ARMENIA

The country fact sheet was prepared by Yuliia Ushchapovska in the framework of an institutional collaboration between the European Centre of Social Welfare Policy and Research and the Central European University in February 2024. The content of the sheet does neither necessarily reflect the views of those institutions nor those of the respective Ministry/ies.

Policy Framework	Armenia Development Strategy 2014-2025 (Annex to the Republic of Armenia Government Decree No. 442-N of 27 March 2014) (Government of the Republic of Armenia, 2014). Armenian Government Program 2021-2026 (approved on 18 August 2021) and 2021-2026 Action Plan (approved on 18 November 2021) (Government of the Republic of Armenia, 2021). Armenia EU Comprehensive and Enhanced Partnership Agreement (signed in November 2017) (Ministry of Economy, 2017). Key sectoral strategies: National Strategy on Human Rights Protection (and Action Plan for 2023-2025), Education Sector Development Programme, Child Rights Protection Strategy, Territorial Development Strategy 2016-2025, Gender Policy Strategy 2019-2023 (CSO Meter, 2021) (Prime Minister of the RA, 2023) (Government of the Republic of Armenia, 2016) (EC/EEAS, 2021).
General situation across all policy areas	
Main challenges across all policy areas	The gap between urban and rural areas is wide, particularly between the capital city and the rest of the country. Economic growth is not reaching everyone, leading to increasing inequality (World Bank / UNICEF, 2021). The World Bank's Human Capital Index ranks Armenia 78th out of 157 countries (World Bank, 2018); there is continued underinvestment in human capital in general. Armenia faces a relatively high poverty rate and lack of employment (see Armenia Poverty Snapshot). Another important challenge for us was the crisis in Nagorno Karabakh, which led to the forced displacement of more than 100.000 people in 2023 (information from the Ministry of Labour and Social Affairs of Armenia, in short MoLSA).
Main approaches to address challenges across all policy areas	Armenia's Transformation Strategy 2050, (Government of the Republic of Armenia, 2020), outlines 16 overarching goals to drive inclusive development through education and job creation, as further detailed in the Government Action Plan 2021-2026 (Government of the Republic of Armenia, 2021). The Armenian Government has launched different programs for digitalizing the social protection programs and services and for developing the integrated social services system in the country (information from the MoLSA). Despite variations in program implementation across different initiatives, a sufficient number of program staff are equipped with the necessary training to fulfil their assigned roles. Institutional mandates for overseeing program implementation and delivery are clearly established. Managers and staff engaged in program

	operations adhere to the relevant legal frameworks (World Bank / UNICEF, 2021, p.17, 123). The demand for robust evidence bases to assess and implement significant reforms remains indispensable.
Social policy specific situation	
Significant social trends	Poverty remains a significant challenge in Armenia, affecting nearly a quarter of the population and a third of children. Despite recent progress, Armenia's poverty rates remain among the highest in Europe and Central Asia. Certain population groups, including children under five and over 15, households with three or more children, and female-headed households, are particularly vulnerable to poverty (World Bank / UNICEF, 2021, p.8). Armenia grapples with a demographic predicament characterized by declining fertility rates, a rapidly aging populace, and substantial outmigration. These factors exert pressure on economic growth and strain the resources allocated to healthcare, pensions, and social services (World Bank / UNICEF, 2021, p.26). While social protection spending surpasses that of education and healthcare, a disproportionate focus on pensions and cash benefits, while services are underfunded (World Bank / UNICEF, 2021, p.30).
Key challenges specific to social policy	The reach of most care programs is restricted, and the value of cash transfers is typically below the poverty threshold. Barely 33% of impoverished individuals and 35% of children under two years old are safeguarded by social assistance and childcare benefits, respectively (World Bank / UNICEF, 2021, p.11). The social protection system falls short in its efforts to foster resilience among vulnerable groups and communities. It disproportionately prioritizes the poorest individuals and families, employing narrow targeting methods that exclude a significant portion of those in need. As a consequence, the system fails to address the root causes of vulnerability, such as domestic violence, a lack of skills development, and limited income-generating opportunities (World Bank / UNICEF, 2021, p.11). Gender disparities are evident in the relatively low female labour force participation (58%, 2022) and a substantial gender wage gap (over 20% in 2019). Given Armenia's rapidly aging population, increasing the size of the labour force is crucial (World Bank / UNICEF, 2021, p.26).
Main approaches to address social policy challenges	The Ministry of Labor and Social Affairs (MoLSA) has taken steps to establish monitoring and evaluation (M&E) frameworks for most social protection programs and has conducted external evaluations of these programs. All reports produced by MoLSA are publicly accessible through the ministry's website (World Bank / UNICEF, 2021, p.13). A series of ongoing reforms, including the introduction of community social workers, community consolidation, and decentralization,

