



# Persistent problems of labour and social governance of Armenia in view of European integration

7th Meeting of EU-Armenia Civil Society Platform

## Introduction

The goal of this report is to provide a brief review of the main challenges in labour and social policy, and the latest developments, particularly in the context of Armenia's commitments related to European integration under Comprehensive and Enhanced Partnership Agreement (CEPA). Several advisory opinions and monitoring reports on the implementation of European and international (ILO) labour standards were produced by EU-AM Civil Society Platform<sup>1</sup> and others<sup>2</sup>, but many of the concerns raised remain valid today.

Some of the commitments under CEPA were partially addressed during the 2023 reform of the Labour Code. It is worth highlighting, however, that the right to information and consultation is still not guaranteed, leaving the system of social dialogue at national level and in the public service sector disabled. Its implementation is a long overdue.

Several positive initiatives were launched in recent months too, which will be pointed out below.

## Overview of main challenges of labour governance and their persistency

### CEPA Context and Background

As noted above, most of the challenges in employment and social policy have remained largely unchanged in recent years. In the context of CEPA, the commitments in this area are particularly far-reaching. Chapter 15 and the related annexes contain substantial obligations to approximate national legislation to a broad range of European standards. In addition, Article 274 introduces commitments to implement most core international labour standards, including conventions, recommendations and other instruments adopted by the International Labour Organization (ILO) – such as the promotion and conduct of social dialogue, non-discrimination, occupational safety and health, and the broader ILO “decent work” agenda. Social policy commitments are also closely interlinked with other sectoral provisions of CEPA – including health policy, migration and taxation – where dynamic reforms are currently under way. In particular, public health policies are required to be in line with common European health values and principles (Article 91), including universality, solidarity, equity and access to quality care<sup>3</sup>. The following sections briefly review the current state of play in these areas.

### Absence of genuine social dialogue

The principle of social dialogue is one of the fundamental pillars of democracy and effective public governance. It consists of structured consultation and collective bargaining between social partners at all levels – company, sectoral and national<sup>4</sup>. One of the main challenges in Armenia is that the social dialogue system, while described in Labour Code is not actually enabled in practice, as no effective mechanisms have been created to

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<sup>1</sup> EU-AM CSP, eu-armenia.am,

<sup>2</sup> <https://cepacso.am/en>

<sup>3</sup> European Health Values, Global Health Europe, <https://globalhealththeurope.org/values/european-health-values/>

<sup>4</sup> Freedom of Association and Social Dialogue, 2022 report, USLGPSEA (accessible via eu-armenia.am)

operationalise it. Despite the ratification of international labour standards on establishing and promoting collective bargaining<sup>5</sup>, there is still no permanent tripartite body at national level<sup>6</sup>, with clear procedures to ensure consultation and negotiation on labour, social, economic and fiscal policies between the social partners.

In practice, consultation largely takes place through tokenistic information-sharing between the Ministry of Labour and Social Affairs and the Confederation of Trade Unions, which cannot be regarded as meaningful and institutionalised social dialogue. Another fragile and unsustainable substitute for social dialogue has been the signing of Republican Collective Agreements between the 3 national social partners. However, this mechanism has also proven ineffective: since 2023 the government has failed to renew any such agreement.

The right to collective bargaining is also blocked at sectoral level in the public service. No government body is designated as a social partner authorised to negotiate with sectoral public service unions<sup>7</sup>. At company level, the right to collective bargaining is severely restricted. The legal framework only recognises the “freedom of collective bargaining”, a purely symbolic clause that imposes no obligation on employers.

In October 2025, the government circulated a long-awaited draft bill to amend the Trade Unions Act<sup>8</sup>. Among other proposals, the bill introduces an explicit “right to bargain”. This would be a positive development if it is adopted in a robust form and implemented in good faith. Another positive step is the recent initiative to bring the Trade Unions Act into line with the Constitution by abolishing the restriction on freedom of association for police officers. The relevant amendment has been approved by the government and is currently awaiting a vote in Parliament<sup>9</sup>.

### **Union busting and independence issues**

Cases of union busting are systematically reported, particularly in the state and municipal sectors, further undermining the principles of freedom of association and trade union independence. Union-busting practices include obstruction, pressure and interference in the internal administration of unions; nomination or imposition of management representatives into union executive bodies; exerting control over the activities of organised workers; and promoting staff-level unions that are isolated from broader sectoral or national trade union structures. The result is unions that operate under the influence of the employer and serve primarily as instruments for financial or reputational purposes rather than genuine worker representation<sup>10</sup>. The fact that such unlawful practices occur within state and municipal institutions directly illustrates the failure of public authorities to uphold their own obligations to protect workers’ rights and labour democracy

### **Enforcement & inspections crisis**

As in many other policy areas, labour relations in Armenia suffer from a serious enforcement gap. This is driven by under-resourced inspectorates, formalistic control procedures, and archaic, outdated inspection

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<sup>5</sup> ILO conventions 87, 98, 151, 144, 154, ILO Recommendation 113

