

# YOUTH TRANSITION TO WORK IN MOLDOVA

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# PREFACE

Youth<sup>1</sup>, also referred to as young people in this report, has long been a priority for the European Union (EU), which has developed youth policies addressing multiple dimensions. The European Council adopted the EU Youth Strategy (2010–2018) in 2009. This aims to provide equal opportunities for young people in education and the labour market and to encourage them to be active citizens. Since then, a number of actions have been launched to promote better prospects for young people, notably the Youth Guarantee in 2013 (Council of the EU, 2013a), the adoption of the European Alliance for Apprenticeship in 2013 (Council of the EU, 2013b) and of the Quality Framework for Traineeships in 2014 (Council of the EU, 2014), all of which aim to support the smooth transition of young people from school to work.

The EU's Youth Guarantee scheme envisages that 'all young people under the age of 25 years receive a good-quality offer of employment, continued education, an apprenticeship or a traineeship within a period of four months of becoming unemployed or leaving formal education' (Council of the EU, 2013a). The EU countries need to focus on early intervention, outreach (not only to unemployed people, but also to inactive citizens), activation and partnership. The measures offered to young people have a holistic approach, combining areas of employment, education and/or vocational education and training (VET), apprenticeship and traineeship.

Youth transition surveys conducted throughout Europe<sup>2</sup> confirm that work-based learning (WBL) models (e.g. apprenticeships, on-the-job-training) support youth transition (European Commission, 2013a). The EU Resolution of 2008 on lifelong guidance underscores the importance of better integration of lifelong guidance into lifelong learning. This is supported by several EU policy papers on how coherent career guidance policies and systems contribute to achieving education, employment, youth and social policy goals (Council of the EU, 2008). This was in parallel to the adoption of an EU recommendation on key competences for lifelong learning in 2006 (Council of the EU, 2006), which was then revised and updated in 2018 (Council of the EU, 2018a). The documents emphasised the importance of eight key competences to be instilled in pupils and young people<sup>3</sup> (Council of the EU, 2018a).

Following the recommendations of the Policy Brief on Youth Entrepreneurship (European Commission–OECD 2012), the EU developed the Entrepreneurship 2020 Action Plan in 2013 for reigniting the entrepreneurial spirit in Europe (European Commission, 2013b). Of the three priority areas identified in the action plan, two of them are directly linked to reaching out to young people, namely entrepreneurial education and training; the third priority area looks at nurturing the new generation of entrepreneurs. This was followed by the adoption of the EU Digital Competence Framework (European Commission, 2016a) and the EU Entrepreneurship Competence Framework (European Commission, 2016b), tools for supporting the development of some of those competences.

Another EU Communication on Investing in Europe's Youth published in 2016 covers three key areas of critical importance for youth: access to employment; education and training; and youth mobility, solidarity and participation (European Commission, 2016c). The importance of youth in EU policy development can also be observed in the EU 2020 Benchmarks. Those benchmarks related to youth aims at decreasing the share of early school leavers aged 18–24, decreasing the share of youths aged 15–24 who are not in employment, education and training (NEETs), and increasing the share of employed graduates aged 20–34 by the year 2020.

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<sup>1</sup> For statistical consistency across regions, the United Nations defines 'youth' as those persons between the ages of 15 and 24 years, without prejudice to other definitions by Member States. All UN statistics on youth are based on this definition. At national level 'youth' may be understood in a more flexible manner, for example, defining youth as those persons between the ages of 15 and 29.

<sup>2</sup> See the CATEWE research (A Comparative Analysis of Transitions from Education to Work in Europe). For more information, see [www.mzes.uni-mannheim.de/projekte/catewe/Homepage.html](http://www.mzes.uni-mannheim.de/projekte/catewe/Homepage.html)

<sup>3</sup> These eight key competences are: communication in the mother tongue; communication in foreign languages; mathematical competence and basic competences in science and technology; digital competence; learning to learn; social and civic competences; sense of initiative and entrepreneurship; and cultural awareness and expression.

Supporting young people was identified as one of the priorities in the Regional East Strategy Paper on the use of European funding for the period 2014–20. Youth was also one of the main focuses of the European Neighbourhood Policy Review (European Commission, 2015) and the Eastern Partnership (EaP).<sup>4</sup> Enhancing opportunities for young people to work is considered crucial for economic growth and competitiveness, social cohesion and stability. Since the EaP summit in Riga in 2015, followed up by the ministerial meeting in May 2016, all participants agreed to step up actions in the four key priority areas<sup>5</sup>. One of these areas is ‘mobility and people-to-people contacts’ (Platform 4), which includes three clusters: education, culture and youth; research and innovation; and migration, mobility and integrated border management. Under each priority area, six EaP countries agreed to reach a number of targets by 2020, as specified in the European Commission document *20 deliverables for 2020* (European Commission, 2017).

This document included some targets regarding young people: increasing youth mobility between the EU and EaP countries; adopting youth employment and transition to work strategies and/or action plans; reducing youth unemployment and NEET rates; increasing youth enrolment in VET and the employment rate of VET graduates; and reducing skills mismatch. In line with this, the countries agreed to increase opportunities for mobility for young people and youth workers under the Erasmus+ programme. The participation of EaP countries in Erasmus+, Creative Europe, COSME<sup>6</sup> and Horizon 2020 programmes opens up new mobility opportunities for universities, administrations, businesses, professionals, cultural and audio-visual sector, young people, students and researchers. Finally, the European Commission decided in 2017 to create a specific EaP panel on youth employment and employability to facilitate inter-governmental dialogue and cooperation.

The importance of young people in the multilateral policy dialogue and activities of the EaP has gained further visibility, as acknowledged by the Joint Declaration of the Brussels Eastern Partnership Summit of 24 November 2017 (Council of the EU, 2018b). The summit participants reaffirmed the importance of people-to-people contacts as an essential means of bringing societies closer together, through education and training, youth, cultural and scientific exchanges, and mobility. The joint declaration states that investment in young people’s skills, entrepreneurship and employability will be substantially strengthened, notably with a reinforced ‘Youth Package’ presented by the EU as part of the EU4Youth initiative. This will include a new mobility scheme for young people and targeted actions for capacity building activities (EaP Youth Window), as well as grant schemes that are focused on disadvantaged youth and youth entrepreneurship (2018–2020).

As part of the UN 2030 Agenda for Sustainable Development, the EaP countries were also among the countries that adopted 17 sustainable development goals (SDG) in 2015<sup>7</sup>. Of the 17 goals adopted, SDG 4 focuses on quality education and SDG 8 addresses decent work and economic growth. To achieve both of these goals, equal access for young people to VET and higher education, increasing non-formal education opportunities for transversal skills<sup>8</sup>, and reducing NEET rates were selected as indicators of development. Under the 2030 Agenda for Sustainable Development, in 2016, the UN launched its Global Youth Initiative to promote (decent) youth employment and scale up action and impact on young people<sup>9</sup>. The initiative has a multidimensional and multisectoral approach, focusing on respect for young people’s rights and active youth engagement. Among its eight thematic priorities for action, digital skills for young people, quality apprenticeships, youths in the rural economy, and youth entrepreneurship are notable.

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<sup>4</sup> The EU’s strategy for the Eastern Partnership (EaP) region involves six countries: Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine.

<sup>5</sup> These four priority areas are: (i) strengthening of institutions and good governance; (ii) economic development and market opportunities; (iii) connectivity, energy efficiency, environment and climate change; and (iv) mobility and people-to-people contacts. An EaP platform has been created for each of these priority areas, numbered respectively, to bring together all the countries from the EU and EaP to share policies and identify cooperation opportunities. See Council of the EU, 2018, p. 20 and European Commission, 2017.

<sup>6</sup> COSME is an EU programme for the Competitiveness of Small and Medium-sized Enterprises (SMEs), particularly to facilitate and improve access to finance for SMEs.

<sup>7</sup> For more info, see [www.un.org/sustainabledevelopment/](http://www.un.org/sustainabledevelopment/)

<sup>8</sup> Transversal skills are those typically considered as not specifically related to a particular job, task, academic discipline or area of knowledge but as skills that can be used in a wide variety of situations and work settings. They are often referred to as core skills, basic skills or soft skills, the cornerstone for the personal development of a person.

<sup>9</sup> For more info, see [www.decentjobsforyouth.org](http://www.decentjobsforyouth.org)

The Republic of Moldova<sup>10</sup> signed an Association Agreement (including the creation of a Deep and Comprehensive Free Trade Area, AA/DCFTA) with the EU in 2014. In addition to establishing a new legal framework to bring relations to a higher level (political association and economic integration with the EU), the agreement envisages cooperation between the EU and Moldova in the areas of employment, social policy and equal opportunities (chapter 4, articles 31–37, annex III) and education, training, multilingualism, youth and sport (chapter 23, articles 122–126). In particular, it envisages cooperation and exchanges in the area of youth policy and non-formal education for young people and youth workers; youth mobility; lifelong learning; quality education; and VET.

All the developments summarised above coincide with the increased focus on youth transition from education to work in the country. This is due to the increasing difficulties faced by young people not only in finding their way into the labour market but also in making their way in life in general and in dealing with adulthood. As this report shows, the country has launched several youth studies and youth employment measures to ease the transition from school to work. It has also actively participated in activities relating to skills anticipation and matching, organised as part of the EaP Work Programme (2014–2017) in Platform 2. The European Training Foundation (ETF) facilitated and coordinated the Make it Match Network and the related thematic and peer learning activities for Platform 2 for the EaP countries.

Within this context, the ETF initiated a mapping of the youth employment situation and policies in the six EaP countries in 2017. The aim is to support the countries' institutions and stakeholders in developing effective policies and structures to facilitate the transition to work for young people and foster youth employability. This report is part of the ETF's above-mentioned regional initiative to map the youth school-to-work transition and review the youth policy framework and measures in Moldova. It was drafted by Vladimir Lungu and funded and coordinated by the ETF. Ummuhan Bardak, ETF expert, provided continuous feedback and revisions during the drafting process, and made the final editing of the report.

After giving a picture of youth situation in the country, the report pays particular attention to describing the key policies and programmes that address the challenges of youth employability and the bottlenecks associated with the implementation of these measures in Moldova. The analysis was undertaken from March 2017 to February 2018, and included analysis of secondary statistical data, reviews of existing studies and policy documents, and interviews with key informants.

The report includes four chapters and an annex providing a list of existing measures supporting youth transitions in Moldova. The first chapter gives an overview of the youth situation in terms of demography and educational profile, youth participation in the labour market, as well as the main characteristics of youth transition from school to work. The second chapter covers the youth policy framework in Moldova, reviewing laws and regulations as well as institutions (including governmental and non-governmental organisations) responsible for youth policies and services. The third chapter makes an inventory of existing measures supporting youth transition from school to work in Moldova under three categories, with an assessment of their implementation on the ground. The final (fourth) chapter ends with main conclusions and recommendations regarding the youth transition measures in Moldova.

The preliminary findings were discussed at a validation workshop on 11 October 2017 in Chisinau and the report was reviewed again after final discussions in the week of 5 to 9 February 2018. The final version of the document reflects the feedback received from key stakeholders.

The ETF would like to thank all the institutions and individuals in Moldova for sharing information and opinions on the topic and for actively participating in the above-mentioned workshop.

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<sup>10</sup> Hereinafter 'Moldova'.

# EXECUTIVE SUMMARY

This report specifically looks at young people and their school-to-work transition patterns in Moldova. It reviews youth-related institutions and actors, and maps existing measures and programmes supporting youth transitions. Unless specified otherwise, youth and young people are defined in this report as those aged between 15 and 29. In 2016, the youth population in Moldova accounted for almost 24% of the total population (838 000), although this rate is decreasing over the years. The population is affected by continuing high levels of emigration among young people, who represent more than half of current emigrants. High emigration among young people is linked to general pessimism about economic development, low wages, a lack of good quality jobs and opportunities for self-development. As a result, more families receive remittances which seem to lead to higher reservation wages<sup>11</sup> and higher levels of inactivity.

Educational attainment levels show that 17% of Moldovan youth have a high level of educational attainment and 43% have a medium level. It is interesting to note that a higher share of young women have higher education and a higher share of young men have VET. Those with a medium level of educational attainment are divided almost equally between general education and VET. However, the percentage of early school leavers is high (20%), which is in line with a relatively high share of youth with low educational attainment. More boys leave school early compared to girls, but the highest share of early school leavers is in rural areas. The net enrolment ratio was 82% in lower secondary education, 54% in upper secondary education and 37% in tertiary education. Around 45% of all students in upper secondary education are in VET. The aspiration for higher education is still quite high among young people, although recently there has been increasing interest in attending post-secondary VET. In addition, studying abroad is very popular among Moldovan youth, and the number of students abroad is currently estimated to be around 30 000 (almost one third of the university population).

The share of Moldovan youth not in employment, education or training (NEET) is also high (28% for the 15 to 29 age group, based on the ETF's calculation using data from the 2016 labour force survey). The NEET rate is higher among young people in their mid-twenties, among women, among people living in rural areas and among those with lower education. Caring for a family member is by far the most common reason given by NEETs (almost half of them). This is followed by actual or potential emigration, unemployment and other reasons (disability, illness, seasonal work). Based on the analysis of different variables, four sub-categories of NEET youth are identified in Moldova, each with distinct characteristics and needs: unskilled NEET, low- or medium-qualified NEET, highly qualified NEET, and voluntary or opportunist NEET. The biggest groups are the first and second categories, which need special attention.

