

THE PROBLEM OF SOCIAL PROTECTION MANAGEMENT IN ARMENIA: STRATEGIC REFORMS FOR INTEGRATED SERVICE DELIVERY

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Introduction

Social protection has evolved significantly from the concept of "safety nets" common in the late 1980s and early 1990s to a more holistic and refined approach. Initially, safety nets were rebuked for their simplistic and paternalistic view as academicians and policy-makers deepened their comprehension of livelihoods, risks, vulnerabilities, and poverty. This critique stimulated the rise of more refined options that took into account the wider possibilities of social protection, with greater expectations about its objectives and outcomes [Devereux & Sabates-Wheeler, 2004, 1]. The purpose of this article is to examine the foundational documents that have paved the way for the introduction of the Integrated Social Services (ISS) System in Armenia, as well as to analyze the ongoing challenges that must be addressed to ensure its successful implementation.

Methodology

The article applies qualitative research methodology, with a significant emphasis on the analysis of documentation in order to study how the ISS System was developed in Armenia. The paper also employs a case study approach to examine the practical implications of the ISS system in the Armenian context by reviewing reports, evaluations, and other relevant literature that provided insights into the effectiveness and limitations of the ISS. Furthermore, a comparative approach was utilized by embedding Armenia's social protection reforms into the larger context of global trends and practices. This comparison brought to light specific weaknesses which would otherwise remain unaddressed in the case of Armenia. The triangulation of document analysis with the case study method enabled a fuller picture of the strategic reforms taking place in Armenia's social protection system and the factors underpinning their success and sustainability.

Literature review

This article draws on studies and recommendations from both local and international scholars. Prominent among these are the works of Devereux and Sabates-Wheeler, who explored the evolution of social protection systems globally, and key research reports from organizations such as the International Labour Organization (ILO), the Organization for Economic Co-operation and Development (OECD), the United Nations International Children's Emergency Fund (UNICEF), the World Bank Group, etc. These works

highlight the shift from traditional safety nets to comprehensive social protection frameworks aimed at addressing broader socioeconomic challenges. In terms of analyzing the Armenian context of reforming social protection systems, the study focuses on several important legal and policy texts including the law “On Social Assistance”, the RA Government Program for 2021-2026, the Strategic Program of Prospective Development of the Republic of Armenia for 2014-2025 and the Armenia Transformation Strategy 2050. The examination of the above documents is aimed at identifying the required structures, goals, and how the ISS system was to be operationalized.

Scientific novelty

The paper encompasses an in-depth analysis of the RA ISS system, primarily concerning the basics and such key strategic reforms which have triggered its emergence. Accordingly, key constraints were detected, particularly in the areas of human resources, innovation capabilities, and social work integration that hinder the effectiveness of the ISS system. This study offers a novel and unique comparative insight into how Armenia’s approach can be optimized, by underscoring the need for change and timely action in social protection systems.

Analysis

Typically, social protection systems are structured around three main components: social assistance, social insurance and labor market interventions (see Figure 1). These components are either coordinated to some extent or integrated into a comprehensive system to ensure accessibility and inclusiveness in providing support [OECD, 2018, 13-15].

