

SMEs Digitalization in Agribusiness, Manufacturing, and Wholesale & Trade

RECONOMY is a regional inclusive and green economic development program of the Swedish International Development Cooperation Agency (Sida), implemented by HELVETAS Swiss Intercooperation in the Eastern Partnership and the Western Balkan countries.



Sector:

Cross-sectoral (ICT, SMEs, training providers, media, public sector agencies)



Target group

Small and medium enterprises (SMEs); Unemployed or underemployed women and youth



Location:

Armenia (Eastern Partnership country)



Start:

June 2022



Co-facilitation partner:

Union of Employers of Information and Communication Technologies (UEICT)

FOCUS

The focus of this pilot intervention is to generate and enhance economic opportunities for the disadvantaged groups in Armenia with a special focus on women and youth. This will be done through a) addressing skill mismatches in the economy through research and skill-building actions, b) supporting ecosystem development by incubating a cohort of startups in priority economic directions, and c) building a conducive ecosystem for the sustainability of impact through advocacy and public awareness actions.



VISION

Wider adoption of digitization by SMEs mainly in selected economic sectors in Armenia responds to the constraints of creating more economic opportunities for women and youth by significantly improving and expanding access to networks for digital adoption, enhancing human resource capacity development, and supporting the development of suitable financing instruments.

Along with its strong upskilling and education component, technological support will be provided to the selected companies in agriculture, manufacturing, and hospitality sectors to upgrade the digital capacities of those. As a result, a full support cycle will be offered for youth and vulnerable groups – from training to internships and on-the-job training for selected shortlisted participants to digital upskilling for SMEs and self-employed people.



PROBLEM

Lack of employment opportunities for women and young people, in particular the excluded and disadvantaged groups.

Underlying system constraints include:

- Youth, while capacitated and networked, does not apply its talent in larger nation building but largely prefers easier migration paths.
- The role of women in this cohort is still limited to passive support and does not get to decision-making levels.
- SMEs, while being an important part of the economy, are predominantly engaged in retail and services and do not produce a long-standing value for the economy.
- Similarly, in the ICT ecosystem, the industry has eventually trapped itself in outsourced services, not growing a sustainable academic and industrial foundation for the next stages of development.



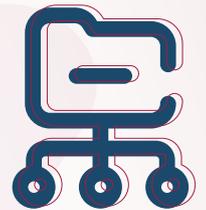
BUSINESS MODEL

SME Inventory - SMEs are the core pillar of the Armenian economy, constituting more than 90% of all businesses in Armenia. This segment represents the middle class, which is critical for the socio-economic as well as the demographic health of the country. The intervention is targeting SMEs in two ways: 1. Working with the existing SMEs towards the digital transformation of their capacities through skills building and internships; 2. Nurturing and incubating new innovative businesses through the training and upskilling rounds.

Upskilling and Reskilling - Active reskilling and training actions, which aims to address the skill mismatch in the growing industries in the target sectors of Armenia. Capturing the demand of the industry on daily basis, the most demanded skills to be offered to the SMEs and individual entrepreneurs through tailored trainings. In order to facilitate maximum access of the offered knowledge, the trainings will be carried both online and offline, both in Yerevan and in smaller communities with special emphasis in the underprivileged regions of Gegharkunik, Shirak, Syunik, and Armavir.

Digital Upgrade - Following the inception research and the inventory, digital upgrading support of the intervention will be solicited. In order to reach out to a large number of SMEs, targeting the rural communities of the country, an information campaign will be run to popularize the ideas and recommendations distilled through the initial research. The intervention also brings an added value through open internship opportunities for those SMEs which require immersion into the industry.

Public Awareness - In order to sensitize the wider population about the accessibility and opportunities of small business tools, an ongoing information campaign is planned. The information hand of the intervention has two target objectives: a) to raise awareness on alternative entrepreneurship and employment tools; b) to sensitize and inform policy makers at all levels on the immediate findings and analysis in this process.



EXPECTED RESULTS

200 people increasing their employability as well as starting their own economic/income-generating initiatives

500 people improving their skills and knowledge

20 relevant and improved skills and knowledge initiatives designed and delivered

2 policies/regulations/administrative requirements developed that directly contribute to economic opportunities and improved business environment

30%

of 80 private sector enterprises reporting increased capacity/confidence and satisfaction in advocating on their interests



of 80 private sector enterprises reporting higher turnover and/or profit as a result of changes stimulated by the program

