

1.4. Labour Market Indicators

1.4.1. Employment

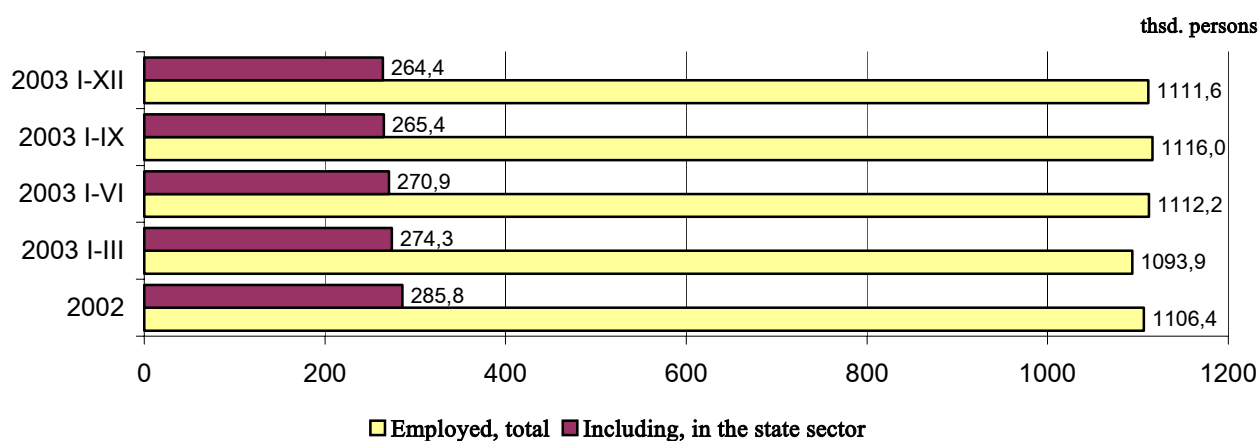
According to the estimation, the average number of economically active population in the republic for January-December 2003 comprised 1236.4 thsd. persons, the 89.9% of which or 1111.6 thsd. persons were engaged in economy, and 10.1% or 124.8 thsd. persons (average for the period) hadn't any job, they were registered in the "RA Employment Service" agency of the Ministry of Work and Social Affairs and got a status of unemployed.

Composition of Economically Active Population by Months, 2003

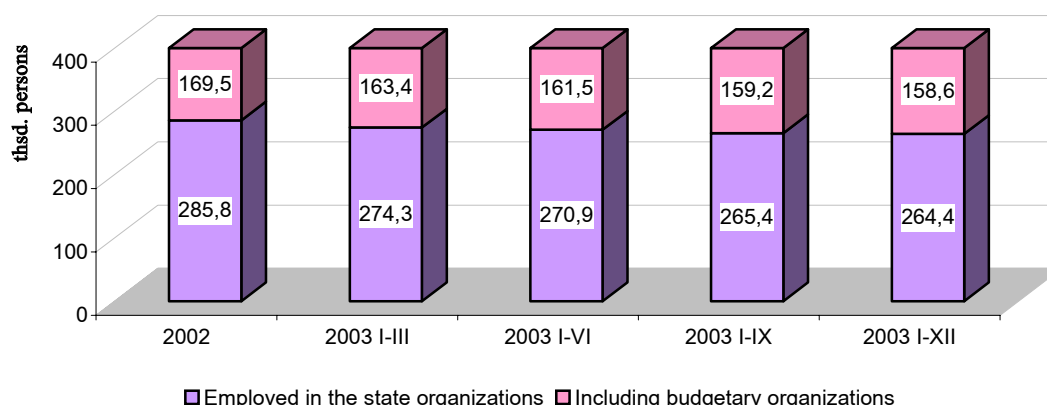
(Average for the period, estimate)