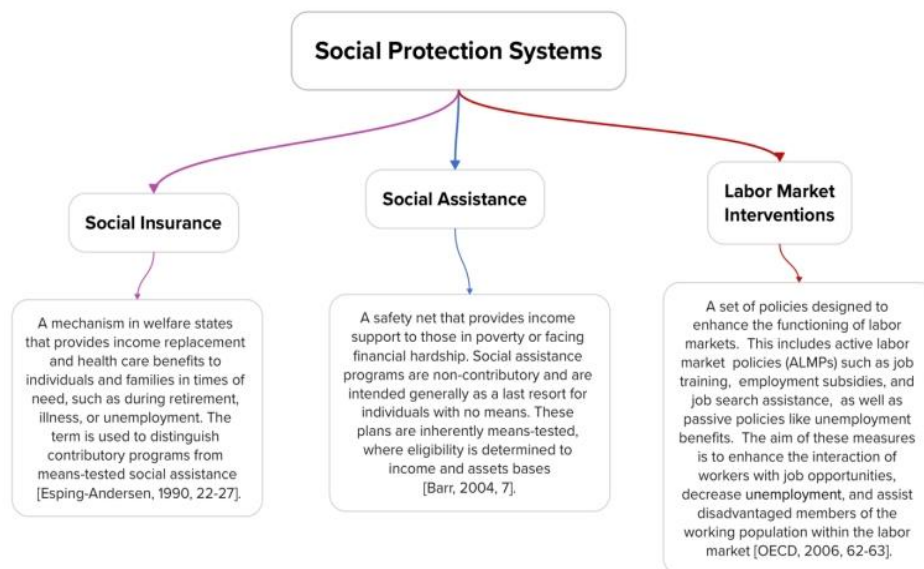


Figure 1. Main components of social protection systems

The manner in which these components are designed and integrated may differ significantly from one country to another due to their unique cultural, economic and social contexts. The analysis of these differences is essential in terms of how they affect the effectiveness and reach of social protection schemes, in particular, within developing economies such as Armenia where resource allocation is critical. A more nuanced view of these components may reveal the causes of system inefficiencies and help triangulate how such system elements may be better developed in practice. Nevertheless, the main purpose is to improve the efficiency of social protection mechanisms at any time [ILO, 2021, 43-55].

Social protection systems are continually changing and adjusting themselves to shifts in socio-economic patterns as well as changes in public life [WFP, 2024, 1-12]. The outbreak of COVID-19 emphasized the need for adaptable and responsive social protection systems that can cope with rapidly changing socio-economic environments, as traditional systems have proved inadequate to cater for such situations. Over time, flexible systems have come to be recognized as essential, offering the possibility of speedy extension of benefits to normally left out groups such as refugees, migrants, and informal sector workers [UNDP, 2021, 72-87]. Furthermore, it was emphasized that universal social protection has a key role to play in preventing people from poverty, ensuring livelihood security, and providing access to economic opportunities. Robust, adaptable, and well-resourced social protection systems are required to achieve these objectives which are fundamental in addressing ongoing and emerging social and economic challenges as well [World Bank, 2022]. In the global discourse, there is a growing demand for innovative approaches that ensure all individuals are fully protected by social protection mechanisms, particularly with respect to new forms of work and employment that may not be covered by existing frameworks. This advocacy underscores the need for social protection systems to be more flexible in relation to changing employment patterns including distinct kinds of employment as part of efforts to respond to the demands of an evolving global labour market [ILO, 2018, 1-7].

Armenia is no exception to these global trends. Like many countries, Armenia faces its own challenges in the field of social protection. Social protection is a major focus in the state policy framework of Armenia. The main aim of this policy is to increase the state's ability to handle particular risks and accommodate various requirements for its citizens. In terms of social protection, poverty, social stratification, inadequate support for the elderly, limited opportunities for vulnerable populations and consequences of population aging are challenges faced by Armenia [UNICEF, 2021, 23-40; ILO, 2021, 155-170].

For better responding to the shifting needs of its population, the state of Armenia is currently reforming its social protection system. This effort finds roots in a much broader global development where many countries are trying to adjust their social welfare poli-

cies towards ensuring that they match up with changing socio-economic conditions. For this to be realized, Armenia has come up with new structures and tools whose objective is to improve the efficiency and extension of social services. These changes reflect a movement towards a more flexible, dynamic and forward-looking approach to social protection which aims at enabling the system to quickly and effectively respond to different societal requirements. The purpose is to create a social protection framework that both offers short-term assistance and sustains long-term well-being as well as resilience among all citizens with special attention given to those who are most vulnerable.

A substantial step was taken by the Armenian government towards reforming its social welfare system in 2012 laying grounds for a comprehensive reform. The effort was further cemented when the Integrated Social Services (ISS) System program came into being which was enshrined in Government Decision No. 952. In this ambitious initiative, the focus was to change how social services were accessed all over the country through the adoption of a centralized “one-stop” model. This was aimed at bringing together several social service institutions under one roof such that citizens would easily access services they needed while promoting efficiency within the service delivery. Mechanisms of centralizing and streamlining administration of social services were what the ISS System implied. The government consolidated various arms and roles into a single entity to reduce bureaucratic paperwork, eliminate duplications and make service delivery process effective. It ensured that people could get multiple services like social security, employment assistance and welfare support among others in one place without having to go through different government departments. The establishment of territorial centers was a key component of this strategy. The Integrated Social Services (ISS) Initiative in Armenia represents a pivotal shift towards a more cohesive, client-centered approach to social welfare. Essential components of the ISS Initiative, identified through detailed analysis of the document, include:

Comprehensive service delivery

ISS is a system that centralizes and combines different social services in one place called One-Stop Centers. This strategy is aimed at reducing bureaucracy and improving beneficiary experience, thus facilitating people’s access to various types of assistance - from financial help to counselling – without having to deal with multiple agencies. The ISS system intends to provide a more convenient and user-friendly environment to ensure that all citizens can get the needed support despite their financial status. The ISS system was designed to encompass Territorial Departments of the State Social Security Service, regional and territorial employment centers of the "State Employment Service" agency, and social service agencies of regional governorates across Armenia. Key regional departments in Yerevan, Gyumri, Vanadzor, Ararat, and Jermuk were integral components of this system, facilitating streamlined and effective delivery of social services.