<sup>6</sup> Labour Code of Armenia (in Armenia, latest incorporation), <https://www.arlis.am/hy/acts/214702>

<sup>7</sup> The USLGPSEA proposals on draft amendments of Trade Unions Act

<sup>8</sup> Draft amendments for Trade Unions Act, <https://www.e-draft.am/projects/9251>

<sup>9</sup> <https://iravaban.net/536833.html>

<sup>10</sup> The report on implementation of the Comprehensive and Enhanced Partnership Agreement in 2024, EU-Armenia Civil Society Platform (accessible via [eu-armenia.am](https://eu-armenia.am))

rules. As highlighted by previous reports<sup>11</sup> and analyses<sup>12</sup>, the inadequate legal framework and extremely weak inspection mechanisms, combined with the limited capacity and competence of the inspection bodies, have rendered institutions such as the Health and Labour Inspection Body (HLIB) largely decorative and paralyzed. They are unable to perform resultful checks other than pre-planned, routine checks and are effectively prevented from acting proactively in defence of workers' rights.

A typical attempt to involve the HLIB in cases of labour law violations requires the following steps: submission of an individual written complaint containing detailed legal information on all parties; a formal notice sent by HLIB to the employer indicating both the forthcoming inspection and the identity of the complainant; the expiry of a notice period; a formal on-site check limited to what can be observed during the visit; and finally, a hearing in which both the complainant and the employer are summoned in person. This procedure not only discourages most of the workers from filing complaints in the first place but also makes it practically impossible to detect numerous forms of abuse – for example, work without a written contract or undeclared working hours, which are unlikely to be revealed during a pre-announced, document-focused inspection. It also exposes workers who do complain to retaliation and harassment, further undermining the credibility of the inspection system. In some cases, not showing up to hearings is used as an excuse to cease the inspection process.

## **New developments: Healthcare insurance reform & migrant workers**

### **Universal Health Insurance (UHI)**

For the past three and a half years, the government has been working on a reform to introduce a universal health insurance (UHI) scheme for the population of Armenia. Successive draft packages were prepared by the Ministry of Health and subsequently modified, with the latest bill presented in late 2025<sup>13</sup>. It aims to enrol population in phases, with entire population be under the system by 2029.

While vulnerable groups are expected to benefit from expanded coverage, the draft contains a number of serious shortcomings with regard to the working population<sup>14</sup>, and has been advanced in a non-transparent manner, bypassing regular procedures<sup>15</sup>. Social partners were not genuinely involved in the design of the reform, particularly in relation to its financing model. Under the current proposal, only workers would finance the scheme, while employers would be exempt from contributions – a highly unusual model in international, and especially European, practice. Such an approach is difficult to reconcile with European health values of equity and solidarity, which link access to health care with ability to pay and a fair sharing of the burden between workers, employers and the state. A flat monthly contribution of 10,800 AMD (approximately 25 EUR) per worker would be deducted from wages and paid solely by employees, regardless of income. This design is highly regressive: low-paid workers would contribute a significantly higher share of their earnings than high-income groups. Instead of a head tax on employees, the UHI reform should be based on income-

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<sup>11</sup> A. Barikyan, T. Nazaretyan, ISSUES OF IMPLEMENTING THE RIGHT TO HEALTHY AND SAFE WORKING CONDITIONS AND THE APPROACH OF RA LEGISLATION TO THE PROVISIONS OF THE “COMPREHENSIVE AND ENHANCED PARTNERSHIP AGREEMENT”, Advisory Opinion (published at eu-armenia.am)

<sup>12</sup> Mariam Mkhitarian, Evaluation of reforms in occupational safety and dispute resolution system of Armenia in context of CEPA, Yerevan, 2025 (accessible via <https://cepacso.am/hy/report/56>)

<sup>13</sup> <http://parliament.am/drafts.php?sel=showdraft&DraftID=79616>

<sup>14</sup> Analysis of the new draft on Universal Healthcare Insurance (in Armenian), <https://arhmiutyun.org/2025/10/09/universal-health-coverage-scheme-bill-2026-analysis/>

<sup>15</sup> Concerns and proposals regarding the universal health coverage draft bill, <https://arhmiutyun.org/2025/11/18/concerns-and-proposals-universal-health-coverage-2025/>

related contributions and budget transfers, ensuring that universal coverage does not come at the expense of those with the least resources.

Another major concern is the lack of clarity on which medical services and products will be covered. These details are to be determined later by government decree, even though the authorities intend to push the draft law through Parliament as early as December<sup>16</sup>. Finally, the additional tax burden on workers risks undermining collective workers' rights, as it may further reduce already limited disposable incomes and weaken incentives for union membership.