As the report makes extensive use of labour force survey (LFS) statistics produced by the National Bureau of Statistics (NBS), their specific definition of 'inactivity' must be explained here. In the LFS survey, if a member of a household is abroad (absent) at the time of the survey, the person is recorded as 'inactive' in the LFS database. Therefore, 'Moldovan emigrants currently working abroad' are considered as residents in the country and counted both in the inactive and reference population (individuals aged 15+). This is a result of the official method of counting emigrants who have moved abroad (even if they are gone for more than a year) as permanent residents in Moldova; this group makes up almost one fifth of the working age population. This distorts both labour force statistics and NEET rates since 'young people who temporarily live abroad' are also counted as inactive. When the LFS data for 2016 was recalculated by excluding emigrants from the sample, the activity rate of

<sup>11</sup> The 'reservation wage' is the lowest wage rate at which a worker would be willing to accept a particular type of job.

individuals aged 15+ increased from 42.6% to 47.7%, and the employment rate rose from 40.8% to 45.7%. The total unemployment rate was 4.2% in the same year.

The Moldovan economy has not performed well recently. After contracting -0.4% in 2015, gross domestic product (GDP) reached 4.3% in 2016, and is estimated to be 3.5% in 2017. This increase was supported by a good harvest and strong private consumption on the back of higher remittances and private and public wage growth. With per capita GDP of USD 1 900, the country is situated at the lower end of the scale for lower-middle-income countries. The biggest contributors to GDP growth in 2016 were services (68%), industry (18%) and agriculture (14%). However, their employment shares were different: 49% in services, 12% in industry and 33.7% in agriculture. The share of agricultural employment has been growing in recent years, which indicates increasing subsistence agricultural activities. Similarly, the share of wage employment decreased and self-employment increased (63% versus 32% in 2016).

Within the limitations explained above, labour market indicators show inactivity as a more serious problem than unemployment among young people. In recent years, activity, employment and unemployment rates have all been decreasing consistently. In 2016 only 31% of young people aged 15 to 29 were economically active. The highest activity rates were among both genders of graduates of higher education and post-secondary VET. Inactivity, on the other hand, is more common among rural young people and young women (with a lower level of education). It decreases in older age groups, as more than half of the inactive young people are in VET or studying at university. The next inactive category consists of young people working abroad, followed by those engaged in domestic work and with family responsibilities.

The youth employment rate was 28% in 2016. Overall, young people work in agriculture, trade, hospitality and public administration (including education, health and social work). Compared to adults, they are employed significantly more in the hospitality sector and significantly less in agriculture. However, there is a marked difference by gender: young men are mostly active in the agriculture, construction and industry sectors, while young women are mostly active in the service sector, and are employed in education, health, social work and financial activities. Every fourth young person works in the informal sector. This is particularly common among young men and young people in rural areas and is mostly concentrated in the agriculture sector.

The youth unemployment rate is also on a downward trend, and was only 8% in 2016 for the 15 to 29 age group. It was slightly higher for males and for young people with a medium level of education. Some experts explain the low unemployment rate by the way that the statistics are calculated in relation to the intensive emigration flows of young people and the narrow definitions of employment and unemployment used. According to them, if the International Labour Organisation's (ILO) relaxed definition of unemployment was used (excluding the criterion of 'actively seeking work'), the youth unemployment rate could reach about 19%. Looking at the pool of young unemployed people, those most affected are young men and young people in rural areas. Although there is a gradual increase in unemployment among young university graduates, their unemployment rate is still lower compared to other levels of education. The highest unemployment rate is registered among young people with secondary general education and VET and young people with post-secondary VET. Unemployment is lower for young people with a low level of education, which might be explained by their low activity rates and their acceptance of any vulnerable employment to get a minimum income.

These statistics show that the higher the education level, the greater the chance a person has to participate in the labour market and to be employed. Indeed, every second young person with tertiary education is employed and the employment rate for this category is more than 50%. It is higher for men and urban youth compared to women and rural youth. Although young women generally have a higher level of education than men, the employment rate among young women is lower. Type of education also affects the type of employment: a considerable share of wage employees (close to

half) are university graduates, while a similar share of graduates with secondary general and VET are self-employed. Nevertheless, young people also experience a higher mismatch of qualifications in their jobs: 29% of young people were overeducated for the jobs they were doing in 2015. The rate is much higher for men and for rural residents.

These numbers indicate a difficult transition for Moldovan young people. The overall negative economic structure, limited investment and unfriendly business environment all contribute to weak (skilled) job creation. The ILO's 2015 school-to-work transition survey showed that the average length of transition was almost 12 months. According to young people, the three most important factors affecting their transition are low salaries, lack of work experience and lack of (skilled) jobs. There is also a gap between the expectations of employers and those of young jobseekers. Employers are of the view that young people want easy jobs with high salaries, while young people think that employers want 'slaves' due to the low salaries and bad working conditions offered. At the same time, Moldovan employers continuously report inadequate technical skills, a poor work ethic and lack of motivation among workers. Particularly inadequate foreign language skills seem to be a problem for high-skilled occupations, while insufficient analytical and problem-solving skills and a lack of willingness to learn new things are missing in medium-skilled workers.

The transition process seems to be particularly difficult for vulnerable young people. Young women with small children (especially single mothers) seem to have real difficulty in combining their family responsibilities with work requirements. This is due to the very limited number of kindergartens, particularly in rural areas, and the non-existence of childcare facilities for children below the age of three. This is despite the fact that young women generally have higher levels of education than young men and their salaries are lower. Indeed, young women constitute the majority of NEETs in Moldova, together with early school leavers, those who drop out of school, young people with disabilities and potential and/or actual migrants.

Young rural residents also suffer more from a difficult transition. Low productivity and low income in the country's agriculture sector makes it unattractive to young people; difficult working conditions, limited opportunities for self-development and career progress are other reasons for its lack of popularity. Most of the jobs are in urban areas, while more than half of young people reside in rural areas. Therefore, there are more jobseekers in rural areas with a relatively lower level of education, fewer skills and less work experience. Due to the high costs involved, geographical mobility in the country is very low (particularly for young women with small children), which is at odds with the high labour emigration flows.

Young people with disabilities or special needs face bigger problems in the process of transition too, but there are much fewer services and resources specifically available for them. Young people with a poor family background, particularly in regions and rural areas, constitute another vulnerable group, as do those from ethnic or linguistic minorities (e.g. Gagauz, Roma). Being a member of one of these groups is synonymous with little or no education, poverty, poor health and limited access to basic public services. The biggest problems faced by young people in these groups are low education levels, poor communication and accessibility, and different work values.

In recent years, a youth policy framework has been developed and continuously improved in Moldova. For example, the Strategy for Youth Sector Development was adopted in 2014 and the new Youth Law was enacted in 2016 to define and improve the youth development policy. Youth sector development was also reflected in the other sectoral policies and strategies, such as Moldova 2020, the 2014 Education Code, the Education 2020 Strategy, VET 2013–2020 Strategy, the National Employment Strategy (2017–2021), the 2003 Labour Code, the 2003 Employment Law, and the SME Development Strategy (2012–2020). Located at the crossroads of many different areas, however, youth policy has a complex nature, requiring strong inter-institutional cooperation among the public institutions and more effective involvement of civil society in Moldova.

Existing policy documents, strategies and legislation on youth-related issues do not always ensure their proper implementation on the ground or the provision of the appropriate youth-related services. Many institutions have financial and human resource constraints that prevent effective delivery of services to young people. Organisations in the youth sector are particularly weak, with little institutional capacity to reach out to their targets. The recent public administration reform reduced the number of ministries and their staff, affecting all institutions in the fields of youth, education, VET and employment. In fact, the Ministry of Youth and Sport and the Ministry of Culture merged within the Ministry of Education, Culture and Research (MoECR) in September 2017. The Ministry of Health also merged with the Ministry of Labour and Social Protection, while the National Employment Agency (NEA) is still being restructured. In the light of these new institutional structures and reduced staff numbers, some fear that youth-specific policy aspects and services will be lost completely.

Against this background, this report reviews 28 identified measures and programmes implemented over the past three years at national, regional or local level, aimed at supporting young people in their transition to work in Moldova. These measures are not an exhaustive list. They range from standard public services to special programmes and donor-funded projects, and are very diverse in terms of size, scope and activities. Nevertheless, they constitute the basis for our analysis of youth-related services. Taking into account their primary objective, the initiatives are grouped into three clusters: (i) skills development; (ii) career guidance and counselling; and (iii) entering and remaining in the labour market (see the annex).

The skills development cluster includes: all measures provided at school level (initial education and/or training); skills development after leaving school (including non-formal education); and delivery of continuing vocational training to jobseekers and workers. The first type of measure mentioned here aims at improving initial VET through WBL. Examples of policy improvements at systemic level include introducing WBL in secondary and post-secondary VET curricula and piloting a dual VET system. A number of pilot initiatives have introduced entrepreneurship education in the VET system; this will help to give more options to graduates. A review of WBL practices indicates some weaknesses, mainly due to the limited number of employers providing WBL and their weak capacity and motivation to offer good quality training to students. There is a lack of emphasis on WBL in general secondary and higher education; only a few programmes support initial work experience in higher education.

It is not common for young people to receive non-formal education in the Moldovan system. Both initiatives identified in this area are donor-initiated programmes. For example, the Inclusive Participation of Youth in Society project was an interesting experience in encouraging the civic participation of young people, while offering digital skills training to interested individuals in a newly created Information and Communication Technology (ICT) Excellence Centre (Tekwill) is an excellent way of supporting young people's digital skills. Continuing vocational training and retraining is delivered mainly by the public employment services (in Moldova's case, the NEA) to jobseekers. Although these courses are open to all jobseekers, the majority of trainees are young people and women.

The second cluster includes all career guidance and counselling services publicly provided in the secondary general, VET and higher education systems. Many actors are involved in the provision of career guidance and counselling, from secondary schools, vocational schools, resource centres for inclusive education and universities to NGOs and donors (Centre for Entrepreneurial Education and Business Support (CEDA), Liechtenstein Development Service, Austrian Development Agency), all of which implement projects to improve services. Nevertheless, existing evaluations indicate problems in reaching all students effectively. In particular, disadvantaged youth have problems accessing the right information. The NEA also provides information and counselling to all jobseekers, 32% of whom are young people. Some universities (e.g. the Academy of Economic Science (ASEM)) offer good career guidance services.

The third cluster covers measures relating to entering and remaining in the labour market. Labour intermediation between jobseekers and vacancies is the most important service provided by the public employment services (NEA). Labour intermediation is provided to all jobseekers (30% of whom were young people in 2016), but special youth job fairs and online job fairs also target young people. Youth is only one group among a number of categories targeted by the NEA; others include women, disabled people, ex-prisoners, members of the Roma community and returning migrants. Despite its place in legislation, the NEA does not currently provide employment subsidies and internships due to a lack of funds, but it is implementing a public works programme. A public internship programme was launched by the State Chancellery for young people in public institutions, but the results of this programme have not been made available. Some special government support in the form of compensation payments is also available for newly recruited young specialists in unfavourable regions.

Although employment services have good coverage and a high numbers of beneficiaries, the content of most measures is not regularly monitored or evaluated. The evaluation focuses on numbers and targets, but less emphasis is placed on checking the quality and impact of services. The programmes to support entrepreneurship and business start-ups are provided mainly by the Organisation for Development of Small and Medium Enterprises Sector Development (ODIMM) and they generally include different types of entrepreneurship services in one integrated package. However, they do not have a clear mechanism for evaluating the impact of entrepreneurship support in the medium to longer term. There is a need for coordination and cooperation in service delivery (e.g. a referral system) between all the relevant institutions, such as the NEA, ODIMM, the Ministry of Health, Labour and Social Protection (MoHLSP), the Ministry of Education, Culture and Research, CEDA, the National Youth Resource Centre, the Centre for Children and Youth, or other organisations with youth programmes that were covered by the former Ministry of Youth and Sport.

These findings point to the need for a forward-looking perspective around four issues that are discussed below.

- **Inter-institutional cooperation, data and analysis, monitoring and evaluation:** This includes ensuring inter-institutional coordination and policy coherence; obtaining better data, analysing labour market information more effectively and presenting practical results to young people; excluding emigrants from the inactive population; monitoring and evaluating existing measures.
- **Improving existing services and connecting them more effectively:** This includes improving the quality of general secondary education, VET and higher education, especially in rural areas; providing effective vocational guidance and career counselling on the ground; developing more opportunities for young people's first experience of work; developing a referral system among the different institutions.
- **Increasing youth outreach and coverage:** This includes increasing the coverage of services for young people, particularly disadvantaged groups; engaging in more young people to activate them; creating more youth-friendly services; creating peer-to-peer information services for young people through young people.
- **Innovating further youth policies and programmes:** This includes giving a higher priority to the development of key competences; motivating non-formal education through incentives to reach young people outside the school system; investing in social entrepreneurship for work experience for young people; encouraging higher youth mobility across the regions; working with the EU and donors on innovation and sustainability issues.

