not foreseen and the curricula includes an extensive number of economics-related modules. For the qualification “Legist”, the subject “Basics of Law” is out of the curricula.

272. The curricula for secondary VET (instruction on the base on basic general education), includes also a number of general subjects, such as mathematics, physics, chemistry, geography, etc. This ensures acquisition, along with the vocational qualification, of secondary general education which allows the VET graduates to continue their education in universities.

273. Nevertheless, the surveys of e.g. employers show that they are not satisfied by the key skills of VET graduates and in many cases consider them even more important than the professional competences, while hiring new staff¹⁵⁶.

D.3.6 Policies to strengthen quality assurance

274. ANQA has sound policies and structured mechanisms to implement external assessment of VET institutions (Statute on State Accreditation, Accreditation Manual). ANQA's approach to the introduction of the internal quality assurance (IQA) system in VET institutions is as follows: institutions should focus on the continuous improvement of their processes and on the formation of quality culture as a goal of the IQA system and apply the PDSA (“Plan, Do, Study, Act”) cycle to all processes. Various types of support were addressed by the ANQA to the VET institutions by providing them information on the formation and functioning of the IQA system, as well as the capacity building of their staff. However, due to the lack of financial support by the RA Government it has not yet been able to perform formal accreditation procedures that would provide credible data on the actual state of the QA systems in the VET institutions

II. Summary and analytical conclusions

275. VET in Armenia is mostly school-based but after introduction of the modular training targeted at formation of competences, the part of **practical instruction** delivered within the teaching of the modules, increased considerably. For most of the curricula it comprises up to 55%-60% of the total time budget. The teaching methods are becoming more student-centred and targeted at the learning outcomes defined by the competence-based state educational standards.

276. However, effectiveness of the practical training implemented at the companies, is still not high enough. Motivation of the employers to provide their sites for the VET students’ apprenticeship is also low. The situation is improving, and during the last years, extensive number of partnerships of VET institutions with private companies, including large ones, were established. Employers are now wider involved also in curricula development, in teaching and assessment processes, which also improves the opportunities of the graduates to be job placed at the partner enterprises. The work-based learning is just being introduced: the Concept on WBL was approved by the NCVD in June 2019.

277. Improvements of the **physical conditions** of the VET institutions is ongoing although covers only a limited number of colleges and craftsmanship schools. Mainly those of agricultural profile and some others (12-15 in total) are involved in the current programmes (till 2022) of capital investments. The buildings renovation will meet all the requirements of energy-efficiency, accessibility for the people with disabilities as well as the aseismic stability.

278. The quality **textbooks**, specifically in Armenian, are still lacking but after introduction of modular instruction, the students’ need to refer to books is minimised. Instead, learning materials for every

¹⁵⁶ See e.g. “SAY YES Project Baseline Evaluation”

(https://www.wvi.org/sites/default/files/Report_eng%2C%20SAY%20YES%20baseline_Final.pdf), “Survey on Identification of Skills Needed in the Agrarian Sector and Motivation of Youth to Pursue a Career in The Agricultural Sector in Armenia”

(<https://www.wvi.org/sites/default/files/Report%20Survey%20on%20Skills%20Need%20eng.pdf>), “Youth-Focused and Gender-Sensitive Labour Market Research in Armenia”

(https://armenia.savethechildren.net/sites/armenia.savethechildren.net/files/library/LMR%20Report_Eng.pdf).

lesson foreseen by the modules, are prepared by the teachers, printed and distributed to the students before or during the corresponding classes. In addition, NCVETD manages publication of qualification- or module-specific manuals: around 80 since 2012.

279. Two categories of **teaching staff**, i.e. lecturers and masters of practical training comprise the teaching staff in the Armenian VET system. The share of women is over 70%. Around 32% of the teachers are of 56+ age which is a slight improvement compared with the situation till 2014-2015, when the average age of VET teachers was around 55 years old. A little inflow of young teachers, specifically in the regions, is registered and the share of 20-35 years old teachers is now close to 30%. The salaries are uncompetitive and do not attract highly qualified specialists to this profession. Unlike the general school teachers, they do not enjoy “social package” and have no categories or levels which could be motivating for career progression. The other issues in this field are: in the VET institutions, clear policies and procedures for select the teachers are absent, recruitment of new teachers is mainly not carried out through competition, no mechanisms for vacancy announcements are in place, teachers job profiles are not documented, there are no formal mechanisms for assessment of VET teachers’ performance. At present, MoES is making efforts to initiate improvements with this regard but most probably this will require rather long time.

280. The concept of **quality** is clearly defined by the Law and further revealed by ANQA. The latter has sound policies and structured mechanisms to implement external assessment of VET institutions. The adopted approach supposed that institutions should focus on the continuous improvement of their processes and on the formation of quality culture as a goal of the IQA system and apply the PDCA cycle to all processes. VET institutions enjoy various types of support from ANQA for establishing and functioning of the IQA system, as well as the capacity building for the staffs.

281. For improving the teaching environment in VET, the recommendations below are made:

- after being piloted, evaluate the results and widely introduce the WBL scheme;
- develop a mid-term and long-term programmes of capital investments for (re-)construction and renovation works targeted at ensuring physical conditions for learners with SEN in all VET institutions within 3 years, and refurbishment of at least 80%¹⁵⁷ of VET institutions within 7 years;
- develop and adopt a complete package for the VET teachers career development, including particularly:
 - VET teachers job profile,
 - VET teachers pre-service training,
 - policies and procedures for selecting the teachers including vacancy announcements competition procedures, etc.,
 - mechanisms for assessment of VET teachers’ performance,
 - increase of the VET teachers’ salaries at least to the level of general schools’ teachers and provision of the “social package”,
 - system of teachers grading and salaries ranking,
 - other financial incentives,
 - improvement of the teachers’ in-service training system,
 - induction and mentoring of new teachers;
- accomplish accreditation procedure (with positive or negative result) of all VET institutions within 5-7 years.

¹⁵⁷ It is possible that within the on-going processes of the VET network optimisation, the current number of the institution will be reduced by about 20%.

Building block E: Governance and financing of VET

E.1: Institutional arrangements

E.1.1 Effectiveness of institutional and governance arrangements

282. For Armenia, as a small and unitary country, the level of VET governance centralisation seems rational. All public VET institutions are under supervision of MoES which implements also day-to-day governance of the VET system. Two other governmental structures, namely Police and the General Department of Civil Aviation, which also have VET institutions under their jurisdiction (one per each), execute corresponding administrative authorities over those institutions.