Targetted support

At the center of ISS is the idea of using a social case management system, a method that empowers practices based on individual assessments that provide tailored support plans. This strategy makes it possible to identify various needs and develop unique services that can effectively address them. It changes service delivery from being generic to one which is more specific, acknowledging the uniqueness of each beneficiary's needs and circumstances.

Proactive strategy

A major shift in the delivery of social services has been brought about by the ISS system from a reactive approach based on immediate beneficiary requests to a proactive needs-driven strategy. The change entails an extensive review of beneficiaries' situations to establish their real needs rather than just responding to what they request for in terms of service. This form of action enables the agency to resolve the root causes behind these issues and help break dependency cycles, thus promoting long-term welfare and self-reliance among beneficiaries.

Enhanced coordination and local collaboration

The ISS initiative is centered on the need for more coordination and cooperation among government agencies, non-governmental organizations, and local communities. The objective of the system is to create collaborations and streamline communication channels that would in turn result in a more cohesive safety net for individuals and families in need of help. This cooperative framework guarantees efficient use of resources as well as timely delivery of support services thus enhancing the effectiveness of social protection measures.

Capacity building and professional development

The ISS initiative emphasizes the importance of skilled staff in achieving effective comprehensive social services. Consequently, it focuses a great deal on developing the skills and professional advancement of social workers and other service providers. Employees should therefore be provided with necessary training opportunities and continuous learning platforms aimed at equipping them with appropriate skill sets, knowledge base as well as abilities to satisfactorily meet their beneficiaries' demands. This focus on professional growth ensures that the ISS system workforce will be ready for implementing new strategies and innovations thus improving both the quality and efficiency of social services offered. The Republic of Armenia formalized the idea of an integrated social services system when it enacted the "On Social Assistance" law in 2014. This law states that an integrated social services system is a combination of coordinated actions by government bodies, local self-government bodies, organizations and citizens within their competence and powers in order to ensure social support. This system sets out a range of steps promoting collaboration between different stakeholders. The ultimate objective is to

forestall individuals, families or other social groups from coming across difficult situations and at the same time, tackle causes and effects. In 2014, the formalization of the concept of Integrated Social Services (ISS) in Armenia through the “On Social Assistance” law and other legal reforms illustrated government’s strong commitment towards creating a coherent social service system. Through these legislations, it is possible to understand the roles, responsibilities and procedures that guide the Unified Social Service. This legislation does not only give succinct directions on how the system should be implemented but also makes it adaptable for future changes while remaining sustainable. Implemented under the integrated system of social services, the USS came into existence in 2021. The development signifies Armenia's strategic move towards making its social services more efficient so that assistance can be consistently provided to those in need.

Currently, Armenia has several key guiding documents aimed at improving its social protection system:

- *2021-2026 RA Government Program*: The program sets the key social protection goals for 2026 which include adjusting the minimum pension and the average pension to the values of the food basket and the consumer basket, respectively; establishing a minimum wage of AMD 85,000; and eliminating extreme poverty. According to the program, social assistance policy will be based on an assessment of social needs, with services provided accordingly, and will focus on encouraging the socio-economic activation of individuals. Another focus area of the program is to introduce a new insecurity assessment system that will help to make social assistance more targeted and data-driven. It also aims at strengthening the capacities of Unified Social Service and developing the unified social housing policy for low-income families and vulnerable groups.

- *Republic of Armenia 2014-2025 Strategic Program of Prospective Development*: The leading social and economic development strategy contains four key priorities, including social protection. This program's priority in the field of social protection is to offer assistance to socially disadvantaged groups, with a greater emphasis on ensuring efficient provision of both monetary support and a complete social services package. Over time, it will move towards more sophisticated service packages that are better suited for the needs of these groups. Furthermore, the plan concentrates on ensuring people live their old age honorably by making a mandatory accumulated pension system effective. Lastly, it endeavors to provide social support which would assist in improving the demographic situation in the country and addressing long-term socio-economic challenges.

- *Armenia Transformation Strategy 2050*: Even though it is not officially adopted by the government, this strategy provides 16 mega-objectives for sustainable development until 2050. Among the key mega-objectives related to social protection are the development of educated and capable citizens, ensuring a healthy and safe population, and fostering large and prosperous families.