# 1. YOUTH SITUATION IN THE LABOUR MARKET

## 1.1 Overview of the youth situation

Moldova has a population of 3.55 million. Young people aged 15 to 29 constituted almost one quarter of the total population in the country in 2016<sup>12</sup>. However, a Demographic Barometer launched by the Demographic Research Centre (2015) estimated the actual Moldovan resident population as 2.9 million, a difference of 660 000 people. This difference is a result of the fact that emigrants abroad (even if they are gone for more than a year) are officially counted as permanent residents<sup>13</sup>. The share of young people is declining due to an ageing population and outward migration. Young people are relatively better educated, but the share of tertiary graduates is higher among young women. Young people with tertiary education tend to reside more in urban areas. Young people have lower activity and employment rates especially in rural areas and higher unemployment rates in urban areas.

The key source of information and data used in this analysis comes from the National Bureau of Statistics of the Republic of Moldova (NBS). The data comes from education statistics and labour force surveys (LFS). The results of the latest population census (2014) have not yet been released. The LFS methodology follows the international definitions specified by the ILO and covers the reference population aged 15+. Employment is defined as having at least one hour of work with payment in the reference week. The LFS is conducted on a monthly basis and includes 2 400 households per month. These are selected on the basis of a stratified random sampling of 150 units. A total of 7 200 households are surveyed each quarter; every member of the household aged 15+ is asked to answer the questions. The NBS used the same LFS structure between 1998 and 2005; the LFS methodology was changed in 2006. In 2008 and 2012, the NBS added an additional module on migrants to the LFS.

The statistics produced by the NBS are published on its website (entitled the Statistical Databank) and are accessible with a one-year time lag. However, the specific definition of 'inactivity' that the NBS uses in the LFS calculations should be noted here. During the LFS survey, if a member of the household is absent (abroad) at the time of the survey, the person does not fill in the questionnaire and he or she is recorded as 'inactive' in the LFS database. Therefore, 'Moldovan emigrants currently working abroad' are considered as 'residents' in the country and counted both in the inactive and in the reference population aged 15+. Therefore, emigrants are classified as 'inactive' in addition to other categories (e.g. pensioners, students, people who are caring for a family member, individuals who are 'discouraged' from looking for a job). This distorts the activity and employment rates significantly since the group makes up almost one fifth of the working age population. The same is valid for the young people who temporarily live abroad and who are counted as inactive in the NEET calculation.

This report also makes extensive use of the results of the ILO's School-to-Work Transition Survey (SWTS). The fieldwork for this was carried out by the NBS in two rounds in March 2013 and March 2015 in Moldova. The SWTS is a household survey of young people aged 15 to 29. It included responses from 1 158 young people in 2013 and 1 189 young people in 2015 who were residing in Moldova and categorised as employed, unemployed or inactive. The results were published by the NBS (see NBS, 2014 for the first round; and NBS, 2015b for the second round) and the ILO (see ILO, 2016 for both rounds). Apart from this, the report uses a lot of different data and information generated by academic and private studies and other non-state actors. One such notable source is the Skills

<sup>12</sup> This report analyses youth in the Republic of Moldova, excluding the Transnistria, a region on the left bank of the Nistru river with 10% of territory that is out of the control of the authorities after the separatist conflict in 1992. According to the 2004 population census in Transnistria, 555 347 people lived there.

<sup>13</sup> This is due to the de jure population, which covers all Moldovan citizens who are permanent residents as well as Moldovan citizens who are temporarily absent from the country.

Observatory and Experimentation Lab for Youth, a joint pilot initiative of the United Nations Development Programme (UNDP) and the National Institute of Economic Research (NIER).

### 1.1.1 Definition of youth

The definition of youth has changed over time in Moldova. The 2016 Youth Law No 279 defines youth as persons aged 14 to 35 (Government of Moldova<sup>14</sup>, 2016a). Before 2016, however, youth was defined as persons aged 16 to 30, based on the old Youth Law of 1999 (GoM, 1999). On the other hand, the NBS uses both age groups of 15 to 24 and 15 to 29 for its employment statistics, while the NEA defines the youth category for its employment services as those aged between 16 and 29.

This report uses the aggregate 15 to 29 age group (and sometimes the 15 to 34 age group when the former is not available) for young people throughout the analysis. It provides information on sub-groups 15 to 19, 20 to 24, 25 to 29 and 30 to 34, when necessary and available. The use of sub-groups will help to better understand the transition characteristics of young people in different ages, especially regarding employment and social and economic inclusion.

According to the Youth Development Index (YDI), developed by the Commonwealth for the youth aged 15-29, Moldova was put at medium-level of development out of 183 countries. YDI collectively measure multi-dimensional progress on youth development, and it is a composite index of 18 indicators under five domains: education level; health and well-being; employment and opportunity; political participation; and civic participation for young people.<sup>15</sup> In 2016, Moldova was ranked 113<sup>th</sup> out of 183 countries (score: 0.587). Its best ranking out of five domains was on education, while employment was one of the worst ranking (Table 1.1) (The Commonwealth, 2016).

**TABLE 1.1 MOLDOVA'S RANKING IN THE 2016 YOUTH DEVELOPMENT INDEX**

	Total	Education	Health	Employment	Civic participation	Political participation
Rank	113	69	117	139	140	100
Score	0.587	0.801	0.607	0.473	0.313	0.568

Source: The Commonwealth 2016 – <http://youthdevelopmentindex.org/>

### 1.1.2 Demographic profile and migration

The population of Moldova as estimated by the NBS is 3 555 159 million people in 2016, mainly rural (57.5%), with 1.5 million people living in urban areas. The share of youth (15-29) in total country population represent almost 24% in 2016 (23.6%), making up 838 291 people (Table 2). It was 24.8% in 2000, reached to 27.9% in 2006, followed by a continuous decline since then due to the general tendency of population aging and outward migration. The share of youth sub-groups gradually grows from one to other cohort reconfirming the fact of population aging. For example, the share of 0-15 age group has decreased from 23.7% in 2000 to 16.0% in 2016. The difficulties and problems in economic and social development and migration outflows lead to low or negative natural growth rates (in 2015 negative natural growth: -1296).

<sup>14</sup> Government of Moldova, hereafter abbreviated to GoM for reference purposes.

<sup>15</sup> For more information, see <http://youthdevelopmentindex.org/>

**TABLE 1.2 NUMBER OF YOUNG PEOPLE IN TOTAL POPULATION, 2016**

Age cohort	Population	% of total population
Cohort 0–14	567 574	16.0
Cohort 15–19	207 760	5.8
Cohort 20–24	280 223	7.9
Cohort 25–29	350 308	9.9
Cohort 30–34	322 250	9.0
Cohort 35–64	1 443 969	40.6
Cohort 65+	380 972	10.7
Total	3 555 159	100

Source: NBS, 2016a; Statistical databank; see <http://statbank.statistica.md>

According to the UN Department of Economic and Social Affairs (2018), 973 618 Moldovan citizens – or 25% of the total population – lived outside Moldova in 2017 (migrant stock). Almost 54% of these emigrants were female. Primary destinations for Moldovan emigrants have been Russia, Ukraine, Italy, Romania, USA, Germany, Portugal, Spain, Uzbekistan and Israel (World Bank, 2016a; data for 2013). Migrants with tertiary education account for more than 30% of all Moldovan emigrants to OECD countries. As a result, the share of remittances in Moldova's GDP is high (23.4% in 2015).

The Moldovan population, especially young people, still has a high propensity to migrate abroad. According to NBS statistics on migrant flows, more than 319 000 Moldovan people aged 15 years and over (18.6% of the active population) were working or looking for work abroad in 2016 (Table 1.3). According to NBS data (2016c), the youth categories (15 to 34 age group) are more affected by migration, representing 56% of total migrants. Young people aged 25 to 34 account for the highest share, representing 38% of total migrants. The big difference between international sources (UN, World Bank) and official national statistics on the scale of labour migration is probably linked to the difference between migrant stocks and flows. Nevertheless, the existing information allows us to understand the magnitude of the migration process and the structure of migration flows, and to evaluate the possible consequences.

**TABLE 1.3 POPULATION AGED 15+ WORKING OR LOOKING FOR WORK ABROAD, 2016**

Age cohort	Total		Men		Women	
	Thousand persons	% of total	Thousand persons	% of total	Thousand persons	% of total
Cohort 15–24	58.1	18.2	43.6	20.5	14.5	13.6
Cohort 25–34	120.9	37.9	91.3	43.0	29.7	27.8
Cohort 35–44	71.1	22.3	43.9	20.7	27.2	25.5
Cohort 45–54	49.5	15.5	24.8	11.7	24.7	23.1
Cohort 55–64	18.6	5.8	8.5	4.0	10.1	9.5
Cohort 65+	0.8	0.3	0.2	0.1	0.6	0.6
Total – all age groups	319	100	212.3	100	106.8	100

Source: NBS, 2016c; Statistical databank; see <http://statbank.statistica.md>

In terms of the education level of Moldovan emigrants and potential emigrants, the young migrants aged 15 to 34 have a higher level of education than other age categories, accounting for 29.6% of all highly educated migrants (Table 1.4). On the other hand, the share of young people (15 to 34 age group) with higher education constitutes 9.2% of total migration; 28% have a medium level of education and 21.9% have a low level of education. What makes the situation worse is that most of these highly educated migrants do not find jobs abroad that match their education level and field. This is primarily due to the fact that available job opportunities abroad are restricted to jobs that require a

low or medium level of skills. Therefore, they do not seek for official recognition or equivalence of their diplomas abroad.

**TABLE 1.4 EDUCATION LEVEL OF POPULATION WORKING OR LOOKING FOR WORK ABROAD, 2016**

Age cohort	High level of education		Medium level of education		Low level of education	
	Thousand persons	% of total in the group	Thousand persons	% of total in the group	Thousand persons	% of total in the group
Cohort 15–24	5.9	10.2	29.9	51.5	22.3	38.4
Cohort 25–34	23.5	19.4	59.3	49.0	38.2	31.6
Cohort 35–44	7	9.8	44.9	63.2	19.2	27.0
Cohort 45–54	4.3	8.7	38.7	78.2	6.5	13.1
Cohort 55–64	1.6	8.6	15.2	81.7	1.8	9.7
Cohort 65+	0.1	12.5	0.7	87.5	0	0.0
Total – all age groups	42.4	13.3	188.5	59.1	88	27.6

Note: The following definitions are used for the educational attainment levels: (i) **Low** – ISCED level 0–2, including no education, primary and lower secondary education; mostly from grade 0 to 9 (the end of compulsory schooling); (ii) **Medium** – ISCED level 3–4, including upper secondary and post-secondary (non-tertiary) education; mostly from grade 9 to 12, plus extra one to two years at post-secondary; and (iii) **High** – ISCED level 5–6, including higher education, graduate or postgraduate studies (master's, PhD).

Source: NBS, 2016c; Statistical databank.

Massive migration, especially of young people, results from general pessimism about economic development, a lack of professional jobs and opportunities for self-development as well as a lack of clarity regarding future prospects. As one of the most productive categories and one in the process of joining the workforce, young people need more support and adequate policies to stay in Moldova, including assistance with the transition from school to work and social and economic inclusion. It is a lost opportunity and important resource for economic development, especially in terms of the future.

### 1.1.3 Education system and attainment levels

Moldova has spent a high percentage of its GDP (around 7%) on education over the last decade, although the figure declined slightly to 6.9% in 2015 (NBS, 2016b). The education system took a major step into the future with the adoption of a new Education Code in 2014 (GoM, 2014a). According to this new law, the education system is structured as follows (see also ETF, 2015a; NBS, 2016b):

- preschool education (aged three to seven years, ISCED level 0);
- primary education (grades 1 to 4, ISCED level 1);
- lower secondary education (known as a *gymnasium*, grades 5 to 9, ISCED level 2);
- upper secondary education (known as a *lyceum*, grades 10 to 12, ISCED level 3); this level includes:
  - *lyceum* programmes in grades 10 to 12,
  - *lyceum* programmes in post-secondary vocational institutions,
  - secondary vocational institutions (for graduates of *gymnasiums*) with general or mixed general vocational programmes;
- secondary vocational education for graduates of general secondary schools and *lyceums* (post-secondary, non-tertiary education, ISCED level 4);
- short-cycle tertiary education (post-secondary vocational education, two- to five-year college courses, ISCED level 5);
- higher education (three cycles in line with the Bologna process, ISCED levels 6 to 8).

Compulsory education starts with preschool education at age five or six and ends with *gymnasium* education (after grade 9). After the *gymnasium*, if students do not choose employment, they have four educational options: (i) *lyceum* (with an entrance exam), (ii) vocational or professional school, (iii) trade school, (iv) specialised college. *Lyceum* and college graduates holding the baccalaureate diploma are eligible for bachelor studies in higher education institutions.

According to the NBS (2016b), a total of 462 704 students, at all levels and in all types of educational institution, were in the education system in Moldova in the 2015/16 school year (Table 1.5). Out of this number, 334 509 students attended general schools (including primary, lower and upper secondary). In upper secondary education, the number of students in lyceums was 36 000, while the number of students in secondary VET was 16 000. Therefore, VET students accounted for around 45% of all students in upper secondary education (ISCED 3). In addition, another 30 400 students were in post-secondary VET institutions, and 81 600 students attended university. Out of 334 500 students in general schools, 41% were in primary education, 48% were in lower secondary education and 10.5% were in upper secondary education.