283. Centralisation of the VET system under MoES allows implementing effectively the common and integrated state education policy which was not the case before 2011-2013, when a number of institutions were acting under different line ministries (e.g. Ministry of Agriculture, Ministry of healthcare, Ministry of Energy) and even regional authorities and the Yerevan City Hall.

284. At the same time, there is a meaningful decentralisation, both vertical and horizontal. Thus, the VET institutions enjoy a rather large autonomy in terms of e.g. financial (approving own budgets) and academic (approving own curricula and defining the teaching means and methods) freedoms. The multi-stakeholder Governing Boards (see also [Section A.2.2](#)) ensure the balance between the sole administration by the Directors and the collective management. At the policy level, involvement of the social partners in the NCVD ensures consideration of the key stakeholders' interests and helps MoES to implement a more balanced VET policy.

285. In fact, in the country there are no established criteria for assessing effectiveness of VET governance but the opinions of stakeholders including the VET institutions. The Focus Group discussions implemented within this cycle of the Torino Process, where the representatives of the employers, SEA and the selected VET institutions Directors participated, identified no specific challenges related to the effectiveness of the VET governance and management. The main concerns shared by all parties, were associated with the Management Boards or rather about the commitment and efficiency of some members. It was accepted that there are Board members who are playing a nominal, participating in the meetings and voting but actually contributing into the schools' management processes, specifically those targeted at any development. Therefore, introduction of a system for Boards' and their members' performance monitoring system was strongly recommended.

286. It is remarkable that the majority of the consulted VET institutions Directors were against reducing the share of the students in the Boards which runs counter the new Concept of Social Partnership approved by MoES in 2018 ([see Section E.2.2](#)). The latter proposes to decrease the students' participation in the Boards from 25% to 10%. The Directors' position, however, can be conditioned not really by the need to consider the students' needs and interests (as it was grounded) but rather by the fact that the influence of administration on the students (who are often minors) can be used for ensuring "desirable" decisions on the Board. This, however, is rather a hypothesis and still should be confirmed or disproved.

287. Another proposal worth to be mentioned here, is about establishment of a multi-stakeholder body which would deal with coordination of the social partnership at the operational level, in parallel with the NCVD which is functioning at the policy level. The feasibility of this initiative, however, is still to be assessed.

288. One of the main weaknesses of the VET governance system, again accepted by all parties, is that the role of the managers' personality is still crucial. This means that not the systems or mechanisms but the capacities and more importantly the commitment individuals (e.g. of the VET institutions Directors) are decisive in terms of quality of system's and institutions' performance quality, achievements and development.

E.1.2 Accountability, leadership and control

289. The responsibilities related to the state governance of Education and particularly VET, are clearly distributed between the Government and the MoES. According with the Law on Education, the Government is responsible particularly for:

- ensuring implementation of the state policy on education;
- approving:
 - procedures for development and approval of state educational standards,
 - list of educational professions and qualifications,
 - the model (exemplary) statutes of the state educational institutions,
 - the forms of state-model graduation documents,
 - state order for general, vocational and higher education;
- defining:
 - the national framework of qualifications and approve the generalised descriptions of qualification degrees of education,
 - the procedure for organising and implementing supplementary (continuing) educational programmes,
 - procedures for validation of the outcomes of non-formal and informal learning;

290. The Ministry of Education and Science is authorised particularly for:

- development of:
 - the State Programme for Education Development and supervision over its implementation,
 - procedure for development and approval of the state educational standards,
 - model (exemplary) statutes of the state educational institutions
 - state order for general, vocational and higher education;
- approval of:
 - procedure for qualification of pedagogical and managerial staff of educational institutions;
 - qualification descriptions as of professions and educational degrees,
 - rules for admission to the state and accredited non-state primary vocational and higher educational institutions,
 - state educational standards
- licensing educational institutions;
- drawing up the forms of state-model graduation documents;
- establishing the procedures for identification of equivalence and recognition of educational documents of other countries;
- ensures development, implementation of, and supervision over, the development programmes for the state education institutions.

291. As it is presented under the [Section A 2.2](#), at the institutional level management is implemented by the executive, i.e. Director and by the Governance Board, which is the highest managerial body of all public VET institutions.

292. The latest regulation approved by the Government on March 2019¹⁵⁸, requires that all ministries (including MoES) submit biannual reports on the implementation Government Action plan (for the first half-year by 10th of July and annual by the 25th of February of the next year) according with a special template, where every measure related to the specific governance body, it's objective, implementation results as well as reasons for delays or non-performance (if any) should be presented. It is remarkable

¹⁵⁸ Government Decision № 244-L, 14.03.2019.

that a special, more concise version of the latter is prepared also specifically for providing to Mass media. In addition, MoES submits annual report to the Government about the implementation of VET development programmes and related action plans (if any¹⁵⁹).

293. At the same time, there are no specifically established schemes and mechanisms of reporting from VET institutions to MoES, except the financial reporting submitted to the Financial department of MoES quarterly. The VET institutions are also obliged to submit a number of different reports required by the legislation from all public entities, e.g. statistical reports to the RA Statistical Committee, fiscal reports to the tax authorities, etc. It is true that MoES, on *ad hoc* base, may request information or data on different aspects of the institutions activities, e.g. on the results of annual enrolment (entrance) of students, on the number of teachers or gradients or other reports, but no reporting e.g. on implementation of the institutions business or action plans or development programme, is foreseen. This results in a situation when effectively no tools for evaluation of the institutions performance are in place.

294. NCVETD implements periodical monitoring of different aspects of institutions' activities. The main focus is on the reviewing of the state educational standards performance which is implemented *via* three-day monitoring missions. Every year from 10 to 30 VET institutions, depending on the available budget, are covered. The results are communicated to MoES for taking any measures, if necessary. In addition, NCVETD carries out also an annual evaluation of the VET reforms, or rather their impact on some selected institutions. Such aspects as improvements of the education content and relevance, increased quality of career guidance and other services to students, improved facilities and teaching learning materials, human resource development, are covered.