Despite the progress made in establishing the ISS system through the USS, several key constraints hinder the effectiveness of Armenia's social protection system. These constraints lead to poor service delivery and make the system susceptible to shocks like those occasioned by the COVID-19 pandemic and the Nagorno-Karabakh conflict. The analysis identified the following key constraints:

Human resource-related constraints

Recruiting personnel, including social workers, is challenging given the intricate nature of the work and low wages. This is worsened by the fact that such salaries are low and civil service examinations for junior specialist positions are extremely difficult to pass hence making them less attractive to new specialists entering the market. Furthermore, it is hard to attract potential employees since human resource recruitment procedures have been constrained by strict legislative requirements. These factors lead to skill shortages among staff that affect the quality of functioning of the social protection system.

Innovative capabilities-related constraints

There is limited incorporation of new concepts into the USS, which undermines the success of services given to beneficiaries. This challenge stems from the absence of a clear innovation strategy, the absence of a unified digital database, and the incomplete digitization of online services. These gaps prevent the USS from adopting modern streamlined procedures that would improve service delivery thereby making it hard to respond quickly and effectively to changing needs in society. The absence of change slows down operations and increases vulnerability to emerging challenges as a result; therefore, eventually lowering social protection quality in Armenia at large.

Social work-related constraints

Due to the nascent development of social work in Armenia, there is a wider problem of linking social assistance with labor market programs efficiently. Presently, social work is mainly viewed as giving out money handouts rather than offering a comprehensive service intended to empower clients and promote their long-term self-sustainability. This view confines social work's ability to deal with fundamental issues resulting into poverty and exclusion. The big limitation is that social assistance does not match the labour market programmes thereby failing to pave way for beneficiaries' move from aid dependency towards active engagement in economic activities.

Conclusion

In summary, it can be inferred that despite an improvement in coordinating the social protection system, true integration is still a challenge. At present, the nationwide efforts are directed at reducing service fragmentation, rather than actually integrating services to meet the diverse and multiple needs of individuals and families on a sustained basis. The above challenges are shrouded in obstacles such as institutionalized patterns of behavior that are hard to break out of, budgetary sensitivities, as well as training inadequacies in

human resources and personnel recruitment challenges associated with poor pay. The magnitude of these challenges calls for nothing less than an all-out commitment towards service integration that could help reduce fragmentation in the system and result in effective approaches to addressing compound societal deprivations. In actualizing integrated social protection systems in Armenia, the primary challenge is the entrenched institutional behaviors that resist change. This is commonly rooted in legacy systems which are rigid in nature. In addition, the financing aspects require reforms but oftentimes the dilemma between ways of providing immediate assistance and that of ensuring long-term stability is a serious condition. Moreover, human resource limitations characterized by recruitment challenges, insufficient training, and low compensation levels diminish the operational effectiveness of social protection initiatives. These issues are not merely administrative but are indicative of deeper structural problems within the sector that require comprehensive policy overhauls and a commitment to professional development.

The integration of services, a key goal of the reforms, must be supported by robust data systems and analytics that facilitate real-time decision-making and resource allocation. The lack of a unified digital infrastructure has been a significant barrier to achieving this goal. Therefore, accelerating digital transformation within the social protection sector is imperative to enhance service delivery, ensure that interventions are timely and effective.

The reforms should also tackle the continuing changes in the labor market, with the emergence of new forms of employment. The existing systems need to be adjusted so as to cater to the gig economy and informality, such that no employee is left behind because of structural constraints.

In this setting, the social protection framework in Armenia should provide services that are both comprehensive and coherent while being adaptable enough to changing societal demands. Here are the key takeaways crucial for better ISS functioning - improved case management capacity building; extending functionalities of unified social services; and dismantling barriers between institutions. Furthermore, adequate financing and investing in staff will enable ISS to meet its goals hence facilitating a more dynamic social security environment that benefits all citizens in general.

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The problem of social protection management in Armenia: strategic reforms for integrated service delivery

Key words: social protection, Integrated Social Services (ISS) System, social assistance, social insurance, labor market interventions, socioeconomic resilience, comparative social welfare

The objective of current social reforms in Armenia is to address the ever-changing needs of the country’s population. The introduction of the Integrated Social Services (ISS) system, which is a major step towards a more client-centered system, aims to enhance the reach and positive impact of social services across the country. This article examines the legal and strategic foundations for the development of the ISS system and, at the same time, describes the key constraints that impede its effective operation. The results indicated that human resources, social work and innovation capabilities were the key constraints. This is an important take in the investigation on how the perfect balance within the social protection system will be reached in Armenia bearing in mind the existing state of affairs and future socio-economic challenges.