**TABLE 1.5 TOTAL NUMBERS IN THE MOLDOVAN EDUCATION SYSTEM, 2015/16 SCHOOL YEAR**

Total number of students	Students in general schools*	Students in secondary VET	Students in post-secondary VET	Students in universities
462 704	334 509	16 098	30 428	81 669
Total number of schools	Number of general schools*	Number of secondary VET	Number of post-secondary VET	Number of universities
1 446	1 323	47	45	31
Total number of teaching staff	Teachers in general schools*	Teachers in secondary VET	Teachers in post-secondary VET	Teachers in universities
39 112	29 580	1 854	2 373	5 305

(\*) Total number in primary education, lower secondary and upper secondary general education.

Source: NBS, 2016b.

The NBS (2016b) reports that boys constituted the majority of the 16 000 students in secondary VET (70.7%), and the highest number of graduates were cooks (13%), car mechanics (10.7%), plasterers (8%), seamstresses (5.5%), computer operators (5%), and electric and gas installers (5%) in 2015. On the other hand, girls made up 53% of the 30 400 students in post-secondary VET in 2015, and the highest number of graduates were in the fields of economics (14.6%), medicine (10.3%), transport (8.7%), pedagogy (8%) and services (6.3%). In higher education, 80% of the 81 600 students were in public universities, and almost 58% of all students were female. In 2015, a greater share of university graduates had studied economics (28%), education (17%), law (15%) and engineering (8%). In the same NBS data, a slight increase in the share of students in VET and a decrease in the share of students in general education can be observed (Table 1.6).

Due to a generally ageing population and significant youth migration, the number of students is decreasing at all levels year by year (Figure 1.1). In the medium to long term, this will create a serious imbalance in the labour market. Some sectors, such as the construction, textile and high-tech industries, are already facing a lack of qualified personnel. The low number of students is leading to a reduction in the number of educational institutions and low enrolment numbers.

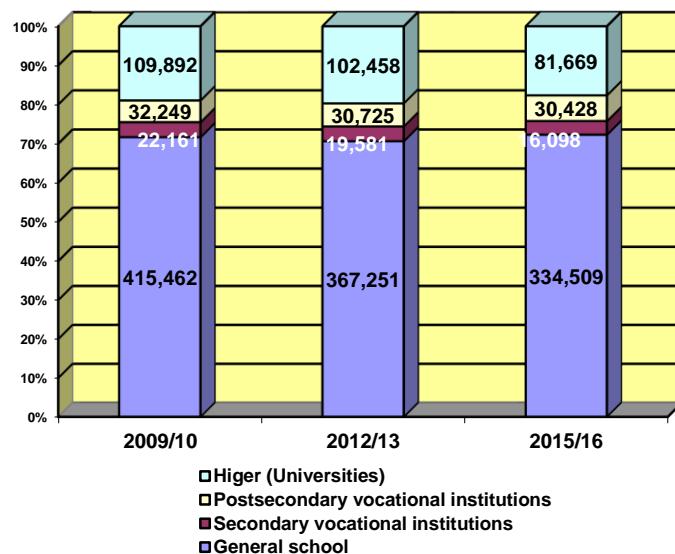
TABLE 1.6 STUDENTS IN MEDIUM GENERAL EDUCATION AND MEDIUM VET (ISCED)

Total number of students (ISCED levels 1–8) by year and by gender			Medium general education (ISCED 3 upper secondary education) <sup>1</sup>		Medium VET (ISCED 2, 3, 4 together) <sup>2</sup>	
			Number of students	% of this number	Number of students	% of this number
2010	Women	283 231	35 523	12.5	14 041	5.0
	Men	274 159	27 163	9.9	21 580	7.9
	Total	557 390	62 686	11.2	35 621	6.4
2013	Women	262 501	30 830	11.7	13 858	5.3
	Men	257 473	24 662	9.6	20 272	8.1
	Total	519 974	55 492	10.7	34 130	6.7
2016	Women	233 751	20 598	8.8	12 384	5.3
	Men	230 751	15 463	6.7	18 679	8.1
	Total	464 502	36 061	7.8	31 063	6.7

Notes: (1) ISCED 3 – upper secondary education, category 34. (2) ISCED 2 – lower secondary vocational education, category 24 + ISCED 3 – upper secondary vocational education, category 34 + ISCED 4 – post-secondary non-tertiary vocational education, category 45.

Source: NBS, 2016b, pp. 30–31

FIGURE 1.1 NUMBER OF STUDENTS, 2010–16



Note: General school includes primary schools, *gymnasiums* and *lyceums*.

Source: NBS, 2016b

The net enrolment ratio in preschool education was 84% in 2016, compared to 74% in 2010. In primary education, it was 87% (compared to 88% in 2010), and in lower secondary education it was 82% (compared to 84% in 2010) (NBS, 2016a). In 2016, the net enrolment ratio decreased to 54% in upper secondary education and to 37.3% in tertiary education (NBS, 2016b). Around 45% of all students in upper secondary education were VET students.

The number of students in general education decreased at all levels in educational institutions in 2016 and represented only 80% of the 2010 level (Figure 1.1). The number of students decreased by 20% in general education, by 27% in vocational education and by 25% in higher education institutions.

Similarly, the number of graduates is also gradually decreasing year by year. For example, the number of graduates of higher education was 23 600 in 2015, representing a decrease of 17% on the

2010 figure (Table 1.7). The number of general education graduates decreased by 31% to 46 300 in 2015. The total number of VET graduates was 15 400 in 2015, representing a 33% decrease since 2010.

**TABLE 1.7 NUMBER OF GRADUATES BY EDUCATION LEVEL, 2010, 2013 AND 2015**

Education level	2010		2013		2015	
	Number	Per 10 000 inhabitants	Number	Per 10 000 inhabitants	Number	Per 10 000 inhabitants
General education*	67 316	189	54 604	153	46 329	130
Secondary VET	13 238	37	10 380	29	9 220	26
Post-secondary VET	6 794	19	7 443	21	6 252	18
Higher education	28 408	80	24 848	70	23 630	67
Total number of graduates	115 756		97 275		85 431	

Note: (\*) Total number of students in primary education, lower secondary and upper secondary general education.  
Source: NBS, 2016b, p. 23

On top of ageing and migration, there is a growing trend among Moldovan students to study abroad. According to a recent study, 24 200 Moldovans were studying abroad in 2014, primarily in Romania, but also in Russia, Italy, Ukraine, Germany and the Czech Republic (Grigoras, 2015). Today, according to an interview with a researcher at the NIER, this number is estimated to be around 30 000 (almost one third of university students). As a result, some educational institutions, especially in higher education, are already facing difficulties with enrolment. This may influence the selection process and consequently the quality and level of education for future students and trainees.

Two issues must be highlighted when it comes to the performance of the education system. The first one is related to the quality of education. Moldova was ranked 50<sup>th</sup> out of 70 participating countries in the Programme for International Student Assessment in 2015 (PISA 2015). This shows an improvement in the education outcomes in science, reading and mathematics compared to the performance registered in PISA 2009. Nevertheless, the share of the lowest-level achievers among Moldovan 15-year-old students was still quite high: almost 42% in reading, 42% in science and 50% in mathematics (OECD, 2016).

The second issue is related to the high percentage of early school leavers in Moldova (20% in 2016). Although there was a gradual decrease in this percentage between 2010 and 2016, it remains high. As shown in Table 1.8, many more young men leave school early compared to young women, but the highest share of early school leavers is in rural areas. The results reflect an uneven level of investment across the country and more severe problems in rural areas.

**TABLE 1.8 PERCENTAGE OF EARLY SCHOOL LEAVERS, 2010, 2013 AND 2016**

Year	Total	Men	Women	Urban	Rural
2010	22.1	27.0	16.9	10.6	30.8
2013	21.1	25.9	15.6	8.8	28.7
2016	20.0	23.5	16.1	10.9	26.0

Note: Early school leaver refers to a person aged 18 to 24 who has completed, at most, lower secondary education and is not involved in further education or training. It is calculated from the LFS data.

Source: NBS, 2017b, p. 158

The relatively high level of spending on education over the last decade has paid off in terms of a continuous increase in the education levels of the total population aged 15+ in Moldova. The educational attainment levels among the population aged 15+ show that 30% have a low level of education, 52.6% have a medium level of education and 17.4% have a higher level of education

(Table 1.9). Among those with a medium level of education, the share of those with medium VET is much higher than the share with a medium general education. In terms of gender, slightly more women go to higher education while more men go to VET. The educational attainment levels of young people (15 to 29 age group), on the other hand, indicate more gender diversity.

The education levels of young people seem lower in general, but this is not surprising given that many in this age group are still in school. Nevertheless, 17.4% of young people have already completed higher education, while around 43% have a medium level of education. A much higher number of young women go to university compared to young men. The share of medium VET has fallen compared to the share of medium general education. One has to remember, however, that this picture represents the total population. If we only look at employed young people aged 15 to 29, their education levels are much higher. Among employed young women, the share of those with tertiary education is about 39%; 27.4% of employed young men have tertiary education (Buciuceanu et al., 2017).

**TABLE 1.9 EDUCATIONAL ATTAINMENT LEVELS OF POPULATION AGED 15+ AND YOUTH AGED 15–29, 2016**

Education level	Population aged 15+ (%)			Youth aged 15–29 (%)		
	Total	Men	Women	Total	Men	Women
Low (ISCED 0–2)	30	30	30	40	42.7	37
Medium (ISCED 3–4) – total	52.6	54.6	50.7	43	43.9	42
<i>Medium – general education)</i>	21.2	20.1	22.0	22.3	21.3	23.5
<i>Medium – VET)</i>	31.4	34.5	28.7	20.7	22.6	18.5
High (ISCED 5–6)	17.4	15.2	19.3	17	13.3	21

Note: The following definitions are used for the educational attainment levels: (i) **Low** – ISCED level 0–2, including no education, primary and lower secondary education; mostly from grade 0 to 9 (the end of compulsory schooling); (ii) **Medium** – ISCED level 3–4, including upper secondary and post-secondary (non-tertiary) education, both general and vocational; mostly from grade 9 to 12, plus extra one to two years at post-secondary; and (iii) **High** – ISCED level 5–6, including higher education, graduate or postgraduate studies (master's, PhD).

Source: NBS, 2016d, 2016b and 2016h

Nevertheless, the educational attainment levels of young people (15 to 29 age group) have been increasing since 2010 (Table 1.10). For instance, the share of young people with a high level of education increased from 14% in 2010 to 17% in 2016. More young women have higher education degrees (21%) compared to men (13%). The opposite is true among young people with a low level of education (40%): more men had a low level of education (43%) compared to women (37%) in 2016. The decrease in the percentage of young people with a low level of education from 43.2% in 2010 to 40% in 2016 is a sign of high interest, motivation and engagement in getting the knowledge and preparing for the future.

**TABLE 1.10 YOUTH (15–29) EDUCATIONAL ATTAINMENT BY GENDER, 2010, 2013 AND 2016**

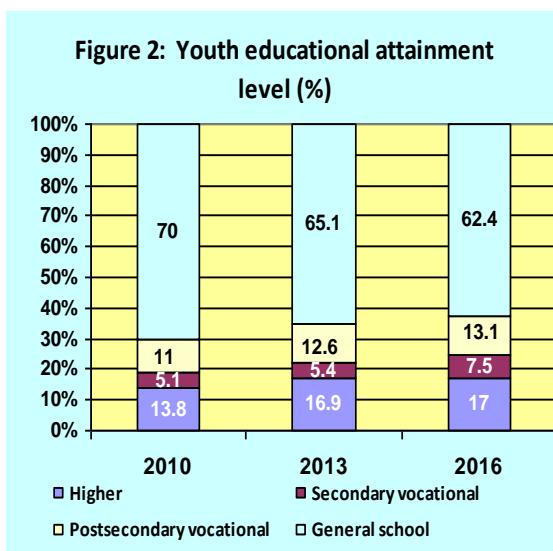
	Low (%)			Medium (%)			High (%)		
	2010	2013	2016	2010	2013	2016	2010	2013	2016
Men	45.3	42.3	42.7	43.8	44.2	43.9	10.9	13.5	13.3
Women	41.1	38.4	37.0	42.2	41.2	42.0	16.7	20.4	21.0
Total	43.2	40.5	40.0	43.0	42.8	43.0	13.8	16.9	17.0

Note: The following definitions are used for the educational attainment levels: (i) **Low** – ISCED level 0–2, including no education, primary and lower secondary education; mostly from grade 0 to 9 (the end of compulsory schooling); (ii) **Medium** – ISCED level 3–4, including upper secondary and post-secondary (non-tertiary) education, both general and vocational; mostly from grade 9 to 12, plus extra one to two years at post-secondary; and (iii) **High** – ISCED level 5–6, including higher education, graduate or postgraduate studies (master's, PhD).

