AUA American University of Armenia
AVEDISIAN CENTER for BUSINESS RESEARCH & DEVELOPMENT

AUA American University of Armenia
MANOOGIAN COLLEGE of BUSINESS & ECONOMICS

MAKING ACTIVE LABOR MARKET POLICIES WORK: BEST INTERNATIONAL PRACTICES AND THEIR IMPLICATION FOR ARMENIA

SKILLS MISMATCH AND LABOR MARKET OUTCOMES SURVEY

THE SURVEY HAS BEEN COMPLETED BY CBRD WITHIN THE ***AUA POLICY DEVELOPMENT RESEARCH FUND (PDRF)*** GRANT BY A TEAM OF INDEPENDENT RESEARCHERS.

The Avedisian Center for Business Research and Development at the Manoogian College of Business and Economics of the American University of Armenia has conducted a computer assisted telephonic survey titled "Skills Mismatch and Labor Market Outcomes survey" covering Yerevan, Shirak and Aragatsotn marzes of Armenia.

The ultimate objective of this research is to investigate the extent of horizontal and vertical skill mismatches in the Armenian labor market. It also looks at actual skill deployment at the workplace and the factors and the consequences of skill mismatch on labor market outcomes. The survey was anonymous and the confidentiality of collected information is guaranteed.

The potential respondents got an invitation to participate in an online survey through SMS massages. Respondents were chosen through territorially stratified random sampling. The survey was conducted by pre-trained interviewers in response to confirmation of the sms by the recipients stating availability for the survey. The fieldwork was conducted during Early September (15%) and second half of November (85%) . Overall, 1063 questionnaires were completed.

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Brief summary of the survey results.
Descriptive statistics for selected indicators.

This report aims to introduce to the data collected and to highlight the main research questions that can be answered using the final data. Thus the report presents descriptive statistics on the main variables of interest. The data enables deeper analysis of skill mismatches in the Armenian labor market, with a focus on youth and first time entrants. Based on the 1063 observations recorded this report provides preliminary results on the way to explore different research questions.

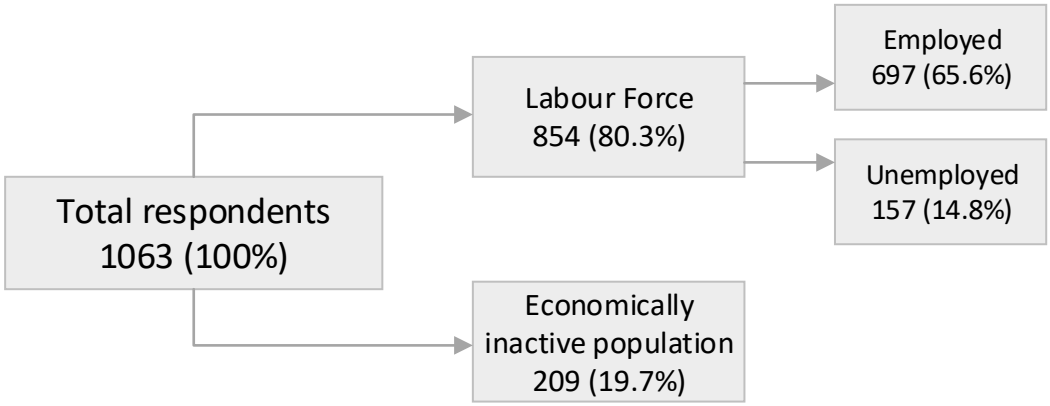
Table 1. Household demographics and Education

	Overall (N=1063)		Overall (N=1063)
Region		**Age**	
Yerevan	690 (64.9%)	Mean (SD)	33.7 (9.51)
Shirak	304 (28.6%)	Median [Min, Max]	29.5 [22.0, 50.0]
Aragatsotn	69 (6.5%)	**Were drafted for military service**	
		Yes	375 (35.1%)
Gender		No	113 (10.6%)
Male	486 (45.7%)	Missing	580 (54.3%)
Female	577 (54.3%)	**Education**	
		Post-graduate	34 (3.2%)
Marital status		Master's degree	296 (27.8%)
Married	673 (63.3%)	Bachelor's degree	339 (31.9%)
Single	323 (30.4%)	Vocational	148 (13.9%)
Divorced	53 (5.0%)	Secondary	235 (22.1%)
Other	5 (0.5%)	Basic	7 (0.7%)
Widowed	9 (0.8%)	Primary or lower	4 (0.4%)

Labor Resources

Around 80 percent of respondents' form part of labor force. This number is larger than the one reported by the National statistical service because we focus on a specific age range (20-50), and also because the survey covers Yerevan, Shirak and Aragatsotn. Unemployment is around 15%, which is again lower than official reported figure, most probably due the same reason.