	Economically active population, thsd. persons	Including	
		Employment rate, %	Officially registered unemployment rate, %
January	1221.2	89.6	10.4
February	1221.5	89.6	10.4
March	1221.9	89.5	10.5
January-March	1221.5	89.6	10.4
April	1251.8	89.8	10.2
May	1251.1	89.8	10.2
June	1250.1	89.9	10.1
January-June	1239.5	89.7	10.3
July	1255.6	90.0	10.0
August	1254.4	90.1	9.9
September	1253.0	90.2	9.8
January-September	1242.2	89.8	10.2
October	1219.7	90.0	10.0
November	1218.6	90.1	9.9
December	1217.5	90.2	9.8
January-December	1236.4	89.9	10.1

Dynamics of Number of Employed by the Sectors of Economy for 2002-2003



**Number of Employed in the State and Budgetary Organizations
for 2002-2003**



The current information on employment was received from about 9000 units based on the statistical reports collected on monthly and quarterly basis.

As of the end of December 2003, the 99.1% or 147.0 thsd. of 148.4 thsd. job seekers, registered in the “RA Employment Service” agency of the Ministry of Work and Social Affairs, were unoccupied. The 80.7% of unoccupied or 118.6 thsd. persons got a status of unemployed, 7.3 thsd. persons of which were those living in rural settlements.

Since the beginning of 2003, 15.9 thsd. persons have got a status of unemployed, including 0.8 thsd. persons - in December, 24.6 thsd. persons were withdrawn from registration, the 27.6% of which - for job placement, the 0.1% were prematurely pensioned off, the rest –for other reasons.

According to the data of the “ RA Employment Service” agency the 0.8 % of unoccupied persons seeking for a job were pensioners, the 2.8 % - those having up to 1 year seniority and the 15.6 % - those seeking for a job for the first time. While the 22.2 % of job seekers for the first time were the graduates of higher, secondary vocational and general education schools.

Labour Force Supply by RA Marzes¹ for December 2003

	Job seekers		Of which unemployed			
	Total, thsd. persons	Compared to December 2002, %	Total, thsd. persons	Including female	Compared to December 2002, %	
					total	including female
Yerevan city	34.0	91.2	30.1	20.8	89.1	92.9
Aragatsotn	2.3	104.5	1.4	1.0	100.0	111.1
Ararat	5.6	87.5	4.1	2.9	82.0	87.9
Armavir	8.2	97.6	5.4	3.2	91.5	97.0
Gegharkunik	8.4	98.8	6.0	3.7	96.8	92.5
Lori	27.0	104.7	21.7	14.5	101.4	102.1
Kotayk	7.8	83.0	5.6	4.0	78.9	81.6
Shirak	30.9	95.1	25.2	19.8	91.6	93.8
Syunik	16.8	100.6	13.8	8.4	100.0	101.2
Vayots Dzor	2.2	104.8	1.7	1.1	100.0	100.0
Tavush	5.2	108.3	3.5	2.2	100.0	100.0
Total RA	148.4	96.3	118.6	81.6	93.2	95.2

For January-December 2003, the 93.8% of officially registered unemployed comprised the urban population, in particular, in Yerevan - 25.4 % (decreasing by 1.2% in comparison with the same period of 2002), in Gyumri-19.6% (decreasing by 0.3%) and in Vanadzor- 12.6% (increasing by 1.4%).

In December 2003 among officially registered unemployed, women constituted 68.8%, which increased by 0.3% in comparison with November and by 1.5% compared to December 2002.