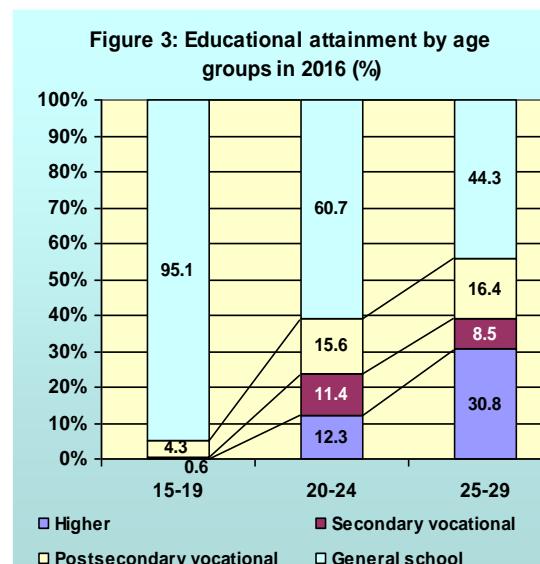
Source: NBS, 2016d and 2016b; author's calculations

Figure 1.2 indicates that the share of young people (aged 15 to 29) with a medium level of VET increased from 16.1% in 2010 to 20.6% in 2016. The share of young people with secondary general education decreased (from 70% to 62.4%), partially in favour of vocational education and higher education. It could be a sign of youth deviation from the 'myth' that higher education provides better opportunities and prospects for future life, career development and employability<sup>16</sup>.

**FIGURE 1.2 YOUTH EDUCATIONAL ATTAINMENT LEVEL (%)**



**FIGURE 1.3 EDUCATIONAL ATTAINMENT BY AGE, 2016 (%)**



Note: General school includes the graduates from primary education, lower secondary and upper secondary general education.

Source: NBC 2016d and author calculations

Further analysis of educational attainment by sub-age group shows that most of the 15 to 19 age group (95%) attends secondary school (second cycle) (Figure 1.3). Moving from the 15 to 19 age group to the 20 to 24 age group, the share of young people with vocational education jumps from 4.9% to 27%. In the 25 to 29 age group, the share of young people with higher education increases significantly, while the share of young people with vocational education decreases compared to the previous age group. After lower secondary, almost 40% of graduates continued to study in *lyceums*, 23% in secondary VET and 23% in post-secondary VET in 2016 (NBS, 2016b). These tendencies confirm once again the preference for higher education as well as the growing interest in vocational education.

#### 1.1.4 Main characteristics of vulnerable groups

Vulnerability represents a situation in which an individual or a group of people cannot deal with the socioeconomic situation prevailing in the society caused by the social processes of transformation that are taking place (e.g. economic, political, cultural). There are many factors that define vulnerability, such as income level, ethnicity, place of residence, education level and health situation. In Moldova, references are made to vulnerable groups in various policy frameworks and strategies. Law 102/2003 on employment and the social protection of jobseekers stipulates, for example, priority access to continuing training for certain vulnerable groups (e.g. young people, single parents, victims of domestic violence, ex-convicts). The term 'persons with special needs' is used to refer to some vulnerable categories, but the only statistics available are for 'persons with disabilities'. According to the National Strategy for Youth Sector Development (GoM, 2014b), the youth groups most affected by

<sup>16</sup> On the other hand, more and more young people study abroad, especially in higher education, although no concrete data is available on the number of students studying abroad.

marginalisation and discrimination are young people with disabilities, young people with HIV, young people with a criminal record, young pregnant women and mothers and young people belonging to ethnic minorities.

According to the World Bank (2016b), Moldova has one of the highest poverty rates in the region – 41% of its population lived below the poverty line of USD 5.00 a day in 2014. However, economic growth in the past decade has helped to reduce poverty. The national poverty rate dropped from 26% in 2007 to 11.4% in 2014. Similarly, inequality, as measured by the Gini coefficient, declined from 0.3 to 0.23 between 2007 and 2014 (World Bank, 2016b). The main drivers of poverty reduction have been pensions, social assistance<sup>17</sup>, remittances and non-agricultural wage increases. Despite the overall reduction, however, regional disparities persist. Poverty in the regions is more than five times the rate in Chisinau, while rural poverty remains at three times the level of urban poverty. The poor are more likely to be rural dwellers in agricultural employment.

Around one quarter of the Moldovan population is a member of another ethnic group, such as Gagauzian, Romanian, Russian or Ukrainian (World Bank, 2016b). This creates substantial diversity in the languages spoken as mother tongue since a quarter of the population is not exposed to Moldovan at home. In 2011, 10% of secondary school graduates in Gagauzia failed to achieve even a minimum passing score in their Moldovan language exams, and were in jeopardy of not graduating (World Bank, 2016b, p. 23). Another example is the Roma community, which accounts for a small share of the population (around 0.4%) and fares poorly relative to the general population. One in five Roma are unable to read or write, and about a third complete primary school only. These gaps in education represent disparities in human capital, which undermine the capacity to obtain quality employment.

Persons with disabilities are defined as follows by Law No 60, which addresses the social inclusion of persons with disabilities: ‘persons with physical disabilities, mental, intellectual or sensory impairments, which in interaction with various barriers, obstacles, circumstances can hamper her/his full and effective participation in society on equal terms with other people’ (GoM, 2012a). Table 1.11 provides a general picture regarding the number of young disabled people (aged 18 to 29) in the total population and their distribution by gender and geography. The number of persons with disabilities is decreasing, and the rate of decrease is even faster among young people. The share of young people with disabilities is higher in rural areas and among young men.

**TABLE 1.11 PERSONS WITH DISABILITY RECOGNISED FOR THE FIRST TIME, BY GENDER AND AREA**

Age group	Urban/rural	Both genders			Women			Men		
		2010	2013	2015	2010	2013	2015	2010	2013	2015
Total – all age groups	Total	13 275	11 962	11 204	5 302	4 753	4 287	7 973	7 209	6 917
	Urban	5 352	4 553	4 138	2 215	1 872	1 677	3 137	2 681	2 461
	Rural	7 923	7 409	7 066	3 087	2 881	2 610	4 836	4 528	4 456
Youth aged 18–29 years	Total	1 036	888	778	374	311	292	662	577	486
	Urban	391	295	274	137	110	117	254	185	157
	Rural	645	593	504	237	201	175	408	392	329

Source: NBS, 2016<sup>e</sup>

NEETs constitute another vulnerable category. According to the School-to-Work Transition Survey (SWTS), carried out by the NBS with the support of the ILO (ILO, 2016; NBS, 2015b), almost 29% of the youth population in Moldova were NEET in 2015. The majority of them were inactive, non-students

<sup>17</sup> The main targeted programmes are Ajutor Social (social aid) and a heating allowance programme, both of which specifically address people most in need and are relatively well targeted (World Bank, 2016b, p. 17).

(77%) and the remaining 23% were unemployed non-students (Table 1.12). The same survey also indicated a low youth activity rate, dependence on remittances and high reservation wages.

**TABLE 1.12 YOUNG PEOPLE (15–29) NOT IN EDUCATION, EMPLOYMENT OR TRAINING (NEET), 2015 SWTS**

Category	Total		Male		Female		Rural		Urban	
	Number	%	Number	%	Number	%	Number	%	Number	%
NEETs	216 982	28.9	87 991	23.2	128 991	34.8	130 421	31.1	86 561	26.2
Inactive	166 968	76.9	55 644	63.2	111 323	86.3	102 550	78.6	64 418	74.4
Unemployed	50 015	23.1	32 347	36.8	17 668	13.7	27 871	21.4	22 143	25.6

Source: ILO, 2016; NBS, 2015b

The share of NEETs is higher among young women (almost 35%) compared to young men (23%) (ILO, 2016). Among the young unemployed NEETs, the share of males is larger (37%) than that of females (14%). Young males are more open to taking any job, including migration, which explains their higher activity. Rural areas have a higher proportion of NEETs (31%) than urban areas (26%) due to seasonality in agricultural work and the fact that most of the labour supply is in rural areas while the available jobs are registered in urban areas. There are no special functional programmes to promote labour mobility.

In addition to SWTS data, the NBS also calculates and publishes the number of NEETs in the LFS data, which is the primary source of NEET rate calculation. It must be noted, however, that a slightly different methodology is used by the NBS to calculate NEETs, compared to Eurostat methodology (see ETF, 2015b for a discussion on the methodologies). As seen in Table 1.13, the NBS reported a total of 328 900 NEETs in 2016 in Moldova, classifying 39.2% of the total youth population aged 15 to 29 as NEETs. Of this number, however, 127 900 were young emigrants currently working abroad, 15.3% of the total youth population. The latter (young emigrants) can hardly be considered as NEETs according to the Eurostat methodology, distorting NEET statistics. The NEET rate for young people aged 15 to 24 was reported as 29.3% in 2016 by the NBS, when young emigrants abroad are included.

**TABLE 1.13 NUMBER OF NEETS AND THEIR SHARES BY SUB-CATEGORY, 2016 LFS**

NEETs by sub-category	Number	%
Total NEETs aged 15–29, of whom	328 900	39.2
Unemployed youth (62% of whom are male)	20 200	2.4
Family carers (99% of whom are female)	83 300	10
Residents with temporary jobs/want to work abroad (76% of whom are male)	56 400	6.7
Young emigrants currently working abroad (75% of whom are male)	127 900	15.3
Other reasons	41 100	4.9

Source: NBS, 2017a and 2017b

To make an international comparison, the ETF recalculated the NEET rate by excluding young emigrants from the NEET calculation above. However, the share of NEETs in the 15 to 29 age group was still high (28.3%) in 2016 (Table 1.14). In this calculation, which excludes young emigrants, significantly more women (32.4%) than men (23.9%) are NEET. The NEET rate decreases to 19.7% among young people aged 15 to 24 if the standard Eurostat methodology (i.e. excluding emigrants) is used. The difference in the NEET rate between young women and young men is much smaller in the 15 to 24 age group, which is probably due to continuing attendance in school. As seen in Table 1.14, the rates increased slightly year on year from 2010 until 2016, when they dropped again.

**TABLE 1.14 NEET RATE BY AGE GROUP AND GENDER (%), 2010–16 LFS, ETF CALCULATION\***

	2010	2011	2012	2013	2014	2015	2016
<b>Youth 15–29</b>							
Total	26.6	27.3	27.6	27.1	28.9	29.7	28.3
Men	23.5	22.7	23.0	22.0	23.3	25.1	23.9
Women	29.3	31.5	32.0	32.1	34.2	34.2	32.4
<b>Youth 15–24</b>							
Total	19.6	20.2	19.8	18.9	20.0	21.1	19.7
Men	20.0	19.1	18.6	17.8	18.1	19.7	18.4
Women	19.3	21.3	20.9	20.0	21.9	22.4	21.1

(\*) Excluding young emigrants currently working abroad who are included in the LFS data and following the Eurostat methodology of calculation.

Source: ETF calculation based on the NBS 2016 LFS data.

Among young people, the NEET rate increases with age: it is much lower for the 15 to 19 age group (13.6%), increases to 42.6% among young people aged 20 to 24 and reaches 52.8% among young people aged 25 to 29. Within the total NEET pool, a low level of education is more common: nearly every second NEET (or 45.8%) has a *gymnasium* education, and more than 30% have *lyceum* or general upper secondary education. However, a significant proportion of NEET youth has higher education (more than 15%), which points to difficulties they face during the transition from school to work (Crismaru et al., 2017). The NEET is divided into the following sub-categories: unemployed, young people who are family carers, young people who emigrated or intend to go abroad, and other youth (e.g. seasonal workers, people with a disability or illness). The largest group is represented by young people who care for family members (45.3% in 2016). The second group comprises young people who have emigrated or intend to go abroad (30.7%). The other two groups are unemployed youth (11%) and others (13%) (Crismaru et al., 2017).

The impact of education on the likelihood of being NEET is also calculated by the ETF in Table 1.15. In general, those with secondary VET, followed by higher education, lower secondary and post-secondary VET have a higher probability of being NEET. A gender breakdown also shows that secondary VET graduates of both genders are the most likely to be NEET, although a much higher share are young women. After secondary VET, the second most common education level for NEET men is lower secondary education, while for NEET women it is higher education. Interestingly, the NEET rate is very low among primary education graduates. This might be explained by the high level of agricultural employment among this group. Therefore, being a NEET is not always related to education level, and secondary VET does not save young people from being NEET.

**TABLE 1.15 SHARE OF NEETS AGED 15–29 BY EDUCATION LEVEL, 2016 LFS, ETF CALCULATION\***

Education level	Total	Men	Women
Primary education	10.4	9.2	12.1
Lower secondary (gymnasium)	30.3	28.1	32.8
Upper secondary (general)	19.1	16.3	21.5
Secondary VET	45.8	36.9	57.6
Post-secondary VET	29.3	26.3	31.9
Higher education	31.2	19.3	38.3
Total	28.3	23.9	32.4

(\*) Excluding young emigrants currently working abroad who are included in the LFS data and following the Eurostat methodology of calculation.

Source: ETF calculation based on the NBS 2016 LFS data

The sociological research, conducted by UNDP-NIER to understand the determinants of NEET status and NEET youth typology, identifies four types of factors: individual factors (age, gender, education level, parents' background, health); factors related to education system (early school leaving, limited career guidance or counselling); socioeconomic factors (place of residence, regional/rural/urban, poor public transport); and institutional factors (lack of a coherent approach to youth, poor capacity of public institutions, poor public services)<sup>18</sup>. Based on the analysis of a number of variables, four sub-categories of NEETs are identified with distinct characteristics and needs (Crismaru et al., 2017).