295. Within the VET institution, reporting schemes are more definite. According with the institutions Statute, Directors present at least annual reports to the Governance Boards. Usually these are reports on implementation of the annual Action Plans related to the Institutions Development Programme (the latter are normally for 5-year period). The Governance Boards may request any other report from the Director or other administrative staff of the institution.

296. There is another reporting channel from VET Department on specific issues, and from NCVETD on their general activities, to NCVD.

E.1.3 Governance reforms

297. At present, no governance reforms in VET are foreseen. The only change in the governance system is associated with merging of the ministries and reorganising of Ministry of Education and Science into Ministry of Education, Science, Culture and Sport, which took place on the 1st June 2019. This, however, has not have any direct influence on the VET yet.

298. An expected institutional change is reorganisation of NIE, NCVETD¹⁶⁰ and NTF, which is still ongoing.

E.2: Involvement of non-state actors

E.2.1 Distribution of responsibilities between state and non-state actors in VET

299. The main structure of social partnership in VET at the national level, is the National Council for VET Development (NCVD) established in 2008¹⁶¹. The Council includes equal number of representatives of RA Government, employers and trade unions (7 from each, 21 in total). Minister of Education and Science is the Chair and the Head of the VET Department is the Secretary of NCVD, *ex officio*.

¹⁵⁹ The last VET reforms programme expired in 2016 (see [section A.2.4](#)).

¹⁶⁰ As mentioned above, these reorganisations will not affect the scope of the NCVETD functions but only its administrative subordination.

¹⁶¹ Prime Minister's Decree 11.12.2008 № 1012-A.

300. The main objectives of the Council are to identify the strategic directions of VET development; contribute to increase of VET reforms effectiveness and participate in the process of their monitoring and analysis; strengthening the social partnership; ensure continuous development of the VET system; and provide advice to MoES for decision-making and elaboration of VET development programmes. The Council is a consultative body, however, all key policy- and strategy-related issues are discussed and agreed with NCVD before being approved by MoES or submitted e.g. to the Government approval. The Council discusses also drafts of the most important legal acts, topics related rationalisation of the VET providers' network, approves the list of qualifications for which the State educational standards to be developed during the given year etc. Thus, by means of cooperation through NCVD, the public authorities share the policy making and many other VET system governance responsibilities with the non-state actors.

301. At the institutional level, the social partners (employers, trade unions, as well as representatives of other institutions) are involved in the **College Governance Boards** which are collegial management body in every public VET institution. At present, the functions of the College Management Boards are defined by the Exemplary Statutes of VET institutions (different for Preliminary and Middle VET institutions), which are approved by the Government¹⁶². They also accord with the Law on State Non-commercial Organisations¹⁶³. More specifically, the functions of every single Management Board are defined by the Statute of the corresponding college, which is subject to MoES approval. The Regulation on the Establishment (formation) of the Management Boards of VET Colleges is approved by MoES in 2011¹⁶⁴, and *inter alia* defines the procedures for the nomination and approval of the membership. The Boards comprise 11 to 20 members, according to the following structure:

- Representatives of the Founder (Ministry) and/or of the regional government (or Yerevan City Hall) – 10%;
- Representatives of Social Partners – 25%;
- Students – 25%;
- Teachers – 20%;
- Representatives of the local employment service – 10%;
- Specialists representing public institutions and/or different sectors of science, culture and economy – 10%.

302. Social partners are also involved in the 14 Sectoral Committees (SC), the sole responsibility of which, however, is provision of expertise (technical review) of the draft state educational standards.

303. The National Training Fund is another case where social partnership is executed. Although this structure was established by the Government and is almost completely financed from the State budget (via both institutional and project funding), it is governed by a tripartite Board which involves representatives from the Government, Employers and Trade Unions (for more details, see the [Section A 2.2](#)).

304. Similar to the VET governance effectiveness (see [Section E.1.1](#)), distribution of responsibilities between the state and non-state actors in VET was discussed at a Focus Group and was considered as mainly balanced. Proposals on any improvements associated primarily with the revision of some procedures which is still a subject to discussion between the parties of social partnership.

E.2.2 Policies in support of participation of non-state actors

305. The **Concept on Social Partnership in VET** was approved in 2009¹⁶⁵ and defined the parties and the main principles of social partnership in VET. The Concept also identified 4 levels of social

¹⁶² Government Decisions № 1680-N and № 1686-N, 24.11.2011.

¹⁶³ Law № 248, 19th November 2001, Article 19.

¹⁶⁴ MoES Order № 124-N, 24.02.2011.

¹⁶⁵ Government Protocol Decision № 9, 7th May 2009.

partnership in the VET sector: National (is being implemented through NCVD); Regional and Sectoral (no formal structures are required to be established at these levels¹⁶⁶); and local (institutional – the College Management Boards).

306. With a purpose to increase effectiveness of the social partnership, specifically at the sectoral and institutional levels, a **new Concept on the Social Partnership in VET** was endorsed by the NCVD and then approved by MoES in March 2018¹⁶⁷. With regard to the College Governance Boards, the following changes are proposed in the new Concept:

- increase the share of social partners from 25% to 45% (employers – 35% and trade unions – 10%) and the share of State Authorised Body (Ministry) from 10% to 20% at the cost of students' and teachers' share (10% against former 25%, and 5% against former 20%, respectively);
- revision of the Boards' functions through the elimination of several outdated ones and attaching new functions related to more relevant issues such as education quality assurance, links with employers and organisation of students' practical training, career guidance, etc.

307. Nevertheless, the above changes will require revision of, and/or amendments to, several legal acts (including Laws, Government Decisions, Ministerial Orders). Only thereafter, the membership of the individual boards will be reconstituted.

308. The new Concept is targeted also at considerable strengthening of social partnership at the sectoral level through increasing the role of the **Sectoral Committees** and expanding the scope of their responsibilities. Particularly the new objective of those councils are proposed as 1) promoting mutually beneficial cooperation between the parties; 2) making vocational education and training more responsive to the changes of required knowledge, skills and competencies in the corresponding sector of economy; 3) elaboration of measures to improve the skills of the labour force for raising the competitiveness of the sector's companies.