Table 2. Structure of Labor Resources



Overwhelming majority of employed (83%) have status of employee. The next largest group are employers (around 9%).

Table 3. Distribution of Employed by employment status

What is your employment status?	Overall (N=697)	Overall (%=100)
Employee	584	83.8
Employer (owner with permanent employees)	63	9
Own-account worker in a farm	14	2
Other own-account worker (freelance?)	18	2.6
Unpaid family worker	3	0.4
Other	15	2.2

Table 4. Individuals satisfying criteria #1 for being considered as unemployed.

During the last 4 weeks preceding the survey (incl. current week) did you look for a job or try to launch your own business?	Overall (N=366)	Overall (%=100)

Yes	163
No	201
Do not know	2

Table 5. Individuals satisfying criteria #1 for being considered as unemployed.

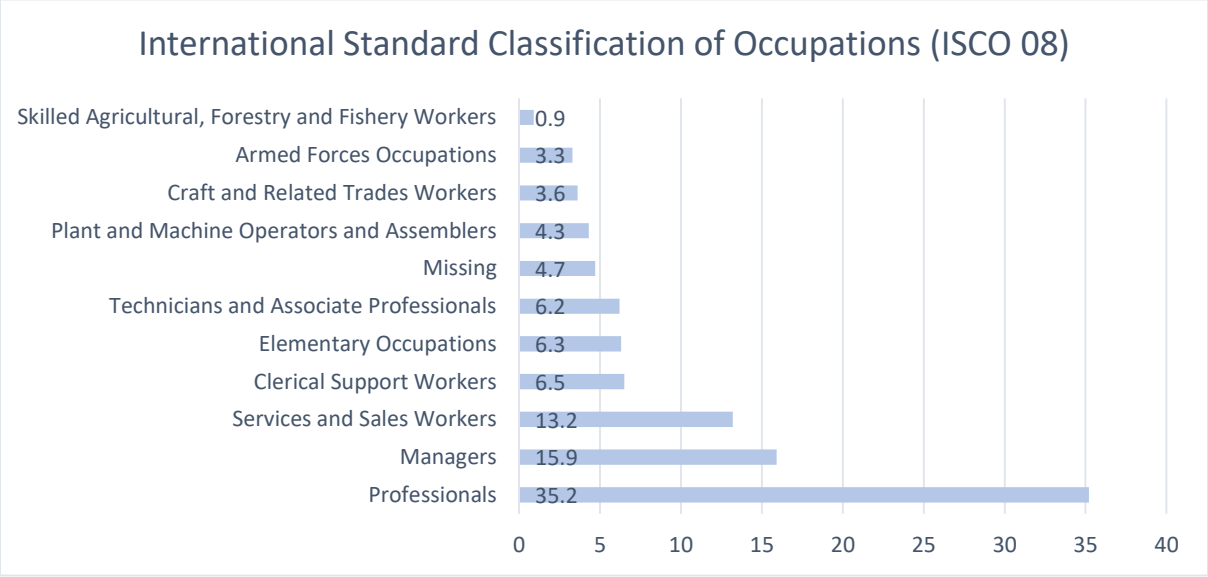
Are you ready to change your current labor market status in 2 weeks if there is an appropriate job offer?	Overall (N=366)	Overall (%=100)
Yes	265	
No	89	
DK	12	

The number of unemployed in this study is derived based on positive responses in Tables 4 and Tables 5.