¹ According to the data of the “RA Employment Service” agency of the Ministry of Work and Social Affairs of RA.
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**Officially Registered Unemployed by Sex, Age and Education Composition¹
as of the end of December 2003**

(of the total, %)

	Total	Of which	
		Female	Living in rural areas
Total unemployed	100	100	100
<i>By age</i>			
Under 18 years	0.2	0.1	0.8
18 – 22	5.6	5.3	8.0
23 – 30	22.4	20.0	20.2
31 – 50	62.5	66.3	60.7
51 and over	9.3	8.3	10.3
<i>By education</i>			
Higher	13.0	12.0	5.8
Secondary vocational	25.3	23.8	23.8
General secondary	56.3	59.9	54.4
Incomplete secondary	5.4	4.3	16.0

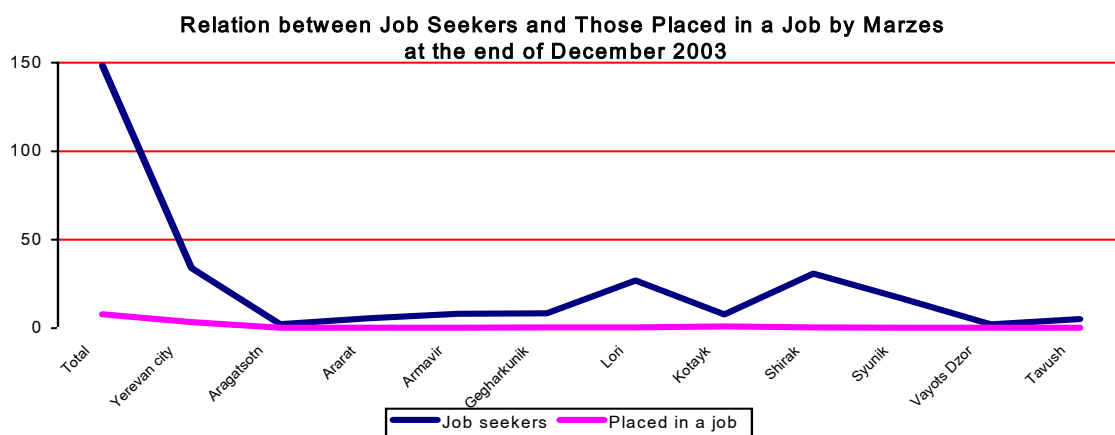
Changes recorded for December 2003 in the age and education groups of officially registered unemployed was described as follows: in comparison with the same period of 2002 the share of unemployed at the age of 23-30 increased by 0.6% and the share of unemployed at the age of 31 and over - by 0.5%. Meanwhile, the share of those at the age of 18-22 decreased by 0.4 %. Number of unemployed with higher education increased by 0.5% and the number of unemployed with general secondary education decreased just as much.

During 2003, 44.3 thsd. persons got consultation from the territorial centres of employment, of which the 36.8% - on matters of labour and employment legislation, the 14.7% - on matters of professional orientation, the 18.5% - on matters of professional training, the 8.1% - on matters of choice of professions, the 4.1% - on matters of work changes and the 17.8% - on other matters.

Since the beginning of 2003, 495 of unemployed have been trained the 79.0 % of which were women. 363 of trained unemployed were placed in a job the 71.4% of which were women and the 17.6% - young people. At the same period 36 disabled persons were trained, including 33 were retrained and 3 were qualified.

Since the beginning of 2003 with the mediation of “ RA Employment Service” agency 7889 of job seekers were placed in a job, including 86.0% were unemployed, 52.2% of which were women. For December 2003, duration of unemployment of 5.1% of the unemployed placed in a job comprised 1-3 months, of 9.4% - 3-6 months, of 18.5% - 6-12 months and of 67.0% - 1year and more.

The 54.4% of those placed in a job found their job in the private sector of economy, the 32.9% - in the organisations of state sector, the 11.4% -in the organizations with the mixed types of ownership, and the 1.3% - in the public organizations.



¹ According to the data of the “ RA Employment Service” agency of RA Ministry of Work and Social Affairs
“ Socio-Economic Situation of the Republic of Armenia for January- December 2003”

1.Real Sector

During 2003 the average duration (from the moment of getting a status of unemployed to the moment of job placement) of job placement of former unemployed, who had found a job with the mediation of the “ RA Employment Service” agency comprised 14.2 months, for women – 14.5 months, and for men – 14.0 months.