309. Accordingly, the following functions are to be attached to the SCs:

- provision of consultations to the stakeholders on various issues related to sector development,
- communication of information on the competences required in the sector, current and expected vacancies, to the educational institutions and employment centres;
- identification of new skills needs (both qualitative and quantitative) in the sector's companies, provision of recommendations on the qualification level and certification requirements for each occupation;
- provision of recommendations on the occupation profiles, state education standards, workforce skills and competences related to the sector;
- provision of technical (professional) expertise of the VET sector-related state educational standards;
- dialogue with VET providers to improve the education and training content for making it more relevant.

310. The arrangements for establishing new Sectoral Committees or reorganising the existing ones are presently being discussed among the stakeholders. Different options for the legal status, membership, level of independence are considered.

311. It should be mentioned that after implementing by GIZ a feasibility analysis of establishing sector skill development structures in Tourism and Wine-making sectors¹⁶⁸, two pilot sector skill councils were established under auspices of the Chamber of Commerce and Industry, in 2015-2016. They both had a legal status of Fund, which is a type of non-commercial organisations in Armenia. Unfortunately,

¹⁶⁶ The 14 Sector Committees described above, can be to some extent considered as bodies of social partnership at the sectoral level.

¹⁶⁷ MoES Order №233-A/2, 15th March 2018.

¹⁶⁸ The report "Tourism and Wine-making Sector Skill Development Structures in Armenia. Stakeholders, feasibility, impact" is available at GIZ office in Armenia (<https://www.giz.de/en/worldwide/374.html>) and at the "Global Developments" Fund (www.gdf.am).

in 2018, both Councils were liquidated due to their almost complete inaction conditioned by a lack of employers' interest to be involved in the Councils activities.

312. An important remark should be done here. The new Concept on SP adopted in 2018, does not foreseen the regional level of social partnership in VET anymore. However, a recent paper "*Concept paper on Social Partnership in the Sphere of VET in the Amalgamated Communities. Community Model for Social Partnership*", developed in the framework of an EU-funded project "Social Partnership and Education: Community-based perspectives for the Youth"¹⁶⁹, suggests that the reason of that is not the absence of the regional partnership need but of proper experience and more importantly, of the corresponding initiative. Moreover, at the circumstances of community merger and establishment of so-called amalgamated communities, partnership at this level becomes even more vital for matching the VET offer and LM demand. The main idea of this model is establishment of Community Councils, as independent bodies that involve representatives of all major VET stakeholders in the amalgamated community, serves as platforms of social dialogue is carried out at sub-regional level, where the interests and position of each of them are presented.

313. The main goal of the Community Council is foreseen as contribution to the improvement of the socio-economic situation of the community (creation of jobs, increase of economic activity and employment rate, improvement of productivity, innovation and entrepreneurship, increase of population incomes), cultural development of the population and promotion of civic activeness *via* ensuring a social dialogue between the all VET stakeholders of the community, provision of consultancy and implementation of other activities targeted to the improvement of efficiency and targetedness of education and training. This approach was accepted by both MoES and the regional authorities, and two such Councils have already been established (as pilot) in Goris and Sisian amalgamated communities. They comprise representatives of the local authorities, local employment service, VET colleges, general schools, private employers and NGOs. The first results of this pilot may probably be available in late 2019 or early 2020.

E.3: VET budget

E.3.1 Expenditure planning, VET budget formation and execution

314. The funding of formal VET is implemented on the *per capita* base. The public institutions receive budgetary funds according with the number of free of charge seats allocated by the state. Every year these numbers as by professions (qualifications) are approved by the Government¹⁷⁰, and then are distributed by the institutions according with the MoES Orders.

315. For different professions (qualifications), depending on the cost of training, different norms of funding are applied. They are in the interval from approximately 210 thousand AMD (390 Euro) to 450 thousand AMD (840 Euro). The latter, however, is applicable for the professions related to arts only (e.g. musical education) where individual classes with the students are prevailing.

316. The above expenditures are allocated in the State Budget under several budget lines (Table 26). The main funding foreseen as the "running cost" of the system is under the line "Student Benefits" which is for covering all the costs necessary for provision of the education process. However, in reality, this amounts allows only covering the staff salaries and buildings maintenance costs (not always fully). These allocations are never enough for any development of the institutions. The stipends (scholarships) of students are under a separate budget line.

317. All the methodological and other type of support to the system which is mainly implemented by NCVETD, is covered by the funds allocated in the Budget under the line "Reforms of Preliminary (Craftsmanship) and Middle VET". This includes e.g. development of state educational standards and modular curricula, provision of teachers' training, development and publication of a limited number of

¹⁶⁹ A Sub-Grant Project within the framework of the project "Commitment to Constructive Dialogue".

¹⁷⁰ E.g. for 2018-2019 academic year, Government Decision № 686-N, 15.06.2018.

textbooks, manuals and methodological (didactic) materials, monitoring of some aspects of VET institutions' performance, some studies and researches.

318. Resources for capital renovation of the VET institutions' building, are also allocated under a separate budget line and depend on the state's financial capacities of the given year. The Table 26 shows allocations for capital investments as they appeared in the original versions of the 2018 and 2019 Budget Law. However, as by July 2019, a number of amendments to the Law were done and additional funds were provided for the VET institutions buildings improvements. Even more investments from the budget are expected by the end of the year.

Table 26. State Budget Allocations for VET in 2018 and 2019 (1,000 AMD)

Budget line	2018	2019
Establishment of Career Centres in the Preliminary Vocational (Craftsmanship) and Middle Vocational Institutions	-	92,340.0
Student Benefits for Preliminary Vocational (Craftsmanship) Education	2,061,389.00	1,943,909.8
Stipends of Preliminary Vocational (Craftsmanship) Education Students	365,657.40	342,165.6
Student Benefits for Middle vocational Education	7,288,315.90	7,158,190.9
Stipends of Middle Vocational Education Students	670,192.20	713,070.0
Improvement of Preliminary Vocational (Craftsmanship) and Middle VET Colleges' Buildings (Capital Renovation)	250,000.00	1,435,772.4
Reforms of Preliminary (Craftsmanship) and Middle VET	154,694.20	154,694.2
Quality Assurance Services for VET and Higher Education	-	64,336.5

319. The budget formation is based on medium-term (3-year) planning¹⁷¹. For formulation of MTEF, every year MoES (like all other ministries and state agencies) submits to MoF calculations and justification of needed expenditures for the next 3-year period as by programmes, e.g. Middle VET, Preliminary VET, Career guidance, Capital investments, etc. This is followed by a negotiation process between the two ministries before the MTEF is approved. The allocations in the annual State Budget are only possible if the programme was foreseen in the MTEF. Nevertheless, deviations from MTEF are always possible in the State Budget, if properly justified or a corresponding high-level political decision is taken (e.g. on allocation additional funds for meeting the EU SBS conditions).