Employment and Education

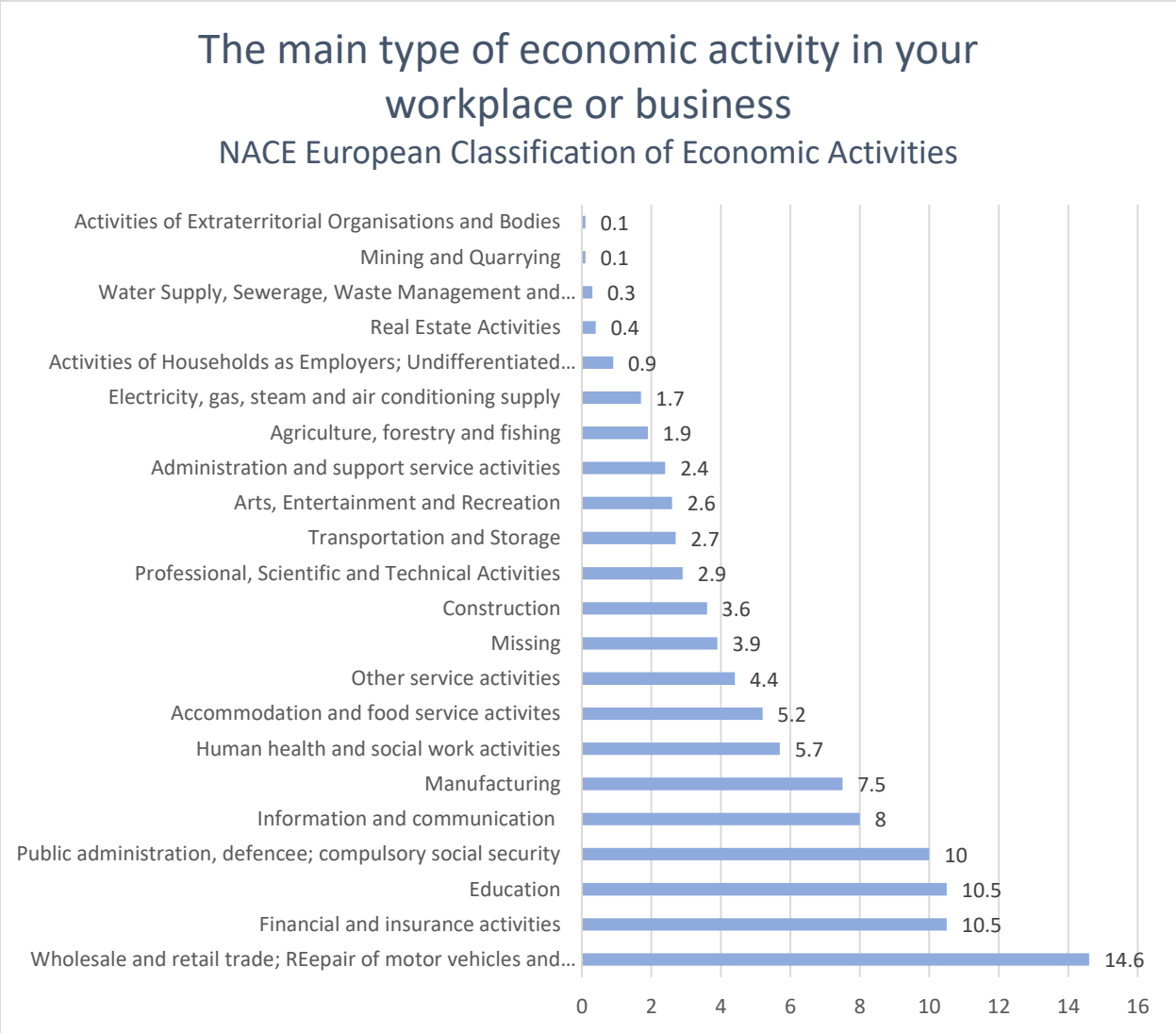
Importantly, unlike the surveys conducted by National Statistical service, current study has captured considerable share of Managers by ISCO 08 classification. Overall the occupational distribution seems to be quite reasonable.

Figure 1. Distribution of Employed by ISCO 08



Largest sector of employment is wholesale and retail trade (14.6%), followed by financial sector and public sector.

Figure 2. Distribution of Employed by types of Economic Activity (NACE Rev. 2)



Though only small part of respondents have vocational education, majority of graduates are obtaining vocational medical or technical (manufacturing) specializations. Higher education, insead, is more focused on business and social science.