	development of integrated social services system, digitalization of social protection programs and services, are influencing the execution of social protection programs. A further transformative step is the Government of Armenia's initiative to engage private organisations and NGOs in the provision of social services (World Bank / UNICEF, 2021, p.41), as well as to introduce new types of social services and social protection programs, including in crises situations
	The authorities are finalizing an employment strategy (expected to be approved in 2024) that aims to boost labour force participation among women, youth, and the rural population. Planned initiatives include (i) strengthening vocational training; (ii) introducing incentives to encourage female employment; and (iii) enhancing the availability of childcare services.
Target groups	Poor and vulnerable, families with children, women, youth, the elderly, and persons with disabilities, forcibly displaced people.
Practice example	
Name of the good practice	COVID-19 and Resilience in Armenia: Mitigating the Socio-Economic Impact on Vulnerable People and Communities (UNICEF, 2021), humanitarian crisis caused by the forced displacement of Armenians from Nagorno-Karabakh
Policy areas	Please tick the relevant policy areas addressed by the good practice (one or more options are possible). X Social inclusion X Well-being
Description of the practice	The 114 hotline, Armenia's dedicated toll-free number for social services information, provides comprehensive assistance from the MoLSA. It addresses a wide range of concerns, from child and family support to social benefits, employment services, pensions, and disability assistance. As the COVID-19 pandemic intensified, the hotline received an overwhelming surge of calls related to public assistance programs. In response, the MoLSA sought assistance from UN agencies to modernize the hotline, enhancing access to social services information and improving response capacity (UNICEF, 2021).
Governance & funding	A Multi-Partner Trust Fund (MPTF) funded the project, providing the necessary resources for the modernization of the system, furnishing of the call centre, renovation of the premises, and comprehensive training for the operators. UNICEF primarily covered the operational expenses of the upgraded system until October 2021, after which the Ministry assumed full responsibility for maintaining the system (UNICEF, 2021).
Innovation	A unified social protection system with a shared database and a centralized information system has been implemented. The data obtained from the hotline can be seamlessly integrated into this

	common database and routed to the relevant department or specialist for further processing (UNICEF, 2021).
Outcome(s) and impact	The modernized system is highly adaptable and enables real-time monitoring of call statistics, including the number of calls, resolved issues, and pending inquiries. The MoLSA has significantly enhanced call response rates, increasing the share of answered calls from 36% to 76%. To further improve efficiency, they have automated responses to calls regarding pension and social benefit payment days, handling approximately 1,500 enquiries through the automated system on those specific days. The MoLSA aims to continuously refine the system, aiming for a daily response rate of 96-97%. In addition to physical and technical upgrades to the call centre, partners conducted trainings for operators in psycho-social, behavioural, communication, and self-care skills to enhance their understanding of and responsiveness to the core issues faced by applicants (UNICEF, 2021).
Main partner(s)/ stakeholders	Partners: World Bank, UNICEF, UNDP, World Food Programme, Ministry of Labour and Social Affairs of Armenia

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