Despite economic progress over the last decade, disparities between women and men remain salient in Armenia, especially in dimensions that are powerfully influenced by social norms. In domains like education and health, gender equality in outcomes in Armenia are broadly comparable with those in Europe and Central Asia and better than those of lower-middle-income countries globally. However, barriers to women’s access to economic opportunities persist and gender inequalities are manifest in demographic imbalances, and underrepresentation in leadership roles. Concerted policy efforts are required to close gender gaps that hamper growth of the overall economy.

Women’s lagging participation in employment and entrepreneurship results in a loss in economic output equivalent to 14 percent of Armenia’s Gross Domestic Product in 2014.

Social norms and patriarchy continue to place barriers to economic participation by women, causing both a misallocation and underutilization of women’s human capital. These barriers are manifest in occupational segregation of women, a gendered concentration in particular fields of study in tertiary education, a dip in female labor force participation during the childbearing years, and the underrepresentation of women among political leaders and entrepreneurs. Gender-selection of births in favor of boys also has far reaching demographic and economic effects. As Armenia strives to grow and become competitive in the global market, effectively addressing these gender gaps can bring tangible benefits to the country as a whole.

**Key Policy Recommendations**

- Invest in campaigns promoting the value of girls and increasing gender equality in leadership roles.
- Support women’s work participation especially participation in entrepreneurship
- Adopt a parental leave concept and incentivize fathers to share child care responsibilities
- Strengthen access to quality early education and care programs and establish elder care systems to reduce the care burden on women.
- Enhance active labor market programs and job search tailored for unemployed women’s and men’s needs.
- Launch mass media/public awareness campaigns to promote the value of daughters and the role of women as leaders.

**Context**

Despite advances gender differences in outcomes persist in Armenia and are reflected in demographic imbalances, lagging participation of women in the labor market and in leadership roles.

There are more boy births than girl births, with 113 boys born for every 100 girls (this is well above the benchmark incidence of 106) reflecting many parents’ preference for ensuring that they have at least one son. Despite this value placed on sons, male life expectancy lags that of women. While life expectancy has increased over the past decade, among men it has remained almost unchanged, and consequently, the difference in this indicator for men in comparison to women, has increased.

Although a larger share of young women relative to young men are enrolled in tertiary education, women and men specialize in different subjects and fields of study (the social sciences, education, and health care among women and technical fields among men). This lays the foundations for much of the gender-based sectoral, occupational, and wage differences observed in the labor market.

In the labor market, the participation gap between men and women is around 17 percentage points. The difference in earnings between men and women has declined significantly over the past decades, however women still earn an average 36 percent less than men.

There are fewer women leaders in the private sector, including in managerial and entrepreneurial positions. Although, there has been significant progress since 2001, when only 3 percent of National Assembly were
women, this share is about 11% in 2015, still below the 15 percent mandated by national quotas.

**Addressing the Challenges to Gender Equality**

The main challenges to gender quality identified are: (i) women’s lagging workforce participation; (ii) school-to-work transition marked by concentration of women in certain fields of study and in sector of employment; and (iii) social perceptions about the value of women and daughters reflected in parental preference for sons.

**Removing Barriers to Workforce Participation**

Barriers to women’s participation in the workforce result in an underutilization of valuable human capital and economic losses not only for women and their families, but for the entire society.

Only 58 percent of women ages 15–64 participate in the labor market in Armenia. This is slightly higher than the Europe and Central Asia average, but 17 percentage points lower than men in Armenia. The gender difference in participation is greatest in the 25–34 age group (figure 1).

**Figure 1: Labor participation across the life cycle, 2015**

One reason for these gaps is the persistence of gender norms emphasizing women’s roles as mothers and household caretakers. Preschool and childcare institutions, which could help women balance work and childcare responsibilities, are available, but attendance is still low by international standards, particularly in rural areas.

Key barriers to work are often related to the conflicting demands of their time for care and work activities. These barriers produce a vicious circle of low labor participation and employment, reduced earnings and higher inequalities.

Legislation is currently in place to provide 28 weeks of paid maternity leave. While significant in its provisions, if not combined with access to quality childcare and with incentives for fathers to bear a share of the time devoted to care, this legislation can reinforce the traditional gender roles that limit women’s workforce participation after birth. Unpaid parental leave for childcare that may be taken by the father is however there are little incentive for fathers to use it and share care responsibilities.

Gender discrimination by employers plays an additional role in limiting workforce participation by women. Anti-discrimination principles are enshrined in Armenia’s Constitution and Labor Code, but there are no prohibitions on employers asking prospective employees about their family status. Indeed, discrimination may explain in part the persistence of gender gaps in Armenia.

**Policy Options.** Capitalizing the investments of valuable resources in women’s education requires the implementation of policies that remove barriers on both the demand side and the supply side. Policy efforts aimed at adequate job creation need to be accompanied by policies to help balance care and work responsibilities.

Additional legislative efforts could strengthen the role of women in the workplace. For instance, adopting a family leave concept that expands maternity leave to include paternal leave will have the dual effect of ensuring the parental care of babies and reducing disincentives for employers to hire men instead of women.
Improving availability and access to quality early childhood development programs will be beneficial for young children and will enable more women to enter the labor force and improve their employment prospects. Similarly, eldercare alternatives that are compatible with prevalent social norms (such as daycare and help at home) could relieve additional demands on women’s time away from the workforce.