Figure 3. Distribution of respondents holding Vocational education, by study courses

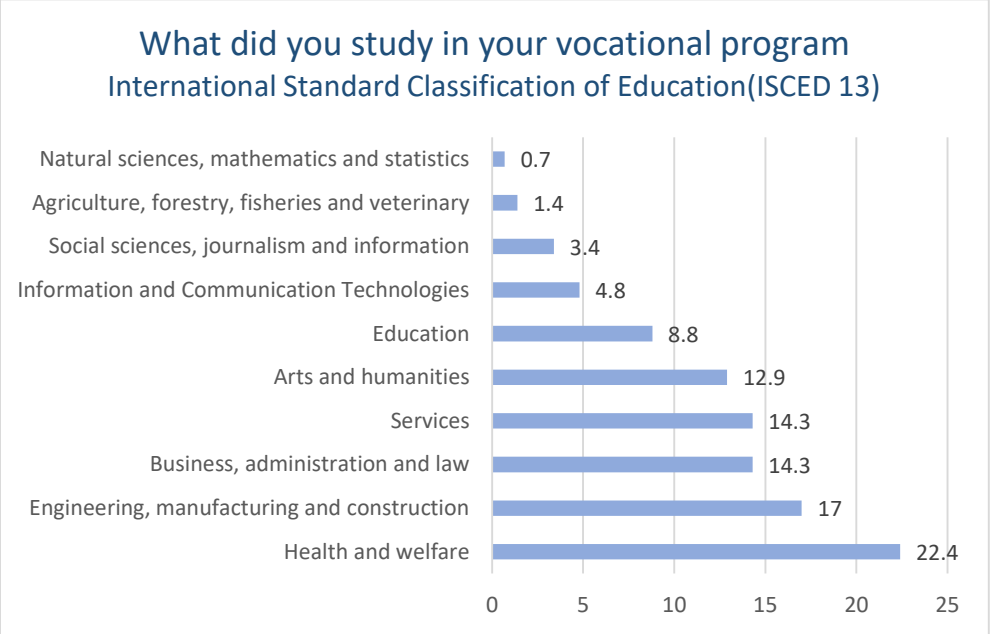
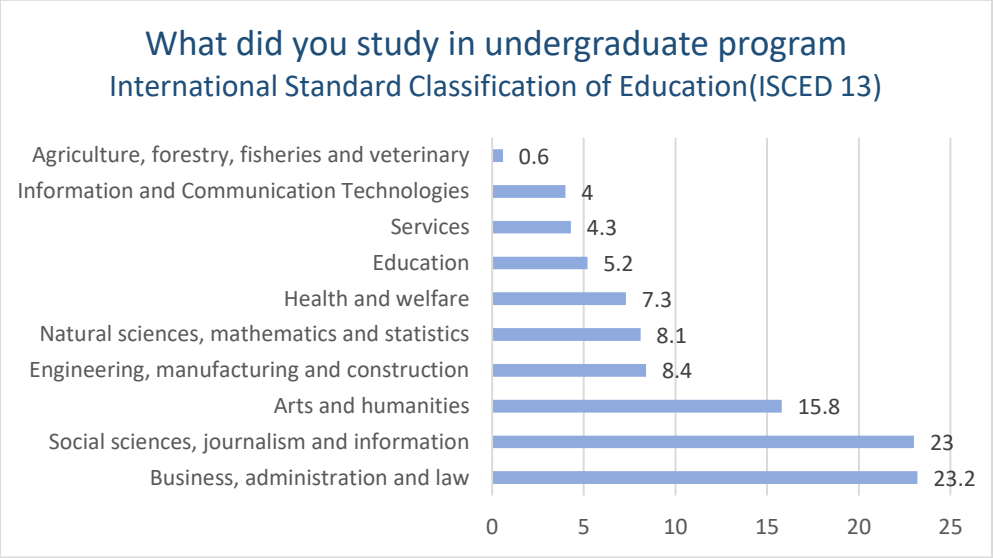


Figure 4. Distribution of respondents holding Higher education, by study courses



Job search and Social

Informal channels remain main option of finding job, though web-based job advertisement are gaining momentum. Interestingly, in about 5% of cases jobs were found using social networks, whereas recruitment agencies (public and private) account only for 2 percent of cases of job finding.

