



## **Strengthening Education–Business Cooperation in Line with the CEPA**

7th Meeting of EU-Armenia Civil Society Platform

### **I. Background and Rationale**

This concept brief contributes to the CSP priority area “Strengthening Education–Business Cooperation in Line with CEPA,” a domain central to improving youth employability, enhancing skills matching, and fostering Armenia’s transition to an innovation-driven economy.

### **II. State of Affairs: Labour Market Context & Structural Challenges**

#### **1. Labour Market Context and Youth Employment**

Armenia’s labour resources (15–74) in 2023 reached 2,223.2 thousand, showing a decline of 1.1% since 2020. Among youth (15–29), labour resources amount to 501.9 thousand (22.6%), yet 52% remain outside the labour force, neither studying, working, nor seeking employment. Unemployment among youth is 21.3%, significantly higher than the national average<sup>1</sup>.

Additional structural challenges include:

- Mismatched skills between education output and labour demand,
- Lack of practical experience and digital/technical competencies,
- Territorial inequality,
- Limited opportunities for persons with disabilities,
- Weak entrepreneurship support,
- Low productivity and ageing workforce
- Weak innovation absorption capacity
- Absence of sector skills intelligence
- Persistent migration pressures and unrealistic expectations.

These factors clearly demonstrate the urgency of deepening Education–Business cooperation to strengthen employability pathways.

#### **2. Ongoing VET Reforms and CEPA Alignment**

In May 2024, the National Assembly adopted a comprehensive legislative package including:

- The Law on Vocational Education and Training (entered into force June 24, 2024)<sup>2</sup>,
- Amendments to the Law on Education<sup>3</sup>, Labour Code<sup>4</sup>, Law on SNCOs,<sup>5</sup> Licensing<sup>6</sup>, Foundations<sup>7</sup>, and Trade and Services<sup>8</sup>.

To operationalize these reforms, the Prime Minister’s Decree No. 914-A (10 October 2024) approved a list of actions and the development/revision of 33 legal acts.

<sup>1</sup> [https://armstat.am/file/article/armenia\\_2023\\_4.pdf](https://armstat.am/file/article/armenia_2023_4.pdf)

<sup>2</sup> <https://www.arlis.am/hy/acts/193918>

<sup>3</sup> <https://old.arlis.am/DocumentView.aspx?docid=207612>

<sup>4</sup> <https://old.arlis.am/DocumentView.aspx?docid=214376>

<sup>5</sup> <https://old.arlis.am/DocumentView.aspx?docid=193924>

<sup>6</sup> <https://old.arlis.am/DocumentView.aspx?docid=193920>

<sup>7</sup> <https://old.arlis.am/DocumentView.aspx?docid=193923>

<sup>8</sup> <https://old.arlis.am/DocumentView.aspx?docid=193919>

Per Article 38(3) of the VET Law, all sub-legislative acts required for Articles 7 (1, 7–14), 8 (5–7), 15 (16–18), 22–29 must be adopted by 31 January 2026.

However, the following challenges persist:

- Fragmentation in governance and slow operationalization of new frameworks.
- Incomplete alignment of qualifications, occupational standards, and curricula with EU models.
- Limited incentives for employers to participate in VET governance, curriculum design, WBL, and assessment.
- Insufficient capacity of VET institutions to implement competency-based, modular, and outcome-oriented programs.

### **Key Implementation Gaps**

- Lack of a National Skills Strategy, despite CEPA Roadmap Actions under Articles 91, 93 calling for systematic skills anticipation and development.
- Standards and qualifications remain partially aligned with the European Qualifications Framework (EQF).
- Quality assurance reforms are incomplete
- Insufficient teacher upskilling, especially in competency-based teaching, digital pedagogy, and work-based learning (WBL) coordination.

### **III. Main Findings (Evidence-Based)**

1. Education–Business cooperation remains fragmented  
Most partnerships are project-based, donor-driven, and dependent on individual school leadership. There is no national framework defining cooperation models, incentives, or accountability.
  - Absence of legally defined cooperation models.
  - No system of employer recognition for VET participation.
2. Mismatch between training content and labour market needs  
Employers point to outdated curricula, insufficient digital and green skills, and lack of transversal competences.
  - Weak integration of green skills.
  - Limited micro-credentials and short training programs needed by SMEs.
3. Work-Based Learning (WBL) is still limited  
Despite positive pilots, dual education and apprenticeships lack legal clarity, employer incentives, and scalable mechanisms.
  - Lack of training for in-company mentors (required for dual systems).
  - No national apprenticeship framework despite CEPA commitments.
4. Entrepreneurial and innovation capacities remain underdeveloped  
Youth show strong interest, but VET institutions lack structured entrepreneurship education aligned with the EU EntreComp framework, as well as digital skills aligned with the DigComp framework.
  - Need to embed EntreComp + green transition entrepreneurship modules in all VET pathways.
  - Business associations are not systematically engaged in the process.
5. Governance is fragmented  
Shared responsibilities across MoESCS, MoLSA, NQA, sector councils, and VET providers create overlap and delay reforms.
  - The National Qualification Authority and Sector Skills Councils lack stable financing and consistent employer participation.
6. Career guidance is weak  
Counseling services are inconsistent, and students often lack reliable labour market information, contributing to poor career choices and unemployment.
  - Career guidance does not yet operate under national standards or EU guidance system principles.