320. According with the requirements towards the financial reporting¹⁷², the public VET institutions, similarly with all State Non-commercial organisations, submit to the MoF reports on deviations of the programmes and actual indicators related to their financial and economic activity. This is aimed at finding out if there are any fiscal risks or risks that may affect SNCOs' outcomes as well as have a negative impact on the State Budget. Thus, examination of the current situation of the organisation, disclosure of significant deviations and alert, as well as evaluation of the activity is being performed¹⁷³.

321. According to the amendments to the Laws "On Treasury System"¹⁷⁴ and "On State Non-Commercial Organisations" entered into force in January 2018, the SNCOs accounts were transferred to the Treasury and the latter conducts preliminary control over the funds circulated by those accounts starting from 1st January 2019. Conditioned by the referred, the budget execution procedure was approved by the Government in 2018¹⁷⁵.

E.3.2 Policies to improve expenditure planning and budgeting in VET

322. As mentioned in the [Section E.3.1](#) above, the budgetary allocation to VET are extremely low and

¹⁷¹ Law On the Budgetary System of the Republic of Armenia, № 137, 21.07.1997.

¹⁷² MoF Order № 104-N, 04.02.2013.

¹⁷³ Source: Ministry of Finance of the Republic of Armenia.

¹⁷⁴ Law № 211, 22.08.2001.

¹⁷⁵ Government Decree № 706-N, 15.06.2018.

effectively do not allow development of the system. The latter is ensured thanks to the donors investments. At present, no improvements in the VET funding seem realistic for the mid-term perspective.

323. The only initiative in the field of VET funding is development of a new formula for more proper calculating per capita expenditures according to the groups of qualifications. This is expected to be introduced from 2020.

E.4: Mobilisation of resources for VET

E.4.1 Sources and mechanisms of funding for VET

324. Since 2014, the State budget has been the main source of the VET funding. This is conditioned by the considerable increase of the free sits numbers for VET compared with the previous years when, specifically for Middle VET, the share of student receiving VET for tuition fee was more than 60%. At present the fee paid students comprise not more than 15% of the total VET students' population. There are no available calculations of the total yearly amount of tuition fees paid by the students. However, taking that e.g. in the 2017-2018 academic year, the average yearly amount of tuition fee was between 100 and 150 thousand AMD (180-270 Euro), which is below the average public expenditures per student (around 300-400 Euro), the share of the students' own contribution can be assessed as no more than 10% of the total VET budget.

325. There are no other sources of funding of formal (initial) VET¹⁷⁶, but many VET institutions provide a variety of paid education and training services (CVET) to different customers, e.g. to the State Employment Agency for training of registered employed within the state programmes, to private companies for training their staffs, or to citizens according with their educational needs. The institutions are free in terms of spending the financial resources acquired via provision of these activities: the budget of every VET institution is approved by its own Governance Board (see [Section A.2.2](#)). Usually, this income goes to bonuses for teachers (top-up to salaries) or is spent for college development purposes (renovation, purchase of equipment, tools and materials).

326. At the same time, due to the status of the public VET institutions (SNCO), there are legal obstacles for providing non-educational services or for organising production and sales of goods which could generate even more additional income for the VET institutions. At present, for MoES it is one of the priority issues to find legal solution for solving this issue. Such options as amendments to the Law on SNCOs or change of the public VET institutions status are being considered.

E.4.2 Diversification and mobilisation of funding for VET

327. Till now, financial investments from the sources other than the state budget or direct payments of the VET students (tuition fee), are close to zero. One of the attempts to attract private funding to VET, was establishment of the National Training Fund (see [Section A.2.2](#)) in 2011. Due to different reasons, and first of all because of absence of any incentives for the private actor to invest in VET (and equally in any public sector), this objective was not reached and no financial resources were provided by any employer (even those who are members of the Board of the Fund)¹⁷⁷.

328. At present, new opportunities for the companies to make contribution to the VET funding could be made available via introduction of Work-based learning (WBL). In 2018, with technical and financial support of ETF and with contribution of the EU-funded "SAY YES Skills for Jobs" project (see [Section A.3.5](#)), a Concept on WBL was developed and submitted to the MoES approval. This document foresees that during the apprenticeship at the companies, the latter will pay fees to learners which is not the case at present. At this stage it is difficult to predict if this model will be successful, however,

¹⁷⁶ The donors' contributions to the VET system are of non-fiscal nature, e.g. equipment, materials, expertise, trainings, publications, etc. The EU SBS funds go directly to the State Budget (Treasury) and comprise a part of the budgetary allocations to VET.

¹⁷⁷ Upon establishment, the Government invested in the Fund 22 million AMD.

the Concept proposes also introduction of some fiscal incentives for the employers, and in the case of proper organisation this mechanism may become realistic.

329. As it was described under the [Section A.3.5](#), the piloting of the dual education model by GIZ also is targeted particularly to forming a culture of paying apprentices during their practical training at the enterprises. This, however, still has to become a reality.

E.5: Allocation and use of resources in VET

E.5.1 Patterns of resource allocation

330. As it was mentioned in the [Section E.3.1](#), the funding of public VET is based on per-capita principle and depends on the cost of training provision for different groups of professions. Distribution of the funds received from the Government or own generated income as by the budget lines within the VET institution, is done by the latter independently. However, due to obviously poor public funding, the VET institutions (as well as the entire VET system) permanently suffer from underfunding and the budgetary funds usually only suffice for paying salaries according with the minimal norms established by the legislation.

331. There is no any strategy or specific obligations of the Government in terms of allocations for the capital investments, and they are usually done on the base of urgent ad-hoc needs. Thus the sums for 2018 and 2019 (see the Table 26 above) were foreseen in order to meet the requirements of the EU SBS programme, and will be spent for improving buildings of several agricultural colleges (See also [Section D.1.4](#)).

332. There are no specific regional or other types of approaches to the funding of VET institutions in Armenia. Actually all institutions are under the same conditions regarding the public funding. However, the dimension of institutions in terms of the number of students and the staff and the size of the buildings, makes a difference from the funding efficiency point of view.