Figure 5. Modes of job search

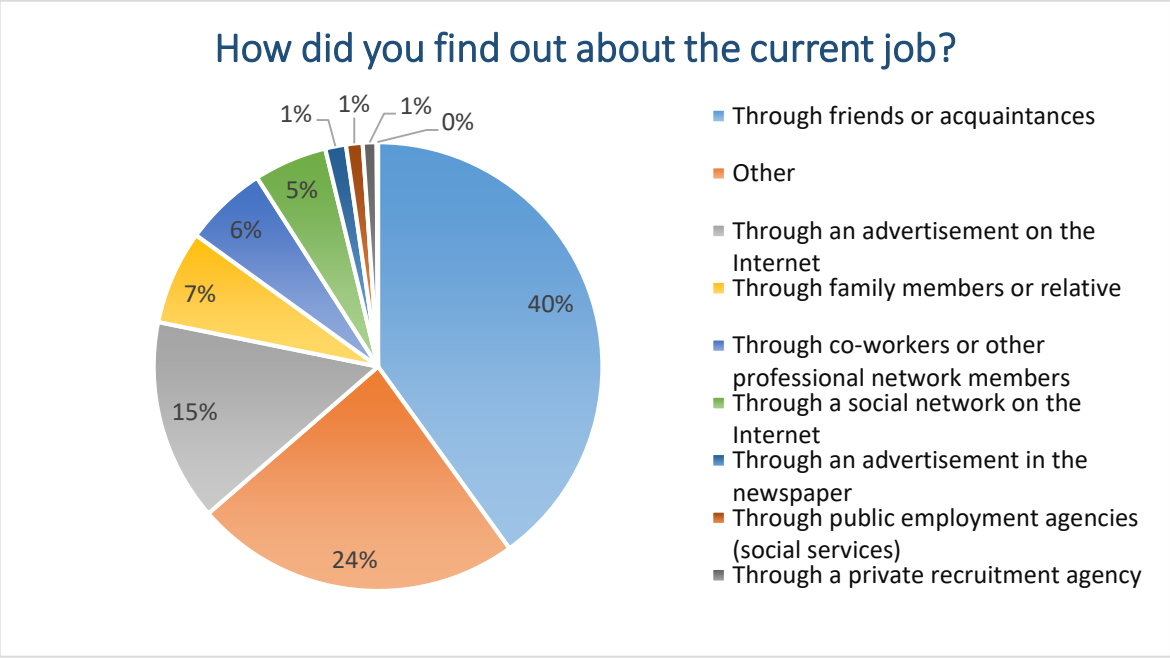
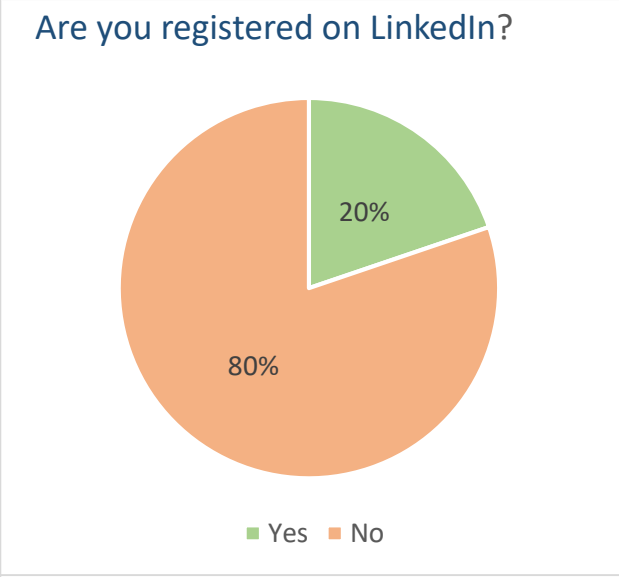


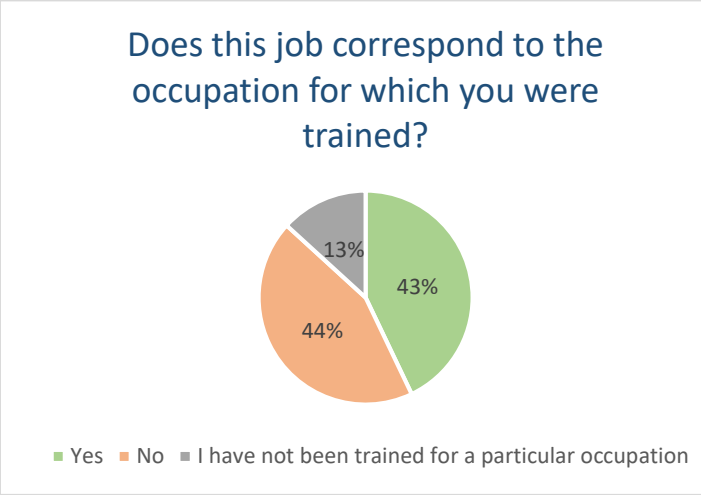
Figure 6. Respondents activity on Social platforms