Change in the of Number of Officially Registered Unemployed by the Duration of Seeking for a Job¹

	Unemployed, thsd. persons	of which seeking for a job, %				Average duration of seeking for a job, months
		up to 3 months	3 - 6 months	6 - 12 months	1 year and over	
2002						
January - March	136.6	4.2	5.8	11.2	78.8	15.5
January – June	133.8	3.8	7.1	10.5	78.6	15.5
January - September	130.9	3.5	6.6	11.4	78.5	15.5
January - December	127.3	3.0	6.3	11.4	79.3	15.6
2003						
January - March	128.0	4.4	6.0	11.4	78.2	15.4
January – June	125.7	3.8	7.7	10.7	77.8	15.4
January - September	122.1	3.5	5.8	10.1	80.6	15.7
January - December	118.6	3.1	5.5	10.4	81.0	15.8

Since the beginning of 2003 increase of average duration of unemployment has been recorded: at the end of 2003 it comprised 15.8 months compared to January-December 2002 increasing by 0.2 month. In the same period the average duration of seeking a job among women comprised 15.9 months, among men – 15.6 months, increasing accordingly by 0.1 month and 0.4 month in comparison with the same period of 2002.

In December 2003 the loading per vacant work place comprised 199 unemployed decreasing by 15% in comparison with the previous month and increasing by 17.1% in comparison with the same period of the previous year.

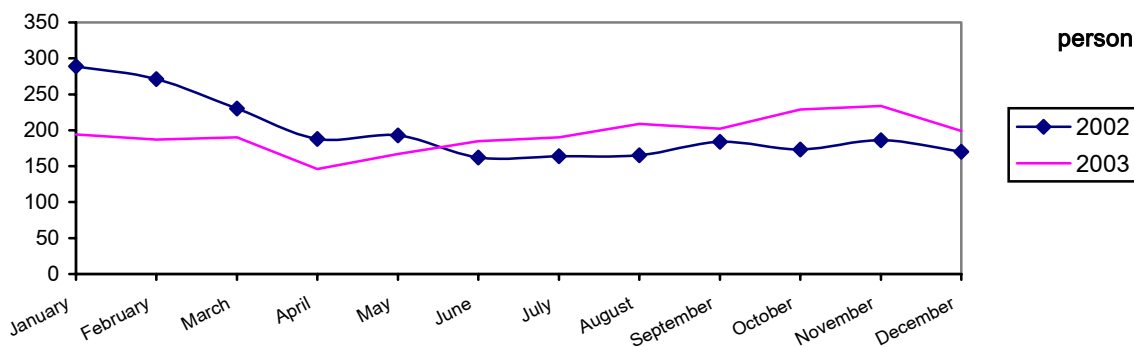
Dynamics of the Loading per Vacant Work Place by Months¹, 2003

(as of the end of month)