E.5.2 Policies to ensure adequacy of resources for VET and equity in their allocation

333. There are no policies intended to improve the “fairness” of allocation of financial resources to different VET institutions. Moreover, “egalitarianism” is not in the policy agenda. Actually, the *per capita* funding mechanism along with the consideration of the training cost as by the types of qualifications, already ensures possible level of optimality in *distribution* of the *available* funds. This, however, does not mean adequacy of financial allocations in terms of their amount, against the needs. The VET system permanently suffers from underfunding and, as it was mentioned above, the financial means allocated from the state budget cover only the running cost at the most minimal level. Almost all resources necessary for the institutions development (improvement of building conditions, provision of new equipment, human resource development, etc.) are provided by donors – directly or *via* budget support.

334. Thus, unfairness is present rather in distribution of the budgetary funds between the sectors, where education is never considered as the first priority, and also between the sub-sectors of education where VET is factually the last priority.

335. The public hearings of the State Budget were a normal practice during the last decades but in 2019, the Government came with a new initiative of the MTEF public hearings which shall allow consideration the public opinions at earlier stage of budgeting and for a medium-term (3 years) period. The first such event for the education sector organised by MoES, took place in June 2019 with presence of a wide scope of representatives of civil society and other stakeholders). Evidently, this can hardly contribute to any considerable increase of budgeting in general but may have at least some impact on distribution of the funds within the education sector, in terms of possible shift in favour of VET. The hearings of MTEF are also a good tool for making the civil society organisations well aware of the state expenditures planning and also the priorities, which could help them to plan their own

activities accordingly.

II. Summary and analytical conclusions

336. The VET **governance** is centralised under MoES which is responsible for VET policy implementation and day-to-day governance of the system. The tripartite National Council for VET Development is the social partnership body at the national level, while at the institutional level, the social dialogue is implemented *via* Governance Boards which are the supreme management bodies of the Colleges and Craftsmanship schools. The level of centralisation as well as distribution of responsibilities between the state and non-state actors in VET, is considered by the key stakeholders as mainly balanced. No specific issues related to the effectiveness of the VET governance and management were identified. The only concern is associated with commitment and efficiency of some members of the Governance Boards. However, there are no criteria for assessing effectiveness of VET governance at national level and management at the institutional level. There is also no specifically established schemes and mechanisms of reporting from VET institutions to MoES.

337. At present, no governance reforms in VET are foreseen. Recently (June 2019), two ministries (of Culture and of Sports and Youth Affairs) were merged to the Ministry of Education and Science and the latter was reorganised into the Ministry of Education, Science, Culture and Sport. This created some additional burden for the Ministry but has not had any direct influence on the VET governance.

338. Revision of the new Concept on **Social Partnership in VET** in 2018, created a need of making amendments to the legislation (both laws and sub-legal acts) which are still to be initiated. This is supposed to contribute to increased effectiveness of the Governance Boards (they membership will also be reconstituted) and increase the role of the **Sectoral Committees** and expanding the scope of their responsibilities. The existing SC have very limited task and influence on the VET content and provision.

339. Presently, the main source of **VET funding** is the State Budget, and the financial allocation are extremely low and effectively do not allow development of the system. Therefore, the VET institutions (as well as the entire VET system) permanently suffer from underfunding: the budgetary funds usually only suffice for paying salaries according with the minimal norms established by the legislation. Any tangible investments are done by donors, directly or *via* Budget support scheme. Some institutions generate own income through provision of a variety of paid education and training services (CVET) to different customers. However, due to the status of the public VET institutions (SNCO), there are legal obstacles for these activities, as well as for organising production and sales of goods which could generate even more additional income for the VET institutions. At present, for MoES considering the opportunity of finding legal solution for this issue, as well as developing a new formula for more proper calculation of *per capita* expenditures according to the groups of qualifications. This is expected to be introduced from 2020.

340. For the area of VET governance and funding, the recommendations are:

- revise legislation according with the new Concept on Social Partnership in VET and re-establish the Governance Boards;
- develop and establish a mechanism for the Governance Boards' and their members' performance monitoring and evaluation;
- define criteria and introduce a system for assessing the effectiveness of VET governance at national level and management at the institutional level;
- design and imbed a mechanism of the VET institutions reporting to MoES, which would particularly account implementation of the institutions' Business plans and allow to assess the institutions' performance in general (specifically for non-fiscal indicators);
- assess the feasibility of establishing under NCVETD, a multi-stakeholder body (committee, work group or similar) for coordinating the social partnership at the operational level;

- define the options (legal status, membership, level of independence, etc.) for the new Sectoral Committees and establish them according with the principles defined by the new Concept on Social Partnership in VET;
- establish a multi-stakeholder work group for considering the options of, and developing recommendations for, changing the legal status of the public VET institutions with a view to provide them with opportunity to expand their economic activities, such as provision of services, production and sale of goods.

2. SUMMARY OF MAIN FINDINGS AND RECOMMENDATIONS

2.1 Main findings per building bloc

Building block B: Economic and labour market environment

- The fact of **skill mismatch** is accepted by all stakeholders (public and private) and the need of bringing the skills of the VET graduates into the correspondence with the labour market requirements is clearly stated in the policy documents. At the same time, the level and the forms of the skill mismatch is poorly studied and documented. Moreover, there is actually no effective mechanisms neither for identifying the present demand for skills in the labour market, nor for anticipating the future needs. The content of education is solely defined *via* development of state educational standards with participation of a limited number of employers. For the planning of the VET enrolment, MoES collects information on demand of VET from line ministries, regional authorities and the employers' unions. Unfortunately, not only the accuracy and validity of those data are disputable but also the required skills (or knowledge and competences) are not made a discussion subject.
- The country has a rather high level of **digitalisation**. Demand of IT specialists, including those with VET, is growing. In addition, the students become more demanding in terms of learning new IT skills. This transformation, however, has not had a specific impact on VET, and working with digital technologies, which is popular among the VET students, remains beyond the formal curricula.
- The principal **policy framework** of the country is defined by the Armenia Development Strategy 2014-2025. The sector-related documents, i.e. National Programmes for Education Development and the VET Reforms Programme, both expired in 2016 and were not renewed. Currently, a comprehensive document for a longer period – Education Development Strategy 2020-2030, is being developed and is expected to be approved latest in the first quarter of 2020.
- The Employment Strategy also has expired (in 2018) and development of a new strategy for the period till 2022, is ongoing with a support of ILO experts.