Perceived skill mismatch

Central part of the study is the skill mismatch. Figure 7 provides a snapshot about the self-perceived skill mismatch. 43% are busy in occupations where their training doesn't correspond to work they are doing. But at the same time 79% of respondents believe they can implement more demanding duties.

Figure 7. Match between occupation, training and duties



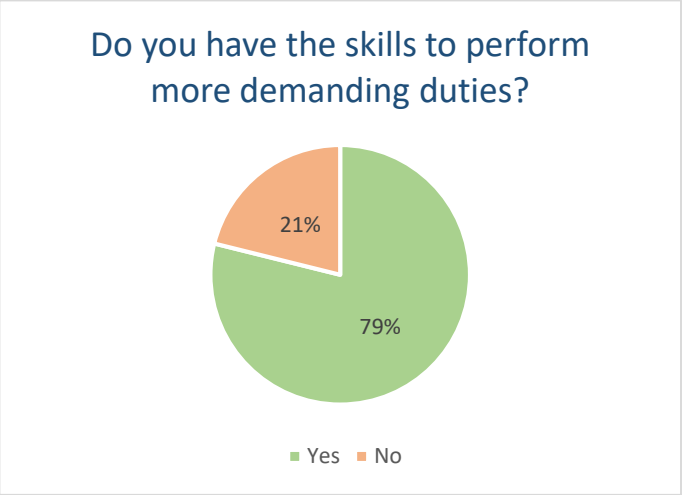
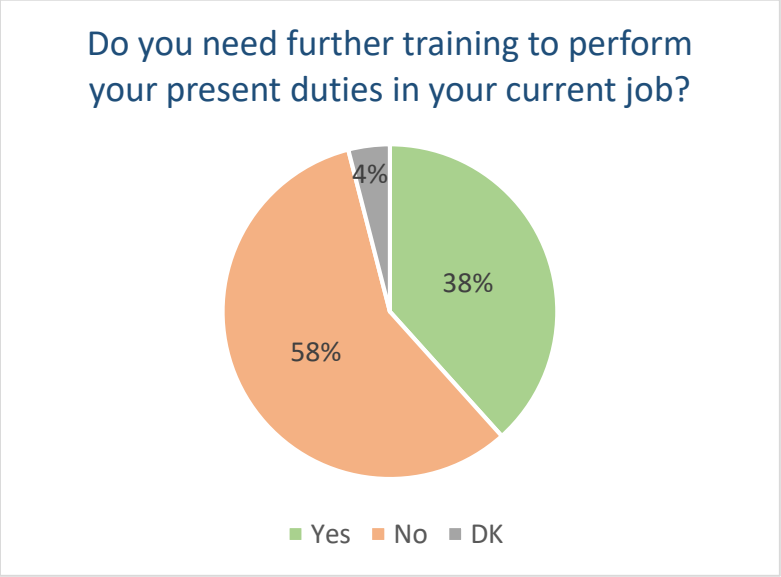


Figure 8. Perceived training needs for current duties.



Language skills and computer literacy

Russian remains the main foreign language used in the work place, though a considerable part of respondents also mentioned English as used in the workplace. Only 20% of employed do not use any foreign language.

Figure 9. Use of foreign language in the workplace.