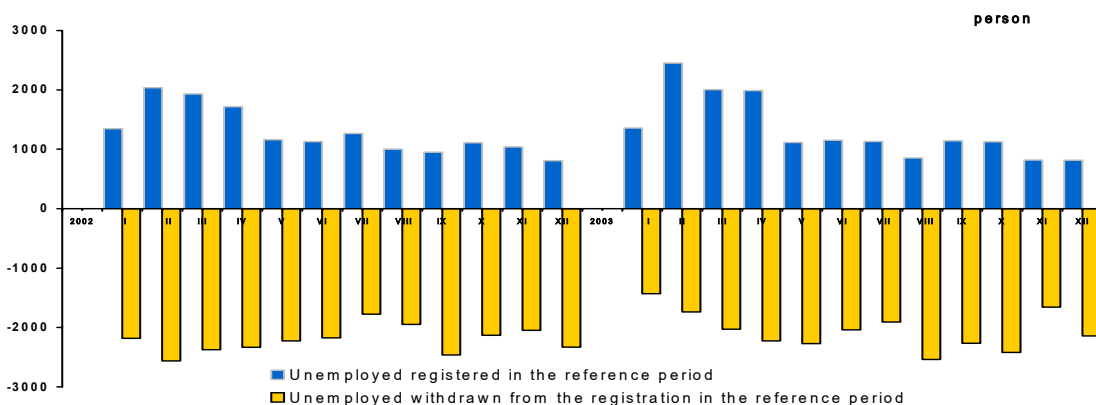
	Officially presented employers' demand for labour force, persons	Number of unoccupied persons per vacant work place			
		Persons	%		
			compared to previous month	compared to the same month of the previous year	
January	788	194	114.1	67.1	
February	826	187	96.4	69.0	
March	815	190	101.6	82.6	
April	1057	146	76.8	77.7	
May	923	167	114.4	86.5	
June	837	185	110.8	114.2	
July	805	190	102.7	115.9	
August	723	209	110.0	126.7	
September	743	202	96.7	109.8	
October	650	229	113.4	132.4	
November	633	234	102.2	125.8	
December	738	199	85.0	117.1	

¹ According to the data of “ RA Employment Service” agency of RA Ministry of Work and Social Affairs.

Number of Unoccupied Persons Per Vacant Work Place by Months¹, 2003



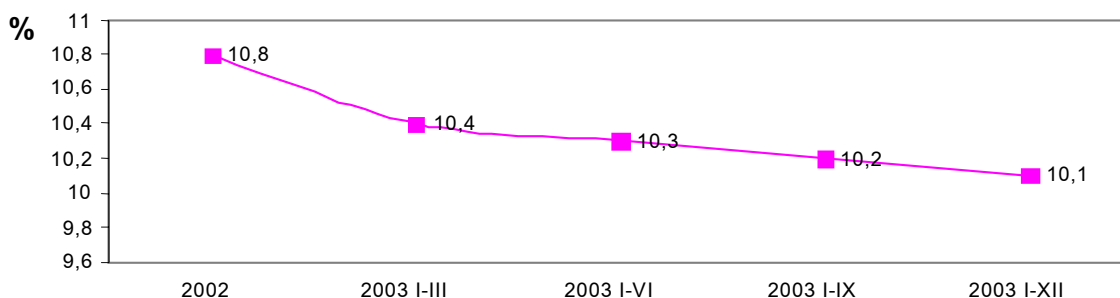
Movement of Officially Registered Unemployed by Months 2002-2003¹



For December 2003 in the republic number of unemployed getting unemployment benefit comprised 5.9 thsd. persons, and the average size of unemployment benefit comprised 3370 drams.

The unemployment rate, calculated as a relation between the number of the unemployed registered in the territorial employment centres and the number of economically active population (employed and unemployed), comprised 9.8% for December 2003 and decreased by 0.1 percent point in comparison with November 2003.

Official Unemployment Rate for 2002-2003



In order to provide interrelated and comprehensive information on labour force supply in RA labour market, labour contributions and basic indicators describing the labour market – employment and unemployment of population, in the I quarter of 2003 labour force sample survey was also conducted in

¹ According to the data of “ RA Employment Service” agency of RA Ministry of Work and Social Affairs.
 “ Socio-Economic Situation of the Republic of Armenia for January- December 2003”