Building block C: Social environment and individual demand for VET

- Increase of **participation in VET** is one of the MoES strategic objectives. The share of youth who selected VET after graduating basic general education is growing but they still comprise less than half of those who continued education in upper secondary general. Traditional “attractiveness” of higher education for both youth and their parents, is still in place and VET remains the second choice. For making VET more accessible, the Government has been increasing considerably the number of free seats for both preliminary and middle VET since 2014. The stipends (paid to all students of Craftsmanship schools and to 70% of College students¹⁷⁸) should be a tool for both attractiveness and availability of VET, are still very small. Limited flexibility in many aspects of formal VET provision (commencement of the academic year, duration of the courses, the forms of instruction delivery) are not supporting the increase of VET participants. However, institutions have a wide freedom of defining the education content and instruction methods.
- The Action Plan and Schedule for Introducing Integrated Inclusive Education System in Armenia for the period till 2022 approved by the Government in 2016, relates to general education only, while for VET there is no specific policy paper concerning inclusiveness. The Law on VET requires equal opportunities to receive VET, particularly *via* establishment conditions for those with **special**

¹⁷⁸ It is foreseen to provide 100% of College students with stipends from 2020.

educational needs and for their **inclusion** in the mainstream education, in all VET institutions. The process of meeting the requirement of the Law has started but only a few institutions are able to ensure inclusiveness.

- The level of **VET graduates' job placement** remains relatively low (73-74% of those who sought job and around 40% according with the received qualification). The main factors of that, according to the stakeholders' assessments, are unfavourable situation with the opening of new job places, low salaries and unattractive working conditions, as well as existence of considerable shadow economy. Another factor is that for the most of occupations, there is no any regulation in terms of education level or even the profile. This results in a situation when many jobs relevant to VET, are occupied by people with higher education or without any professional education.
- There are no many ALM measures supporting the VET graduates' **transition from education to work**. Probably the only one is the programme of SEA through which the employers who agree to accept young VET and university graduates, are paid to cover their salaries for six months. This gives young people an opportunity to gain work experience according with their qualification. However, the capacities of this programme do not allow to cover more than 200 beneficiaries per year.
- As a tool for supporting VET graduates' job placement, **career guidance** has been introduced in the VET system since 2013, and in almost all institutions, career guidance units with at least one trained career specialist, have been systematically functioning since 2018. At present, the salaries of those Career consultants are fully covered by the State budget and they keep receiving periodical trainings provided by POCD. The latter continuously implements also monitoring of the VET institutions' career guidance units' activities.
- The **VNFIL system** is formally in place (corresponding regulations are approved by the Government) and there is an institution (NTF) authorised for its implementation. However, in practice this mechanism is not functioning, mainly due to financial but also procedural issues. One of the main weaknesses of the existing legislation is that VNFIL cannot lead to awarding of any formal qualification. For fostering the VNFIL, a capacity building for NTF and development of recommendations on improvement of the defined procedures, are expected to be done in 2020 by the EU-funded project "EU4Youth – SAY YES Skills for Jobs".

Building block D: Internal efficiency and operation of the VET system

- VET in Armenia is mostly school-based but after introduction of the modular training targeted at formation of competences, the part of **practical instruction** delivered within the teaching of the modules, increased considerably. For most of the curricula it comprises up to 55%-60% of the total time budget. The teaching methods are becoming more student-centred and targeted at the learning outcomes defined by the competence-based state educational standards.
- However, effectiveness of the practical training implemented at the companies, is still not high enough. Motivation of the employers to provide their sites for the VET students' apprenticeship is also low. The situation is improving, and during the last years, extensive number of partnerships of VET institutions with private companies, including large ones, were established. Employers are now wider involved also in curricula development, in teaching and assessment processes, which also improves the opportunities of the graduates to be job placed at the partner enterprises. The work-based learning is just being introduced: the Concept on WBL was approved by the NCVD in June 2019.
- Improvements of the **physical conditions** of the VET institutions is ongoing although covers only a limited number of colleges and craftsmanship schools. Mainly those of agricultural profile and some others (12-15 in total) are involved in the current programmes (till 2022) of capital investments. The buildings renovation will meet all the requirements of energy-efficiency, accessibility for the people with disabilities as well as the aseismic stability.
- The quality **textbooks**, specifically in Armenian, are still lacking but after introduction of modular instruction, the students' need to refer to books is minimised. Instead, learning materials for every

lesson foreseen by the modules, are prepared by the teachers, printed and distributed to the students before or during the corresponding classes. In addition, NCVETD manages publication of qualification- or module-specific manuals: around 80 since 2012.

- Two categories of **teaching staff**, i.e. lecturers and masters of practical training comprise the teaching staff in the Armenian VET system. The share of women is over 70%. Around 32% of the teachers are of 56+ age which is a slight improvement compared with the situation till 2014-2015, when the average age of VET teachers was around 55 years old. A little inflow of young teachers, specifically in the regions, is registered and the share of 20-35 years old teachers is now close to 30%. The salaries are uncompetitive and do not attract highly qualified specialists to this profession. Unlike the general school teachers, they do not enjoy “social package” and have no categories or levels which could be motivating for career progression. The other issues in this field are: in the VET institutions, clear policies and procedures for select the teachers are absent, recruitment of new teachers is mainly not carried out through competition, no mechanisms for vacancy announcements are in place, teachers job profiles are not documented, there are no formal mechanisms for assessment of VET teachers’ performance. At present, MoES is making efforts to initiate improvements with this regard but most probably this will require rather long time.
- The concept of **quality** is clearly defined by the Law and further revealed by ANQA. The latter has sound policies and structured mechanisms to implement external assessment of VET institutions. The adopted approach supposed that institutions should focus on the continuous improvement of their processes and on the formation of quality culture as a goal of the IQA system and apply the PDSA cycle to all processes. VET institutions enjoy various types of support from ANQA for establishing and functioning of the IQA system, as well as the capacity building for the staffs.