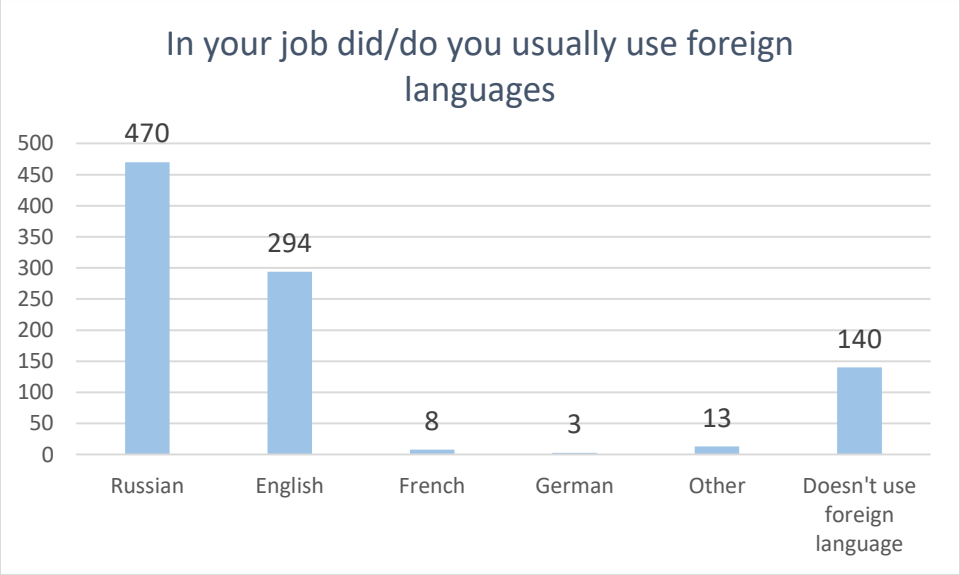
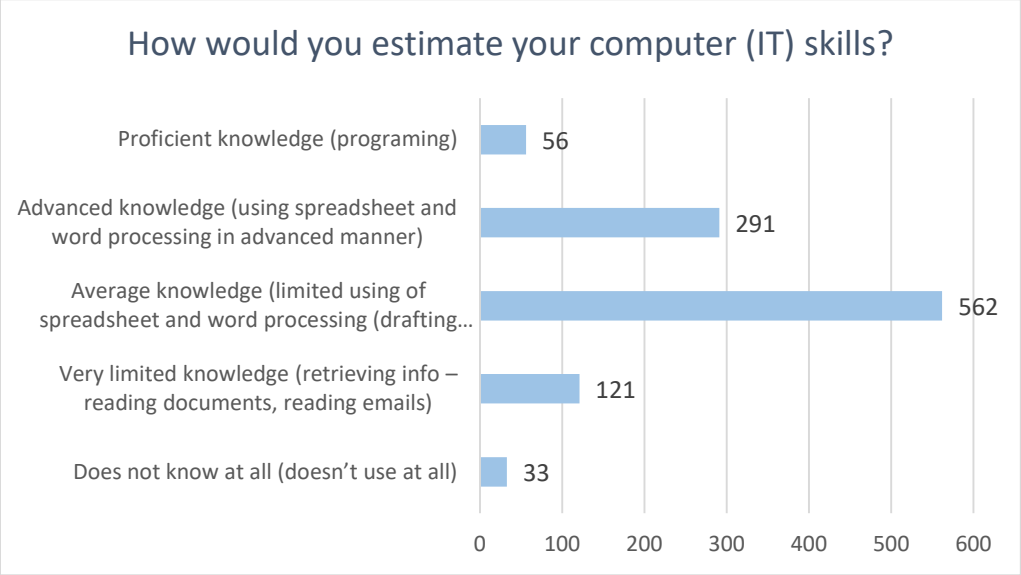
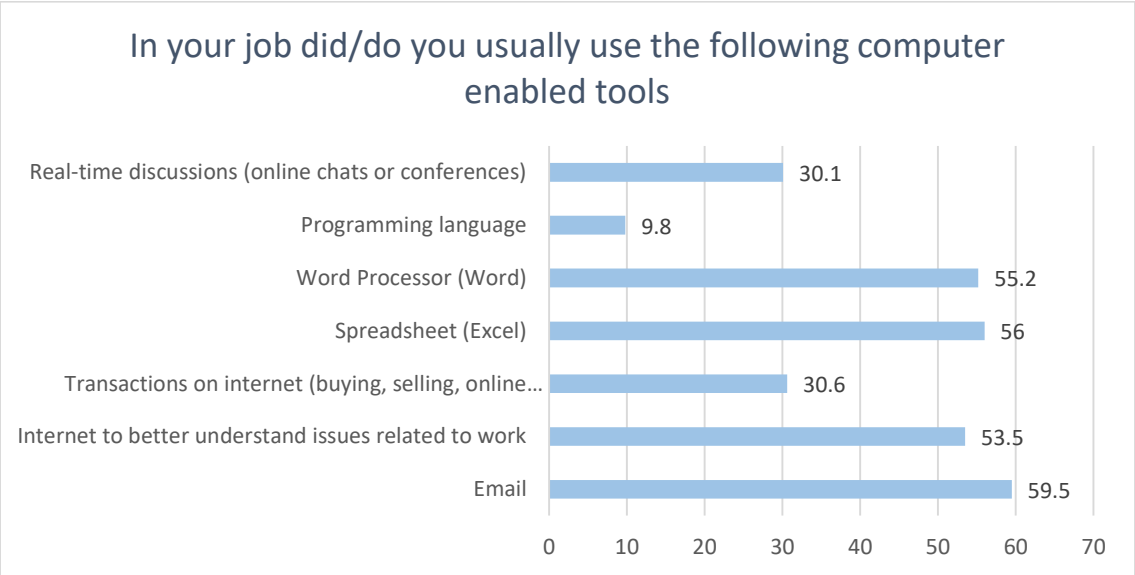