- **Type 1 is an unskilled NEET**, which accounts for about 40% of all NEETs. Common features include poor parents or parents with a low level of education, a high proportion of early marriages, poverty, rural residence, agricultural work, a low level of education, early school leaving.
- **Type 2 is a low- or medium-skilled NEET**, which accounts for about 30% of all NEETs. Common features include parents with a low or medium level of education, may be married or unmarried, vocational studies, low-paid and/or informal jobs, occasional earnings, rural residence.
- **Type 3 is a highly qualified NEET**, which accounts for about 20% of all NEETs. Common features include parents with a medium or high level of education, one parent is employed in Moldova or abroad, may be married or unmarried, urban residence, higher education, average income.
- **Type 4 is a voluntary or opportunist NEET**, which accounts for about 10% of all NEETs. Common features include parents with a medium or high level of education, medium or high living standards, may be married or unmarried, urban residence, medium or higher level of education, income from parents (abroad).

### 1.1.5 Overall macroeconomic situation

The macroeconomic indicators in Moldova were largely positive until 2015 when the country entered recession due to a shrinking agriculture sector (bad weather conditions), fraud in the banking system and an inefficient monetary policy. Between 2011 and 2016, the national currency (Moldovan leu, MDL) depreciated by 35% against the euro and by 70% against the US dollar. The average consumer price index was 109.7% in 2015 and 106.4% in 2016. After contracting by -0.4% in 2015, GDP reached 4.3% in 2016, and was estimated to reach 3.5% in 2017 (Table 1.16). This growth is supported by good harvests, strong private consumption on the back of higher remittances, and private and public wage growth (World Bank, 2017a). With per capita GDP of USD 1 900, Moldova is situated at the lower end of the scale for lower-middle-income countries (USD 1 026 to USD 4 035) according to the World Bank income classification.

TABLE 1.16 GDP GROWTH IN MOLDOVA, 2011–17

GDP growth	2011	2012	2013	2014	2015	2016	2017*
Nominal GDP (MDL billion)	82.3	88.2	100.5	112.1	122.6	134.9	147.2
GDP (% real change)	6.8	-0.7	9.4	4.8	-0.4	4.3	3.5

(\*) Estimate for 2017.

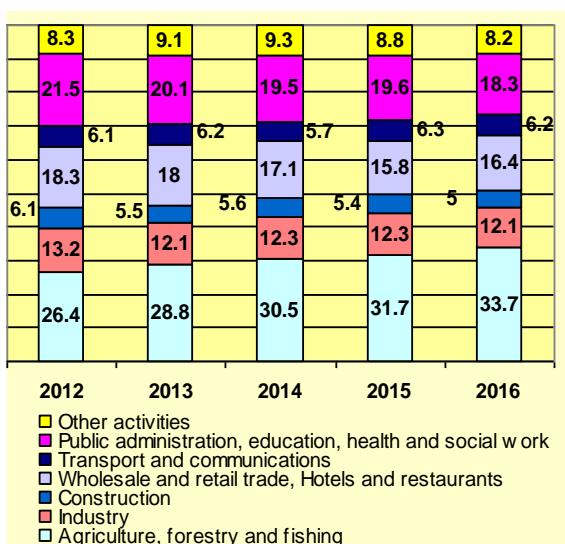
Source: World Bank, 2017a

The biggest contributors to GDP growth were industry (17.9%), agriculture (14.4%) and services (67.7%) in 2016. Despite its relatively small contribution to GDP growth (14.4%), the share of agricultural employment grew from 26.4% in 2012 to 33.7% in 2016 (Figure 1.4, Table 1.13). This is not a positive development as an important part of this sector is based on subsistence agricultural activities, which increased from 37.5% to 43.5% of total agricultural employment. Employment in industry, on the other hand, is rather stable over the years (12.1% of total employment in 2016), and contributed to 17.9% of GDP growth in 2016. The share of employment in construction is 5%, while all

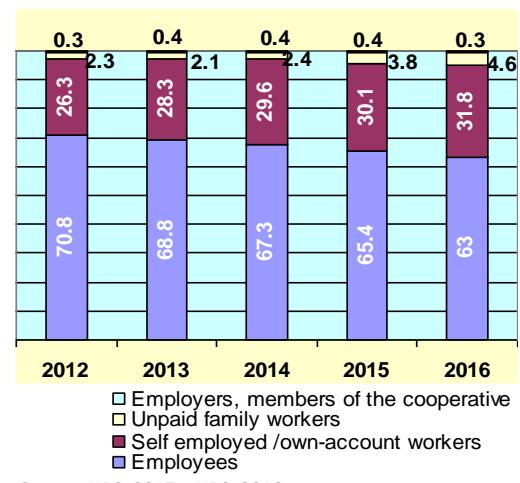
<sup>18</sup> In addition to desk research, the study included semi-structured and in-depth interviews with 60 NEETs and 20 decision-makers and practitioners (UNDP-NIER, 2017b).

other services account for 49.2% of total employment. The share of wage employment decreased from 71% in 2012 to 63% in 2016, accompanied by an increase in self-employment from 26% to 32% in the same period (Figure 1.5). This is also not a good sign and one consequence of low salaries due to inadequate motivation and remuneration practices.

**FIGURE 1.4 EMPLOYMENT TRENDS BY SECTOR (%)**



**FIGURE 1.5 EMPLOYMENT BY PROFESSIONAL STATUS (%)**



After agriculture (33.7%), the highest share of employment is in public administration (education, health, social work) (18.3%), trade and hospitality (16.4%) and industry (12.1%) (Table 1.17). The low productivity of available jobs is the result of both a high share of jobs in low-productivity sectors such as agriculture, trade and tourism, and the relatively high incidence of informal employment. As a proportion of total employment, a higher number of young people (aged 25 to 34) work in agriculture. The second-largest employment sector for young people is public administration, education, health and social work, where the 25 to 34 age group has the highest share. These sectors are followed by trade and hospitality where a higher than average proportion of young people aged 15 to 24 work.

**TABLE 1.17 SHARE OF EMPLOYMENT BY ECONOMIC SECTOR AND AGE GROUP (%)**

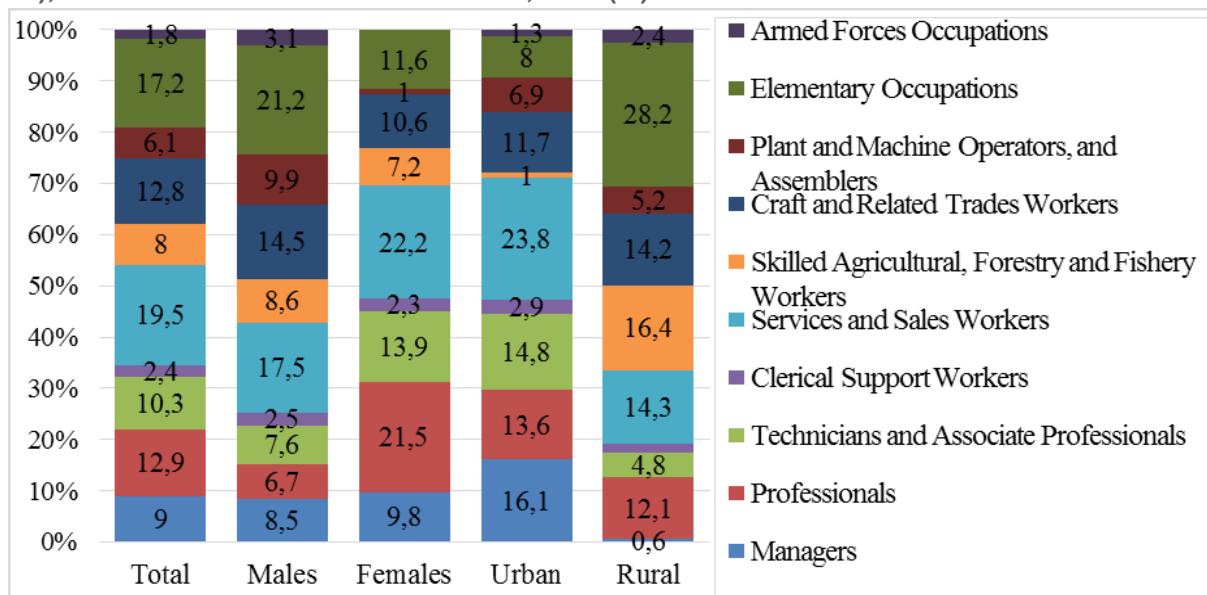
Economic sector	Total 15+		Youth 15–24		Youth 25–34	
	2011	2016	2011	2016	2011	2016
Agriculture, forestry and fishing	27.5	33.7	22.5	24.5	20.7	35.4
Industry	13.1	12.1	15.5	12.2	14.2	11.8
Construction	5.7	5.0	7.3	7.1	7.2	3.8
Wholesale and retail trade, hotels, restaurants	19.0	16.4	26.1	21.3	23.6	13.7
Transport and communications	5.7	6.2	4.3	8.3	6.0	6.1
Public administration, education, health, social work	21.3	18.3	15.4	15.7	17.9	22.5
Other activities	7.7	8.2	8.8	10.8	10.4	6.7

Source: Labour force survey: NBS, 2017a; 2017b; and 2016c

According to the UNDP-NIER study, the distribution by economic sector of young employees maintains the same structure over the years (Buciuceanu et al., 2017). In 2015, the vast majority of young people were employed in the service sector (68.2%), about 14% worked in agriculture, over 11% in industry, and around 7% in construction. The gender segregation by sectors and occupations is visible, partially reflected by the young people's level of education: a larger proportion of young men have secondary or post-secondary, non-tertiary education, while young women tend to have a tertiary

education. Thus, younger men are mostly economically active in the agriculture, construction and industry sectors, while women mostly work in the service sector, and are employed in education, health, social work and financial activities. The type of residence influences the young people's occupations and their job opportunities. In rural areas, the employment of young people in agriculture is common, while in urban areas it is the service sector as main source of employment (Figure 1.6).

**FIGURE 1.6 DISTRIBUTION OF YOUNG EMPLOYEES (15–29 YEARS), BY OCCUPATION (ISCO-08), GENDER AND TYPE OF RESIDENCE, 2015 (%)**



Note: Only young people who have completed their studies are considered.

Source: Buciuceanu and Gagauz, 2017, p. 9, based on the ILO School-to-Work Transition Survey (SWTS) and NBS, 2015.

A more detailed view of the occupations of young people in the labour market (Figure 1.6) shows that men work mainly in elementary occupations<sup>19</sup>(21.1%), services and sales (17.5%), crafts and other similar occupations (14.5%). In the case of young women, one fifth are employed in services and sales (22.2%), a similar percentage are professionals (21.5%), and about 14% are employed as technicians and associate professionals. In urban areas, most young people work in services and sales (23.8% compared to 14.3% in rural areas) and in management (16.1% compared to 0.6% in rural areas). In villages, young people are mostly employed in elementary occupations (28.2% compared to only 8% in urban areas). Young women, and young people in general in urban areas, participate in skilled employment, while young men and rural youth focus on less-skilled and elementary occupations (Buciuceanu et al., 2017).

According to the ILO's SWTS results, every fourth young person (aged 15–29) works in the informal sector. This is particularly common among young men and young people in rural areas. The young employees in the informal sector work mostly in agriculture (64%), the service sector (24%) and industry (12%) (Ibid.).

### 1.1.6 Key labour market indicators

In Moldova, out of a working age population of 2 985 500, only 42.6% (1 272 800) were economically active in 2016 (Table 1.18). Despite the difficulties in the labour market, the activity rate increased

<sup>19</sup> Elementary occupations consist of simple and routine tasks which mainly require the use of hand-held tools and often some physical effort, which require skills at the first ISCO skill level. Examples of elementary occupations include cleaning, washing, pressing; taking care of apartment houses, hotels, offices and other buildings; carrying luggage; door keeping and property watching; stocking vending machines; simple farming, fishing and hunting, etc.

slightly compared to 2010. Similarly, the employment rate also increased from 38.5% in 2010 to 40.8% in 2016, with 1 219 500 employed people. Both activity and employment rates are slightly higher for men than for women. The unemployment rate continued its downward trend and decreased from 7.4% in 2010 to 4.2% in 2016, with a total number of 53 300 people unemployed. It was higher for men (5.5%) than for women (2.9%). The low activity and employment rates can be explained by economic stagnation; a lack of investment, especially foreign direct investment; massive emigration that generates a survival income for families and discourages them from working; and low wages in the economy.

**TABLE 1.18 LABOUR MARKET INDICATORS FOR WORKING AGE POPULATION (15+)**

Labour market indicator	2010			2013			2016		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Working age population	1 565 800	1 402 800	2 968 600	1 570 900	1 416 100	2 987 000	1 575 800	1 409 700	2 985 500
Activity rate	38.6	45	41.6	38.6	44.5	41.4	40.1	45.4	42.6
Employment rate	36.4	40.9	38.5	37	41.8	39.3	39.3	43	40.8
Unemployment rate	5.7	9.1	7.4	4.1	6	5.1	2.9	5.5	4.2

Source: Labour force survey: NBS, 2016f; 2017a; and 2017b

There are also two technical explanations for the high inactivity rate (57.4% in 2016). The first one has already been explained and is linked to the specific definition of 'inactivity' used in the LFS data calculations by the NBS. As seen in Table 1.19, there is a special category of 'emigrants currently working abroad' (not present at the time of the LFS survey), though they are by no means 'inactive' in the literal sense. This group makes up a significant part of the working age population (18.6%, 319 000 people). Counting current emigrants working abroad as 'inactive' is not a common practice in the European context, thus it distorts the Moldovan LFS statistics, decreasing the real activity rate in the country.