Strengthening active labor market programs and emphasizing job search assistance and counseling to help the long-term unemployed would also help women and men. Recent efforts to strengthen the State Employment Service are particularly beneficial among unemployed women.

Supporting Skills and Talent

Armenia has made significant investments in education, and the population is better educated than the populations of most countries at a similar stage of development. Women are particularly well represented in tertiary education in Armenia, with an estimated 1.5 women in tertiary education for every man. However, substantial gender gaps exist within the workforce, representing a misallocation of Armenia’s human resource potential.

Generally, unemployment displays strong gender patterns in Armenia. While unemployment rates are high for both men and women (17.6 and 19.5 percent, respectively), unemployment lasts longer among women and is particularly high for younger women (figure 2). This pattern can be explained not only by discrimination in hiring and firing, but also by skills mismatches and women’s preference for certain types of jobs, especially those that allow more time for household work.

When having a job, women are much more likely than men to be employed in less well-paying sectors such as education and other work in the public sector (26.8 percent of working women versus 17.7 percent of working men). One potential reason for this segregation is that the more stable working hours of public sector jobs are generally viewed as more favorable in balancing household work. The segregation towards these professions begins with subject choices in tertiary education, with women being far less likely than men to specialize in fields related to science, technology, engineering and mathematics.

Figure 2: Unemployment Rates by Age and Gender 2015

Similarly, women as entrepreneurs are concentrated in only a few specific sectors (such as textiles and restaurant services). Participation in entrepreneurship is low in Armenia among both men and women (0.8 percent of men in the labor force and 0.1 percent of women). There is also a significantly lower presence of women in top managerial positions: only 19.1 percent of firms with five or more employees are managed by women.

If working-age women who are not participating in the labor market were to do so at the same rates as their men counterparts, then there would be a gain of 14.3 percent of Armenia’s GDP per capita. About 40 percent of this loss in GDP per capita derives from distortions in the choice of occupations by women relative to men; the remaining 60 percent corresponds to the costs associated with gaps in labor force participation.

Policy Options. Efforts are needed to ensure that education and skills acquisition for both men and women lead them to jobs in sectors that are projected to grow and provide better pay. Policy options include implementation of programs to facilitate school-to-work transition among young women, by addressing the factors that discourage women’s specialization in
technical fields.

**Improving Social Perceptions of Girls and Women**

Across the identified gender gaps, a common thread appears to be the social norms that shape gender roles and influence outcomes.

A culture of strong son preference and pervasive patriarchal norms, the use of abortion as the most common family planning technique, and the availability of ultrasound technology characterize the context of gender and birth in Armenia. In aiming to have small families, parents likely resort to sex selection to ensure the birth of sons. The sex ratio is almost balanced among first births, but skewed among second births (107 and 111 respectively) and then jumps to over 150 among the third and fourth births.

This sex imbalance may have significant demographic and economic impacts for the country. It is expected to exacerbate the slowdown in population growth, potentially by around 3% over the next 50 years because the ‘missing girls’ in a generation translate into fewer women of childbearing age in the future, and encourage male emigration, which is already high. This emigration effect of the “marriage squeeze” has already been observed in parts of China and India, where skewed sex ratios at birth are at levels similar to Armenia.

Social perceptions about the value of daughters and women have implications beyond the sex ratio, however. Such perceptions can influence education decisions, women’s access to economic opportunities and the acceptability of women in leadership roles. Indeed, in the public sphere as in the private sector, women’s share in leadership roles is limited. Although it improved consistently over the last decade, the gender gap in women’s participation in the country’s political life is still wide (figure 3).

**Policy options.** Experience in other parts of the world suggests that mass media can be powerful in shaping norms about the role of men and women, and in promoting change. Media campaigns can be targeted at the workplace to address gender biases and to promote the value of women and daughters as leaders.

By tackling the underlying preference for sons, media campaigns also hold more promise in addressing high sex ratios at birth than bans on prenatal sex selection or policies aimed at discouraging abortions. Data from India finds that such bans can have the adverse effect of encouraging illegal (and potentially riskier) sex selection by parents.

**Figure 3: Women’s representation among political institutions**

<table>
<thead>
<tr>
<th>Institution</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lawyers</td>
<td>22.2</td>
</tr>
<tr>
<td>Judges</td>
<td>24.9</td>
</tr>
<tr>
<td>Ministers / Deputy Ministers</td>
<td>16.7</td>
</tr>
<tr>
<td>National Assembly</td>
<td>10.7</td>
</tr>
</tbody>
</table>


**Concluding Remarks**

Supporting equality between women and men is a smart development strategy for Armenia not least because of the economic costs deriving from the gender gaps in the labor market that may represent loss in output (estimated to be about 14 percent of GDP in 2014).

The demographic context of the country is characterized by low fertility, son preference and sex selection at birth, as well as population aging and prevalent health risks among men. Sustainable growth in Armenia requires policy action on multiple avenues to strengthening gender equality.

This note summarizes the Country Gender Assessment 2016 for Armenia, prepared by a World Bank team comprising Nistha Sinha and Lourdes Rodriguez-Chamussy, under the overall guidance of Laura Bailey, Mercy Tembon, Carolina Sánchez-Páramo, and Rashmi Shankar.