Figure 10. Perceived assessment of IT skills.



IT skills are quite developed, almost half all respondents indicate that they have at least some knowledge of text and data editors. Around 35 of respondents claim to have either advanced or proficient knowledge level. Figure 11 provides distribution of usage of computer tools.

Figure 11. Use of computer enabled tools.



Wages and Income

Our survey report not only average earning of the employed (the number is quite close to official statistics), but also provides an estimate of reservation wage. On average, those looking for job would agree to accept a job offer if they are offered slightly higher than the current average wage.

Table 6. Average wages and reservation wages.

How much total labor income (wage, bonuses (Հավելավճարներ և պարգևավճարներ)) you received during the last month?
In cash AMD (after deductions) (N=572, only employed)

Mean (SD)	**210,406 (246,213)**
Median [Min, Max]	150,000 [10,000 , 4,000,000]

What would your net income have to be for you to accept a position?
(N=310, only non-employed)

Mean (SD)	**227,165 (423,135)**
Median [Min, Max]	150,000 [30,000 , 7,000,000]

Other issues.

Figure 12. Other sources of income

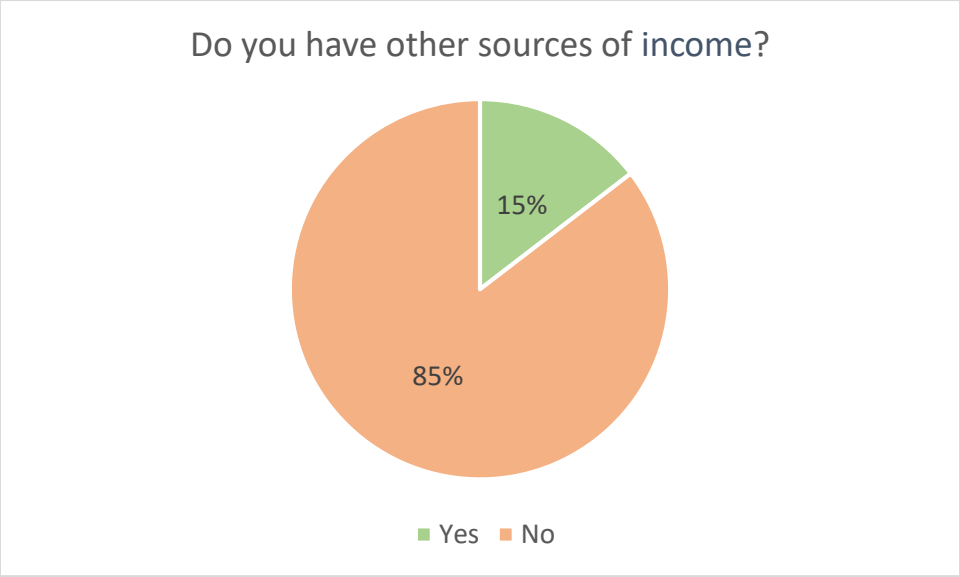


Figure 13. Previous jobs, only asked to unemployed 374 answers