**TABLE 1.19 INACTIVE PEOPLE AGED 15+ BY REASON FOR NOT WORKING, 2016 LFS**

Inactive people aged 15+	Number	%
Total number of inactive people aged 15+	1 712 700	57.4
People who do not work for the following reasons:	1 361 900	79.5
■ Retired	617 100	36
■ Education	265 300	15.5
■ Family carers	192 500	11.2
■ Residents with temporary jobs/want to work abroad	172 000	10
■ Seasonal work reasons, mostly in agriculture	61 400	3.6
■ Sickness	42 300	2.5
■ Voluntarily inactive	6 500	0.4
■ Other reasons	4 800	0.3
Emigrants currently working abroad (not present)	319 000	18.6

Source: Labour force survey: NBS, 2017a; and 2017b

When the LFS 2016 data is recalculated by excluding emigrants currently working abroad from the sample, the activity rate increases from 42.6% to 47.7%. Similarly, the employment rate also increases from 40.8% to 45.7%. Another technical explanation for the high inactivity rate is linked to those who work less than 20 hours per week to produce agricultural products exclusively for their own consumption. This group of people represents 22.5% of the working age population and is considered 'inactive'. If this group is included in the employed population, the activity rate would increase to 63.2%

(NBS calculation upon a request of the ETF). Nevertheless, both inactivity and underemployment, seem to be high in the context of Moldova.

The youth situation differs from the national average, but the trends are similar (Table 1.20). Among young people aged 15 to 29, only 30.9% of them were economically active in 2016. This number falls to 20% for the 15 to 24 age group. Young women were even less active in all age groups. At 28.4%, the youth employment rate was also low in 2016 (30% for males, 27% for females aged 15 to 29), and fell as low as 17% for young people aged 15 to 24. Young people aged 15 to 24 are particularly vulnerable in the labour market due to a lack of work experience and a lack of or inefficient support mechanisms targeting this age group. The unemployment rate is decreasing for all youth groups. It was 8.1% for young people aged 15 to 29 in 2016, but went up to 11.2% for young people aged 15 to 24 (17.8% in 2010). These numbers confirm once again that inactivity and underemployment are a bigger concern than unemployment.

**TABLE 1.20 LABOUR MARKET INDICATORS FOR YOUTH AGE GROUPS 15–24, 25–34 AND 15–29 (%)**

Age group	2010			2013			2016		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>Youth activity rate</b>									
15–24	19.5	24.1	21.9	17.8	23.2	20.6	17.7	21.3	19.6
25–34	47.4	55.6	51.5	44.9	53.9	49.4	47	51	49
15–29	26.2*	32.7*	29.6*	26.8	34.1	30.7	28.9	32.7	30.9
<b>Youth employment rate</b>									
15–24	16.6	19.3	18	15.5	20.5	18.1	15.6	19	17.4
25–34	44.1	49.9	47	42.4	50.3	46.4	45.2	47.7	46.5
15–29	23.9*	29.2*	26.7*	24.6	31.1	28.0	26.8	29.9	28.4
<b>Youth unemployment rate</b>									
15–24	15	20	17.8	12.7	11.9	12.2	11.7	10.9	11.2
25–34	7	10.3	8.8	5.5	6.6	6.1	3.8	6.5	5.2
15–29	9.1*	10.5*	9.9*	8.4	8.9	8.7	7.2	8.8	8.1

Note: (\*) Statistical data refers to 2012.

Source: Labour force survey: NBS, 2016f; NBS, 2017a; NBS, 2017b; author's calculations

Education level significantly influences the activity rate of young people (Table 1.21). The higher the education level, the higher the activity rate. In the 15 to 24 and 25 to 34 age groups, the activity rate is highest among graduates of higher education, followed by post-secondary VET. The activity rate showed a decreasing trend between 2010 and 2016, with some signs of improvements in 2016. It must be noted that youth activity rates of graduates of both general schools and secondary VET are very low and there is little difference between the two in both age groups. Male activity rates are higher than female activity rates in both age groups, irrespective of education level.

The status of young men and women aged 25 to 34 is quite stable and they are more integrated in the labour market (Table 1.21). Nevertheless, individuals with a higher level of education show the highest activity rate (61.6%), followed by post-secondary VET (48.2%). The difference between male and female rates is very high. It is interesting to note similarly low activity rates for those with a low level of education (42%) and secondary VET graduates (41%).

**TABLE 1.21 YOUTH ACTIVITY RATE BY EDUCATION LEVEL FOR AGE GROUPS 15–24 AND 25–34 (%)**

Education level	2010			2013			2016		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>Youth age group 15–24</b>									
General school*	10.0	17.2	13.8	8.8	16.7	13.2	9.9	13.0	11.7
Secondary VET	13.5	19.2	16.3	12.7	17.0	14.7	9.1	21.6	15.2
Post-secondary VET	49.8	44.9	46.9	34.6	40.1	38.0	40.9	37.9	39.3
Higher education	56.1	71.8	61.3	52.1	55.7	53.4	41.9	43.9	42.4
Total	19.5	24.1	21.9	17.8	23.2	20.6	17.7	21.3	19.6
<b>Youth age group 25–34</b>									
General school*	38.6	42.5	40.5	38.6	41.0	39.9	43.2	41.4	42.2
Secondary VET	42.8	48.3	45.3	41.9	45.6	43.9	39.9	41.7	40.8
Post-secondary VET	48.8	57.9	53.9	38.8	51.1	45.7	42.2	52.4	48.2
Higher education	58.4	76.3	66.2	55.7	77.7	65.3	56.4	69.0	61.6
Total	47.4	55.6	51.5	44.9	53.9	49.4	47.0	51.0	49.1

Note: (\*) Graduates of primary education, lower secondary and upper secondary general education.

Source: Labour force survey: NBS, 2016f; author's calculations

Inactivity among young people aged 15 to 29 reaches 69% among that cohort in 2016, corresponding to 578 000 people. The highest inactivity rate is registered among rural young people and young women – about 76% and 74%, respectively. The inactivity rate decreases in older age groups, which is due to the higher proportion of young people studying until the age of 25. The UNDP-NIER analysis (Buciucenau et al., 2017) shows that more than half of inactive young people are studying or involved in professional training; over 16% are engaged in domestic work and have family responsibilities; and a significant category consists of young people working abroad (about 24%). At the same time, about 11% of the young people who are not seeking work or do not want to work indicate that they do not want to work in the country and intend to go abroad for work.

Employment rates follow the same trends as activity rates: rates decrease between 2010 and 2016 for all age groups and levels of education (Table 1.22). In both age groups (15 to 24 and 25 to 34), the employment rate is highest among graduates of higher education and post-secondary VET and lowest among graduates of general education and secondary VET. The difference is very small between the performances of graduates of general education and secondary VET. Employment is also higher among men than women, despite the fact that the education level of women is generally higher than men. Type of education also affects type of employment: a considerable share of wage employees (close to half) are university graduates, while a similar share of graduates with secondary general education and VET are self-employed (Ibid.).

**TABLE 1.22 YOUTH EMPLOYMENT RATE BY EDUCATION LEVEL FOR AGE GROUPS 15–24 AND 25–34 (%)**

Education level	2010			2013			2016		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>Youth age group 15–24</b>									
General education*	8.9	13.7	11.5	7.9	14.8	11.7	8.4	12.4	10.7
Secondary VET	11.8	15.5	13.6	10.9	15.8	13.2	8.5	19.7	13.9
Post-secondary VET	42.5	35.9	38.6	31.0	34.1	32.9	37.5	31.9	34.4
Higher education	43.8	57.0	47.9	44.3	49.0	45.8	35.1	35.3	35.1
Total	16.6	19.3	18.0	15.5	20.4	18.1	15.6	19.0	17.4
<b>Youth age group 25–34</b>									
General education*	36.0	38.2	37.0	36.9	38.2	37.6	41.9	37.8	39.6
Secondary VET	39.0	41.4	40.1	38.6	42.3	40.6	38.9	39.1	39.0
Post-secondary VET	45.2	51.9	49.0	36.8	47.9	43.0	41.4	49.7	46.2
Higher education	54.9	70.2	61.6	52.7	72.8	61.5	53.2	64.9	58.1
Total	44.1	49.9	47.0	42.4	50.3	46.4	45.2	47.7	46.5

Note: (\*) Graduates of primary education, lower secondary and upper secondary general education.

Source: Labour force survey: NBS, 2016f; author's calculations

The youth unemployment rate (calculated using the ILO methodology<sup>20</sup>) shows a downward trend over the years for both men and women: 8.1% in 2016 for young people aged 15 to 29. In general, the unemployment rate is higher for men in the 15 to 24 age group than for those in the 25 to 34 age group (Table 1.23). Interestingly, the unemployment rate of the 15 to 24 age group is highest among graduates of higher education (17%), followed by post-secondary VET (12%). In contrast, the unemployment rate is lower (around 8%) for those with a low level of education and secondary VET youth. This might be explained by the low activity rates of the latter, but also by their acceptance of any vulnerable employment to get a minimum income. In the 25 to 34 age group, the unemployment rate is very low and similar at all education levels – it is always higher for men as they are more likely to be active and the primary breadwinners.

Looking at the pool of young unemployed people, those most affected are young men (3 out of 5), young people in rural areas (7 out of 10) and young people aged 20 to 29 (9 out of 10). At the same time, the official unemployment rate is very low and the statistics are largely affected by the intensive emigration flows of young people and the narrow definitions of employment and unemployment used (see section 1.2.2). If the ILO's more relaxed definition of unemployment is used (excluding the criterion of 'actively seeking work'), the youth unemployment rate could reach about 19%. Unemployment among young people with tertiary education is lower compared to other levels of education. The highest unemployment rate is registered among young people with secondary general education and VET and young people with post-secondary VET (Buciuceanu et al., 2017).

<sup>20</sup> According to the ILO, an unemployed person must meet the following three conditions simultaneously (NBS, 2017a): they do not have a job, and do not perform any activity in order to obtain an income; they are seeking a job and have used various methods in recent weeks to find one; they are ready to start work in the next 15 days if they find a job. In reality, unemployment is much higher if we consider those who gave up 'actively searching for a job' ('discouraged') and those in subsistence farming. The land reforms led to the distribution of small parcels of agricultural land among the rural population and this is considered a source of employment and income. Being an agricultural country with a high proportion of its population living in a rural area, Moldova has many individuals in this category.

**TABLE 1.23 YOUTH UNEMPLOYMENT RATE BY EDUCATION LEVEL FOR AGE GROUPS 15–24 AND 25–34 (%)**

Education level	2010			2013			2016		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>Youth age group 15–24</b>									
General education*	10.4	20.1	16.8	10.9	11.1	11.0	15.2	5.1	8.9
Secondary VET	12.6	19.2	16.4	14.0	7.2	10.3	8.3	8.2	8.2
Post-secondary VET	14.6	20.1	17.7	9.5	15.0	13.1	8.3	15.5	12.2
Higher education	21.9	21.6	21.4	15.6	12.1	14.2	16.3	18.0	17.1
Total	15.0	20.1	17.9	12.6	11.9	12.2	11.8	10.9	11.2
<b>Youth age group 25–34</b>									
General education*	6.8	10.1	8.6	4.5	6.6	5.6	2.8	8.7	6.1
Secondary VET	8.5	14.3	11.5	7.8	7.3	7.5	3.1	6.2	4.7
Post-secondary VET	7.1	10.4	9.1	5.3	6.4	6.0	1.7	4.9	3.9
Higher education	6.0	8.0	7.0	5.1	6.3	5.8	5.6	6.0	5.8
Total	6.9	10.3	8.8	5.5	6.6	6.1	3.8	6.5	5.2

Note: (\*) Graduates of primary education, lower secondary and upper secondary general education.

Source: Labour force survey: NBS, 2016; author's calculations.

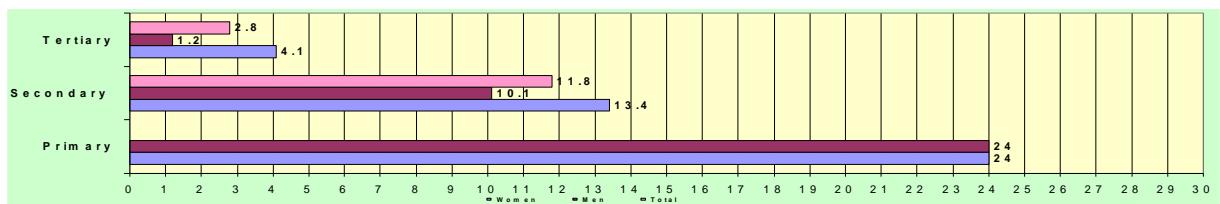
## 1.2 Characteristics of the youth transition to work

The youth transition to work is challenging, despite the higher educational attainment levels of younger generations. With little or no work experience, young people face difficulties finding a suitable job. The length of the transition is extended by the general macroeconomic situation, which is characterised by a lack of investment in job creation and weak support mechanisms or opportunities for a quicker transition to work. This section makes extensive use of the results of the ILO's SWTS in Moldova. The fieldwork for the survey was conducted by the NBS in two rounds in March 2013 and March 2015, with samples of 1 158 and 1 189 young people, respectively, aged 15 to 29. The results were published by the ILO (2016) and the NBS (2014, 2015b).