Building block E: Governance and financing of VET

- The VET **governance** is centralised under MoES which is responsible for VET policy implementation and day-to-day governance of the system. The tripartite National Council for VET Development is the social partnership body at the national level, while at the institutional level, the social dialogue is implemented *via* Governance Boards which are the supreme management bodies of the Colleges and Craftsmanship schools. The level of centralisation as well as distribution of responsibilities between the state and non-state actors in VET, is considered by the key stakeholders as mainly balanced. No specific issues related to the effectiveness of the VET governance and management were identified. The only concern is associated with commitment and efficiency of some members of the Governance Boards. However, there are no criteria for assessing effectiveness of VET governance at national level and management at the institutional level. There is also no specifically established schemes and mechanisms of reporting from VET institutions to MoES.
- At present, no governance reforms in VET are foreseen. Recently (June 2019), two ministries (of Culture and of Sports and Youth Affairs) were merged to the Ministry of Education and Science and the latter was reorganised into the Ministry of Education, Science, Culture and Sport. This created some additional burden for the Ministry but has not had any direct influence on the VET governance.
- Revision of the new Concept on **Social Partnership in VET** in 2018, created a need of making amendments to the legislation (both laws and sub-legal acts) which are still to be initiated. This is supposed to contribute to increased effectiveness of the Governance Boards (they membership will also be reconstituted) and increase the role of the **Sectoral Committees** and expanding the scope of their responsibilities. The existing SC have very limited task and influence on the VET content and provision.
- Presently, the main source of **VET funding** is the State Budget, and the financial allocation are extremely low and effectively do not allow development of the system. Therefore, the VET institutions (as well as the entire VET system) permanently suffer from underfunding: the budgetary funds usually only suffice for paying salaries according with the minimal norms

established by the legislation. Any tangible investments are done by donors, directly or *via* Budget support scheme. Some institutions generate own income through provision of a variety of paid education and training services (CVET) to different customers. However, due to the status of the public VET institutions (SNCO), there are legal obstacles for these activities, as well as for organising production and sales of goods which could generate even more additional income for the VET institutions. At present, for MoES considering the opportunity of finding legal solution for this issue, as well as developing a new formula for more proper calculation of *per capita* expenditures according to the groups of qualifications. This is expected to be introduced from 2020.

2.2 Recommendations for action

- Develop and introduce an effective mechanism for skill mismatch identification as well as a system for better planning of VET enrolment;
- Revise curricula of all formal VET qualifications with a view of teaching more and advanced IT skills to the students (e.g. through enhancing the compulsory module of Computer Driving as well as imbedding elements of IT application in the other modules, where relevant), develop and introduce methodologies for wider use of IT tools during the teaching and learning processes. The VET institutions could offer also additional (non-formal) IT courses to their students and staffs, and also to the population;
- Develop a concept on restructuring and optimising the VET system, including all its aspects, i.e. the levels of VET, profiles and qualification levels, standards and curricula, network of institutions and their status, etc.;
- Make efforts for ensuring the relevance and credibility of the Education Development Strategy, which is under development, and specifically its VET-related part, also with consideration of the recommendations of this Report;
- After approval of the above Strategy, design a mid-term (e.g. 5-year) costed VET reforms Action Plan (can be at the ministerial level) and develop and introduce an effective mechanism for its implementation monitoring.
- Consider possibility of discussing the ways of improving the flexibility of formal VET provision in terms of e.g. enrolment period (two enrolments per academic year could be possible), duration of the courses, and other aspects;
- Revise the legislation on VNFIL with a view to consider the possibility of awarding formal qualifications as a result of VNFIL procedures (accompanied with strengthening the quality assurance mechanisms), as well as awarding of partial qualifications;
- Expand the coverage of the existing ALMPS targeted at the support of the VET graduates' transition from education to work, and introduce new measures contributing to their job placement;
- Develop and adopt legislation/regulations establishing requirements towards the education level and qualification for the VET-related occupations;
- In the capital investment plans, foresee measures and necessary funds for ensuring physical conditions for students with SEN in all VET institutions within e.g. a period of 3-4 years;
- Train specialists (from among the existing teachers or newly employed ones) of working with students with SEN and develop curricula and didactic materials for those students;
- Continue developing the career guidance system *via* provision of periodical training of the career consultants, necessary methodological and other resources, monitoring and evaluation of their performance.
- After being piloted, evaluate the results and widely introduce the WBL scheme;

- Develop a mid-term and long-term programmes of capital investments for (re-)construction and renovation works targeted at ensuring physical conditions for learners with SEN in all VET institutions within 3 years, and refurbishment of at least 80%¹⁷⁹ of VET institutions within 7 years;
- Develop and adopt a complete package for the VET teachers career development, including particularly:
 - VET teachers job profile,
 - VET teachers pre-service training,
 - policies and procedures for selecting the teachers including vacancy announcements competition procedures, etc.,
 - mechanisms for assessment of VET teachers' performance,
 - increase of the VET teachers' salaries at least to the level of general schools' teachers and provision of the "social package",
 - system of teachers grading and salaries ranking,
 - other financial incentives,
 - improvement of the teachers' in-service training system,
 - induction and mentoring of new teachers;
- Accomplish accreditation procedure (with positive or negative result) of all VET institutions within 5-7 years.
- Revise legislation according with the new Concept on Social Partnership in VET and re-establish the Governance Boards;
- Develop and establish a mechanism for the Governance Boards' and their members' performance monitoring and evaluation;
- Define criteria and introduce a system for assessing the effectiveness of VET governance at national level and management at the institutional level;
- Design and imbed a mechanism of the VET institutions reporting to MoES, which would particularly account implementation of the institutions' Business plans and allow to assess the institutions' performance in general (specifically for non-fiscal indicators);
- Assess the feasibility of establishing under NCVETD, a multi-stakeholder body (committee, work group or similar) for coordinating the social partnership at the operational level;
- Define the options (legal status, membership, level of independence, etc.) for the new Sectoral Committees and establish them according with the principles defined by the new Concept on Social Partnership in VET;
- Establish a multi-stakeholder work group for considering the options of, and developing recommendations for, changing the legal status of the public VET institutions with a view to provide them with opportunity to expand their economic activities, such as provision of services, production and sale of goods.

¹⁷⁹ It is possible that within the on-going processes of the VET network optimisation, the current number of the institution will be reduced by about 20%.

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ANNEX 1. EDUCATION SYSTEM OF ARMENIA