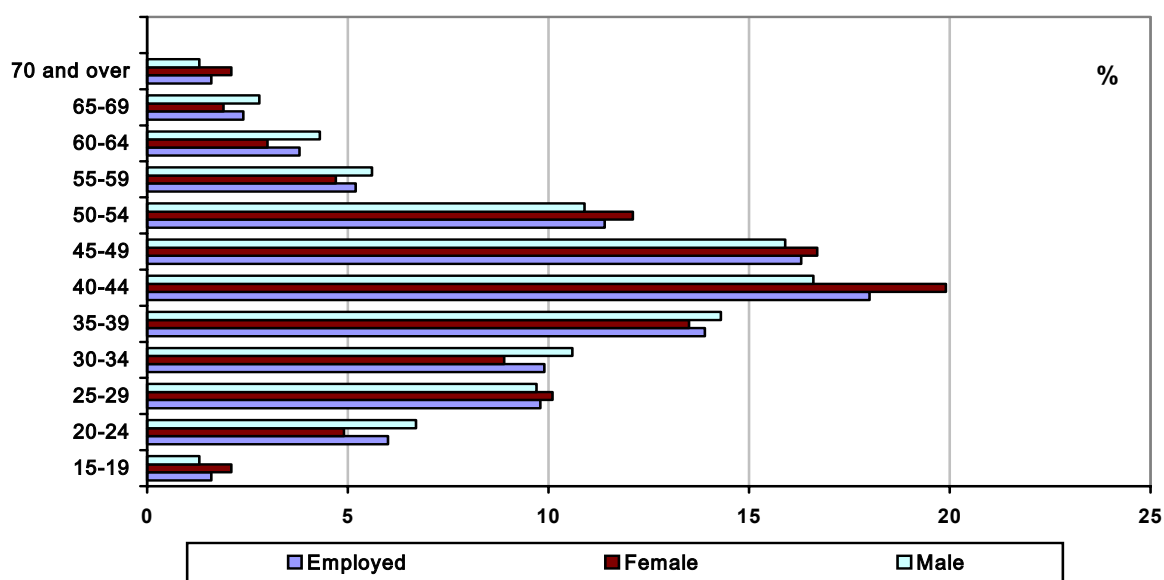
1.Real Sector

the 1161 households of 15 urban and 14 rural settlements of 11 RA marzes covered by the investigation of households' living standard. The 100% of sample universe covered by the survey.

In general, 2845 individual questionnaires were completed for the working population at the age of 16-70, as well as up to 16 and over 70. The 25.8% of population or 729 persons corresponding to the above-mentioned age group didn't participate in the interview for several reasons, in particular the 16.7% refused to be interviewed, the 14.7% temporarily left out to work, the 8.9% were temporarily absent from the republic, the 5.2% weren't interviewed because of long lasting illness, and the rest 54.5% - for other reasons. According to the survey results, the economically active population comprised the 65.5% of the interviewed population, of which the employed comprised 66.7%, including women – 42.4%, men – 57.6%, correspondingly the unemployed – 33.3%, including women – 57.2% and men – 42.8%.

Among the employed persons, the employed at the age of 15-19 had the lowest share which comprised 1.6%, and the employed at the age of 20-24, 25-29 and 30-34 comprised 6.0%, 9.8% and 9.9%, and in the age group of 35-54, an increase was recorded and fluctuated between 11.4%-18.0% correspondingly, whereupon a decrease was again recorded – 1.6% (employed at the age of 70 and over). According to marital status, the 76.3% of employed were married, single/never married employed comprised 14.3%, widow/widowers - 5.7% and the divorced - 3.7%.