7. CEPA provides a clear roadmap, but implementation lags  
Articles under Chapters outline specific commitments, but Armenia needs a more structured national approach.

#### **IV. Policy Recommendations (Aligned with CEPA and the Roadmap)**

1. Establish a National Framework for Education–Business Cooperation  
(MoESCS, MoLSA, MinEconomy + CSOs )
  - Define partnership models, roles, and responsibilities.
  - Introduce employer incentives, financing schemes, and participation mechanisms.
 CEPA Article 93; Title VIII: Roadmap: Article 93
2. Accelerate modernization of qualifications and curricula  
(MoESCS, MinEconomy, NCVETD + CSOs)
  - Adopt modular, outcome-based, EU-aligned programs.
  - Engage employers at every stage: design, delivery, assessment.
 CEPA Roadmap: Article 93
3. Scale up Work-Based Learning and dual education  
(MoESCS + CSOs)
  - Introduce WBL contracts, sector-based apprenticeship standards.
  - Provide tax benefits or co-financing for participating employers.
  - Train in-company mentors (EU standard).
 CEPA Articles 93-95, Roadmap: Article 93;
4. Integrate entrepreneurial, digital, and green skills  
(MoESCS, MoLSA, + CSOs)
  - Introduce EntreComp, DigComp, and green skills frameworks in all VET institutions.
  - Support innovation labs, student companies, and industry mentoring.
  - Promote circular economy skills for manufacturing, construction, and hospitality.
 CEPA Arts. 93-95; Roadmap Article 93
5. Create and develop a national system for career guidance  
(MoESCS, MoLSA, MinEconomy, Statistics Committee + CSOs)
  - Train career counselors, develop digital tools, and integrate labour market data.
  - Partner with employers to provide real-world orientation, and require annual employer orientation sessions in all VET institutions.
 CEPA Arts. 93-95; Roadmap Article 93
6. Strengthen institutional governance and employer participation  
(MoESCS, and Competent State Bodies, Business ecosystem + CSOs)
  - Create an Education–Business Advisory Council under MoESCS.
  - Ensure employer representation in qualification councils and VET board structures.
 CEPA Arts. 365–370; Roadmap Article 93
7. Mobilize EU instruments (MoESCS, MoLSA, MinEconomy, MinFinance + CSOs)  
Leverage Erasmus+, ETF, TAIEX, EU4Youth, and CEPA facility mechanisms to:
  - Scale dual education,
  - Support micro-credentials,
  - Use Erasmus+ KA2 for teacher training and WBL methodologies.

- Strengthen VET quality assurance and teacher training.

## Conclusion

Strengthening Education–Business cooperation is a cornerstone of Armenia’s CEPA commitments and a precondition for modernizing the labour market. With youth unemployment exceeding 21% and 52% of young people outside the labour force, the need for structural VET reform and stronger employer engagement is urgent.

CEPA offers Armenia a clear roadmap toward European standards—through modernization of qualifications, work-based learning, innovation, and improved governance. Effective implementation, however, requires sustained political will, coherent policy coordination, and robust participation from employers, civil society, and European partners.

A modern, competitive, and inclusive Armenian workforce depends on these joint efforts.

## V. Advocacy Messages

### For the Government of Armenia

- Adopt Education–Business Cooperation as a national priority with a dedicated budget line.
- Accelerate the adoption of all 33<sup>9</sup> VET-related sub-legislative acts by January 2026.
- Mandate employer participation in qualification development and WBL implementation.
- Develop a national entrepreneurial and digital skills strategy for VET.

### For EU Partners

- Support Armenia in operationalizing dual education and modern qualification systems.
- Prioritize youth employability and green/digital transformation in future CEPA programs.
- Expand twinning, peer-learning, and benchmarking with EU member state VET systems.

### For Employers

- Engagement in VET ensures a more competent and job-ready workforce.
- Participation reduces recruitment costs and strengthens the national talent pipeline.
- Cooperation with VET institutions is an investment in Armenia’s economic competitiveness.

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<sup>9</sup> [https://www.e-gov.am/u\\_files/file/decrees/varch/GV93-2B5D-26E7-2AAD/914.1.pdf](https://www.e-gov.am/u_files/file/decrees/varch/GV93-2B5D-26E7-2AAD/914.1.pdf)

The plan includes 33 actions, of which:

- 2 had a completion deadline of the end of 2024 and have been completed;
- 6 are scheduled for completion by January 2026;
- 25 actions have a deadline in 2025, however only 4 have been implemented, i.e. 16%.