### **Migrant workers**

In recent years, Armenia has experienced increased immigration of nationals from several South and South-East Asian countries, primarily for the real purpose of employment – often in an irregular form, without employment contracts or work permits. As described in the 2024 CEPA implementation report<sup>17</sup> and in other analyses<sup>18</sup>, this has led to an accumulation of undocumented migrants, a rise in illegal employment, and cases of illicit movement of persons and trafficking – whether coordinated by specific networks, facilitated by Armenian employers, or primarily driven by an overly liberal migration and labour governance framework remains to be fully investigated. Situation seriously undermines the rule of law in the labour market, deprive the state of tax revenues, and risk negatively affecting the implementation of the Visa Liberalisation Agreement handed over to Armenia in November 2025. To counter irregular migration, the government introduced certain measures, notably stricter visa requirements for nationals of India, Iraq and Egypt. However, rather than merely filtering entry applications, the problems need to be addressed in a more structural way.

Data obtained from state bodies<sup>19</sup> does not indicate a radical change in patterns regarding Indian nationals after the tightening of visa rules. In the first half of 2024, 37,450 Indian citizens applied for visas; in the first half of 2025 the figure was 28,689, a reduction of only around 23 percent. In the first half of 2025, 72 percent of applications were approved, resulting in 20,783 entries. In previous full years, around 50,000 Indian nationals entered Armenia, which is broadly consistent with approximately 20,000 entries in half a year. For the other two nationalities, the decline in applications and entries appears more substantial.

Interviews with foreign nationals residing in Armenia, as well as internal information gathered by the Union of State, Local Government and Public Service Employees of Armenia, suggest that the inflow of foreign workers from Asia is continuing, often supported or coordinated by illicit networks. Loopholes in national legislation are actively exploited. One example is the requirement to hold a Russian Federation visa as a precondition for applying for an Armenian e-visa; the process of obtaining Russian visas has been significantly simplified in recent years, which is used to attract foreign nationals<sup>20</sup>. Another factor fuelling illegal employment and overstays is the relative ease of obtaining Armenian residence permits through nominal “entrepreneurship”, with business entities registered purely formally and without any genuine economic activity.

### **Conclusions & recommendations**

Considering the above-mentioned issues and policy development, the following recommendations are recommended for the following policy makers.

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<sup>16</sup> According to the discussions in Health and Social Affairs parliamentary standing committee meeting on 28-11-2025

<sup>17</sup> CEPA monitoring reports produced by EU-AM Civil Society Platform are

<sup>18</sup> A. Igityan, Irregular migration and border management issue in CEPA context

<sup>19</sup> A joint inter-agency report is provided by Deputy Prime Minister office to the EU-Armenia Civil Society Platform (CSP) as a response to the last CSP monitoring report

<sup>20</sup> <https://timesofindia.indiatimes.com/life-style/travel/news/india-becomes-the-second-largest-country-by-tourist-arrivals-in-moscow-in-the-first-half-of-2025/articleshow/125121990.cms>

#### To the Ministry of Labour and Social Affairs:

- To introduce reforms in the Labour Code to ensure the establishment of tripartite republican commission, consisting of at least 7 delegates from each national social partner (Government, confederation of trade unions and association of employers), along with the procedures of its operations, and to ensure its mandatory consultative and advisory function for policy development and issues related to labour, social, economic, financial, monetary, environmental and other interest of workers and their families. This will enable the missing national social dialogue institute and will make it independent and permanent from circumstances and other episodic agreements.
- Establishing mandatory merit-based requirements and training on labour rights, social dialogue and collective bargaining for senior officials aiming at top managerial positions, which might ensure to develop democratic labour relationships within state structure and will promote the development work standards in line with modern international labour standards.
- Considering that number of ratified ILO conventions remain only partially implemented, to establish a taskforce and develop a roadmap for full and proper implementation of ILO Conventions no 81, 144, 151 and 154.
- With appropriate government bodies to establish a taskforce and action plan to proceed with adoption and implementation of OSH reforms underlined by the ANNEX VII to CHAPTER 15 of CEPA.
- To introduce and promote transparency and disclosure regulations for job advertisements, including in social media.

#### To the Office of Prime Minister

- To designate or to establish a state body, with a mandate to negotiate and bargain with the national labour union representing civil and public servants, for the enabling of the fundamental right of collective bargaining for public service employees.
- To initiate a comprehensive reform and capacity building inspection pillar, not only in labour, but in health, fire and urban safety, food safety and other sectors, utilizing the expertise-sharing with paper civil society, expert community and social partners. This must include the aligning of HLIB to the provisions of ILO's 81 Conventions and ILO guidelines, complete revamp of checking procedures, such as simplifying the reporting, ability to consider anonymous reports on violations, increasing mandates of inspectors.

#### To Ministries of Foreign Affairs and Internal Affairs

- Close the loophole in national legislation that allows to easily enter Armenia for undisclosed labour intentions, by removing the prerequisite of carrying russian visa for visa-on-arrival (VoA) and e-visa regimes from the rules established by Annex II of RA Government Decree 1268-N of October 4/2007.

#### To Ministry of Justice

- With cooperation with respective government bodies to establish more scrutinized system of business and entrepreneurship registration by foreign nationals, to avoid abusing the easy registration procedures for pure aim to legalize the long-term stay of the foreigner in Armenia.

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