Shares of Employed Population by the Sex and Age Composition

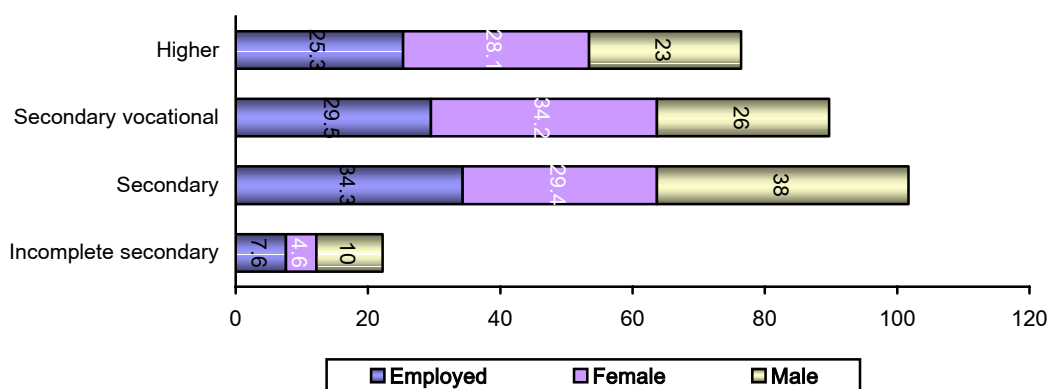


Among unemployed, the unemployed at the age of 65 and over had the lowest share, which comprised 2.3%, those up to 19-year of age - 7.4%, 50-64-year of age - 10.8%, 30-39-year of age - 20.3%, 40-49-year of age - 26.7% and 20-29-year of age -32.5%.

By the marital status, the 57.3% of unemployed were married; the 33.8% of unemployed made up single/never married ones, the 4.7% - divorced and the 4.2% - widow/widower.

By the level of education, among employed population those with higher education comprised 25.3%, those with secondary vocational education – 29.5%, those with secondary and incomplete secondary education 34.3% and 7.6% correspondingly.

Distribution of the Employed by the Educational Level and Sex



According to the survey results, among the employed, the highest share of employment was recorded in the sphere of agriculture, hunting, forestry which comprised 24.6%, in the sphere of trade, repair of motor vehicles, household and personal goods -17.3%, in the sphere of education - 13.4%, in the sphere of manufacturing - 10.3%, in the sphere of public administration - 8.9%, in the construction - 5.6%, in the sphere of transport and communication 5.6%, in other spheres it fluctuated between 0.5% (financial activity) and 4.3% (other community, social and personal service activities). At the time of interview, the 34.6% of employed were engaged in the state sector of economy, 65.1% - in the private sector and the 0.3% - in the public organizations.

Labour force sample survey enabled to derive the distribution by the types of economic activity of employed and also of those unemployed who had formerly had a work experience. Thus, only the 26.9% of employed population had a work experience (including 49.7% of women) the rest 73.1% were those who sought job for the first time and were ready to start it at once.

Among the unemployed who had formerly had a work experience, the highest share in the types of former employment was recorded in the sphere of manufacturing - 25.1%, in the sphere of construction - 21.6%, in the other spheres it fluctuated between 0.6% (financial intermediation, real estate, renting and business activities) and 11.4% (trade, repair of motor vehicles, household and personal goods).

Distribution of Number of Employed and Unemployed, Who Had Ever Had a Job, by the Types of Economic Activities

	Employed	Unemployed, who had ever had a job
Total	100	100
Agriculture, hunting and forestry	24.6	9.0
Fishing	1.1	-
Manufacturing	10.3	25.1
Electricity, gas and water supply	2.9	1.8
Construction	5.6	21.6
Trade, repair of motor vehicles, household and personal goods	17.3	11.4
Hotels and restaurants	0.8	3.0
Transport and communication	5.6	4.2
Financial intermediation	0.5	0.6
Real estate, renting and services to consumers	0.6	0.6
Public administration	8.9	6.6
Education	13.4	5.3
Health and social work	4.1	4.8
Other communal, social and personal service activities	4.3	6.0

1. Real Sector

According to the survey results, the employed and the unemployed, who had ever had a work experience, were distributed by the employment status as well. Thus, the 58.5% of employed comprised employees, the 33.6% - self-employed, the 1.1% - employers and the 6.8% - those having other status. The self-employed implemented economic activity mainly in the agriculture - 52.3% and in the sphere of trade - 29.7%.

The unemployed had mainly been employees in their former job, the 9.6% - self-employed, the 1.2% - employers. The share of employees was higher in the manufacturing -26.8%, the share of self-employed in the sphere of trade, repair of motor vehicles, household and personal goods- 43.8%, and the employers were equally distributed between the spheres of manufacturing and construction.

The distribution of number of employed population by the type of job was described as follows: during the survey the 75.4% had permanent work, the 15.5% - seasonal work, the 8.4% - temporary and the 0.7% had one-time work.

From the viewpoint of relation between supply and demand in the labour market the employed persons engaged in seasonal or one-time work, in particular are of great importance, since as a matter of fact they are potential unemployed. The 81.6% of those having non permanent work didn't manage to find a permanent work; the 11.5% weren't able to do permanent work, the 5.9% didn't want to and the work of 10% wasn't permanent due to several reasons.

Growth tendency was recorded in the number of those having secondary work: the latter comprised the 3.5% of employed population, which in comparison with the same period of the previous year increased by 0.7%.

According to the marital status, the 79.5% of those having second employment were married (of which the 57.1% were men and the 42.9% - women), which in comparison with the same period of the previous year decreased by 1.2%. About 68.2% of those having second employment implemented their activity in the sphere of self-employment, the 15.9% were employees, the 13.6% - unpaid family worker.

The 60.8% of interviewed employed had a profession. The work of 74.1% of employed population coincided with their qualification/profession, the work of 24.9% was below the qualification level they had and the work of 1.0% required higher qualification than they had.

The 52.3% of employed population worked full-working day/week, the 27.1% - part-time and the 20.6% - more than full-working day/week. The 44.0% of the part-time working day/week employees didn't manage to find a job with full-working day, the 13.1% take up such work regime on initiative of employer, the 24.1% didn't want to work full-working day/week and the 18.8% hadn't chance to work full-working day. The 43.8% of employed wanted to change their work, while the motive of changing work of the 74.6% was to get higher income. The 43.4% of those desiring to change their work were the employees.

The survey enabled to get information on unrecorded employment as well. According to the survey results, the 25.3% of employees worked according to the oral agreement. Their share was higher in the system of hotels and restaurants - 80.0%, in the sphere of wholesale and retail trade -73.3%, in the sphere of real estate, renting and business activities - 57.1%, in the construction - 43.5%, and in the other spheres it fluctuated between 34.0% (other community, social and personal service activities) and 4.5% (public administration).

The 78.0% of occupied employers and self-employed implemented unrecorded activity. According to the interview results, during the survey the 97.2% of occupied employers and self-employed implemented unrecorded activity in agriculture and the 29.0% - in the sphere of trade. The work of 39.4% of those implementing unrecorded activity was seasonal, the work of 43.3% - permanent, the work of 14.9% - temporary, and the work of 2.4% - one time.

1.Real Sector

Besides the officially registered unemployment, the labour force sample survey enabled to evaluate the actual unemployment level as well. The above mentioned survey was based on the definition of unemployment recommended by the International Labour Office, according to which during the observation period unemployed are considered all those, who satisfy the following three standards: who have not a job or profitable employment, seek a job by all means, and are immediately ready to take up work. And the level of officially registered unemployment is calculated according to the RA Law “On Employment”, according to which, the unemployed are considered those citizens, at the age of 16 and over, who have no job and apply to the “ Employment Service” agency to get a job and have at least 1 year of seniority.

According to the summary results of labour force sample survey carried out in 1161 households in the I quarter of 2003, actual unemployment rate was estimated, which comprised the 33.3% of economically active population. The unemployment rate was higher among women - 40.2%, in comparison with the 13.5% of official unemployment rate, and among men - 27.1% in comparison with the 6.1% of official unemployment rate. According to the labour force sample survey, the actual unemployment rate in comparison with the 38.1% of the same period of 2002 decreased by 4.8% and in comparison with the average annual indicator of the survey carried out in two quarters of 2002 - by 2.0%.

**Unemployment Rate According to the Labour Force Sample Survey
for 2002-2003**