### 1.2.1 Length of transition

The youth transition to work is the path taken by young people from graduation to their first stable or satisfactory job. According to the ILO's SWTS survey results in Moldova, it takes a young person an average of 8.6 months from the time of graduation to obtain a first job that is deemed to be stable and/or satisfactory. If the young people who move directly to their first job are omitted, the average length increases slightly but remains less than one year at 11.9 months (ILO, 2016). The transition is longer for women (9.6 months) than for men (7.4 months). These transitions can be considered short, partly reflecting low unemployment and high inactivity. As seen in Figure 1.7, the length of the transition to a first stable and/or satisfactory job increases as education level decreases: it is four times shorter for a university graduate than for a secondary education graduate (2.8 and 11.8 months, respectively). Even at this level, where more women than men study at university, it still takes longer for a woman than a man to find a suitable job (4.1 months and 1.2 months, respectively). The transition to a first stable and/or satisfactory job takes two years for primary education graduates.

**FIGURE 1.7 AVERAGE LENGTHS OF LABOUR MARKET TRANSITIONS FROM SCHOOL GRADUATION TO FIRST STABLE AND/OR SATISFACTORY JOB BY LEVEL OF COMPLETED EDUCATION (MONTHS)**



Source: NBS, 2015b and ILO, 2016

### 1.2.2 Methods used to search for and find a first job

Young people predominantly search for jobs by directly contacting employers and using social networks and personal contacts. According to the results of the ILO's SWTS data (ILO, 2016; NBS, 2015b), almost 36% of employed young people obtained their job by contacting employers directly, and another 31% by contacting friends and relatives (Table 1.24). More than 13% of young people joined the family business, almost 7% did recruitment tests, and 5% replied directly to job advertisements. Only 1.2% of young people found their first job through the public employment services (NBS, 2015b).

**TABLE 1.24 JOB SEARCH METHODS USED BY EMPLOYED YOUTH AGED 15–29, 2015**

Job-search methods used by employed youth	Women		Men		Total		Urban		Rural	
	000	%	000	%	000	%	000	%	000	%
Total	89.6	100	125.4	100	215.0	100	121	100	93.9	100
Registered with employment office	2.1	2.3	0.5	0.4	2.6	1.2	1.1	0.9	1.5	1.6
Replied to job advertisements	2.7	3.0	8.3	6.6	11	5.1	9.8	8.1	1.2	1.3
Contacted employers and workplaces directly	29.6	33.0	47.5	37.9	77.1	35.9	51.1	42.2	26	27.7
Took a test or attended an interview	13.2	14.7	1.3	1.0	14.5	6.7	9.6	7.9	4.9	5.2
Asked friends and relatives	30.3	33.8	36.1	28.8	66.3	30.8	42.6	35.2	23.7	25.2
Waited on streets to be recruited for casual work	1.7	1.9	5.7	4.5	7.4	3.4	0	0.0	7.4	7.9
Sought financial assistance to look for work	0	0.0	2	1.6	2	0.9	0	0.0	2	2.1
Looked for land and/or machinery to start a business or farm	0	0.0	2.3	1.8	2.3	1.1	0	0.0	2.3	2.4
Applied for a permit or licence to start a business	1.2	1.3	1.2	1.0	2.4	1.1	2.4	2.0	0	0.0
Joined the family establishment	8.8	9.8	19.7	15.7	28.5	13.3	3.4	2.8	25	26.6
Other methods	0	0.0	1	0.8	1	0.8	1	0.8	0	0.0

Source: NBS, 2015b; ILO, 2016; author's calculations

Young people's job search behaviours vary according to gender and rural/urban divide (Table 1.24). The non-formal approach, personal contacts, relationships and family support are more important for women (34% of women got their current job in this way) than men (29%) in finding an appropriate and

satisfactory job. Fewer young women (10%) joined the family business compared to young men (16%). More women (2.3%) than men (0.5%) were employed by contacting the public employment services. More men (7%) than women (3%) used the mass media and job advertisements to find a job, while women were more likely than men to participate in competitions by taking tests to find a suitable job (15% and 1%, respectively) (NBS, 2015b).

Place of residence also influences the method that young people use when searching for a job (Table 1.24). While 42% of young urban residents got their current job asking directly in workplaces, the share is 28% among young rural residents. This is due to fewer economic activities and job opportunities in rural areas. The second most common method of searching for a job in urban areas is using personal networks (35%). In rural areas, however, the second most common method is joining the family business (27%). Recruitment tests are more common in urban areas (they were performed by 8% of participants for their current job) than in rural areas (5%). There is no data available regarding the employment of people waiting on the street for casual work in urban areas (NBS, 2015b).

The job search methods used by unemployed young people are quite similar. Most of them ask friends and relatives and use their connections to help them in their job search (49%). The next most common method used is direct contact with employers (32%) and mass media and job advertisements (17%). According to the survey results, only 2.2% of unemployed young people would opt to register with the public employment services for job search assistance, while only 1.2% of employed young people got their current job through the public employment services (NBS, 2015b).

Among unemployed young people, the most desirable occupations are craft workers (28.5%), service and sales workers (17%), professionals (about 15%) and managers (11.3%). Among young employees, the distribution of occupations is: service and sales workers (19.5%), elementary occupations (17.2%), professionals (about 15%) and craft workers and workers in related trades (about 13%). Elementary occupations and agricultural work are not attractive at all to young unemployed people (Buciuceanu et al., 2017).

### 1.2.3 Working conditions

According to the ILO's SWTS results (ILO, 2016), 83% of employed young people are salaried workers (employees), 12% are own-account workers, and 5% are contributing family workers. Slightly more young women are salaried workers (86%) than men, while young men are more likely to be own-account workers (14%). The reasons why young employees were on temporary contracts included: occasional or daily work (24%); seasonal work (21%); on probation (20%); replacing other workers (16%); temporary contract extended from the same employer (9%); performing certain tasks of jobs (9%); and other reasons (1.6%) (NBS, 2015b).

The return on education is highest at the tertiary level, as most young employees enjoy fairly good access to social benefits and entitlements. Young women tend to dominate in education, health, social work and financial activities; while young men tend to dominate in agriculture, manufacturing, trade and construction. One third of young people would be willing to work in the public sector, but they view self-employment as only marginal employment (ILO, 2016).

In terms of working conditions, most young people (66%) work full-time: between 40 and 49 hours per week (ILO, 2016). However, according to NBS LFS data (2016f), 24% of young people aged 15 to 24 are working more than 41 hours per week, while 27% of young people aged 25 to 34 work more than 41 hours per week (Table 1.25). Overtime is more common in urban areas and among young men.

**TABLE 1.25 DISTRIBUTION OF YOUTH EMPLOYMENT BY WORKING HOURS PER WEEK, 2016 (%)**

Working hours/week	Young women			Young men			Total		
	Total	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural
<b>Youth age group 15–24</b>									
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
0–20	17.5	15.2	19.6	10.2	9.1	11.0	13.3	11.8	14.5
21–30	16.4	3.6	27.3	17.1	10.1	22.7	16.8	7.2	24.4
31–39	15.3	13.9	16.5	9.2	5.3	12.1	11.9	9.1	14.1
40	32.9	41.2	25.8	35.1	39.9	31.6	34.2	40.5	29.2
41+	17.3	25.5	10.3	28.4	35.6	23.0	23.8	31.4	17.9
<b>Youth age group 25–34</b>									
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
0–20	11.7	9.9	13.5	5.3	4.3	6.5	8.3	6.9	10.0
21–30	13.8	6.7	21.3	13.4	5.8	22.8	13.6	6.2	22.1
31–39	14.9	11.7	18.4	12.8	9.8	16.5	13.8	10.7	17.4
40	40.1	50.7	28.8	34.0	42.0	24.3	36.9	46.0	26.5
41+	19.6	21.0	17.9	34.5	38.2	29.9	27.4	30.3	24.1

Source: Labour force survey: NBS, 2016f; author's calculations

A large informal sector in Moldova creates the preconditions for high informal employment that constitutes 36.4% of total employment (Table 1.26). Informal employment is much higher for young people aged 15 to 24 (45%) than for those aged 25 to 34 (32%). In terms of gender and urban/rural divide, more young men than women are informally employed, while more rural residents than urban residents are in the informal sector. The share of informal employment is four times higher among young men and women in rural areas compared to those in urban areas.

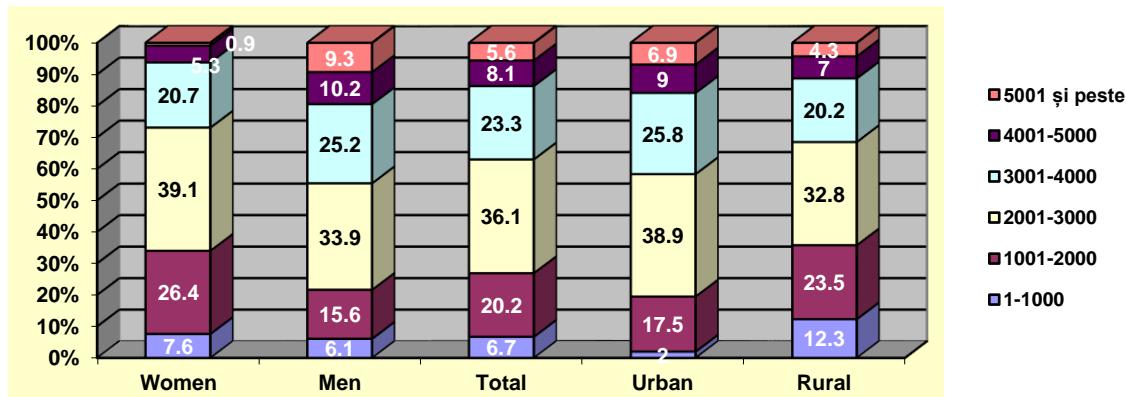
**TABLE 1.26 INFORMAL EMPLOYMENT BY AGE GROUP, 2016 (%)**

Age group	Women			Men			TOTAL		
	Total	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural
Total 15+	32.7	10.7	51.7	40.0	19.0	57.7	36.4	14.8	54.7
Youth 15–24	39.6	13.9	61.3	48.4	30.3	61.7	44.8	23.1	61.6
Youth 25–34	28.6	9.3	49.2	34.8	16.4	57.2	31.8	13.1	53.3

Source: Labour force survey: NBS, 2016f and 2016h; author's calculations.

Low salaries for young people are a typical feature of the Moldovan labour market. Most young men and women earn less than the average wage. The average wage of a salaried young person is MLD 2 771, i.e. about 70% of the average net wage in Moldova (MDL 4 538 = USD 241 in 2015). Figure 1.8 shows that the majority of young people earn salaries far below the county average. Only 8% of young men and women earn salaries between MDL 4 000 and MDL 5 000. Traditionally, women get lower salaries than men, and this is reflected in the salaries of young men and women. Salaries are higher in urban areas than in rural areas (NBS, 2015b).

FIGURE 1.8 YOUTH AVERAGE SALARY (IN MDL)\*



(\*) USD 1 = MDL 18.82

Source: NBS, 2015b; author's calculations

Both young women and men experience a skills mismatch in Moldova (Table 1.27). According to the SWTS (ILO, 2016), almost 69% of employed young people work in occupations that match their level of education. The remaining 31% are either overeducated (29%) or undereducated (2%). Young men are more likely than women to be overeducated for the jobs they are currently doing. It is also more common for young people residing in rural areas to be overeducated. The main explanation for this is insufficient job opportunities in rural areas, especially skilled jobs for graduates of higher education. Being overeducated is more widespread in occupations such as clerical support workers (48%), service and sales workers (29%), plant and machine operators, and assembly workers (22%). At the same time, young people may be undereducated in occupations such as managers (9%), professionals (5%) and technicians, and associate professionals (almost 5%).

TABLE 1.27 QUALIFICATIONS MISMATCH OF EMPLOYED YOUTH BY GENDER AND AREA (%)

	Overeducated	Undereducated	Matching qualifications
Total	29.1	2.1	68.8
Male	35.4	0.4	64.2
Female	20.7	4.4	74.9
Urban	26.1	2.7	71.1
Rural	32.7	1.4	66.0

Source: ILO, 2016

According to the UNDP-NIER study (Buciuceanu et al., 2017), the number of students who aspire to become professionals (tertiary qualification) is more than four times the number of employees who actually work as professionals. Workers in elementary occupations account for most of the economically active young people, but young people do not prepare for this group of occupations. This is a normal situation, given that young people today choose to raise their level of education and expect job opportunities in line with their qualifications. Nonetheless, the risk of losing educated young people is high due to the gap between the available jobs in the labour market and the jobs to which students aspire.

Gender discrepancies exist at salary level in Moldova (Table 1.28). The gender pay gap in total economic activities increased to 13.2% in 2015 from 11.6% in 2013. Compared to 2013, the gender pay gap in 2015 increased in sectors such as financial and insurance activities (from 14.2% to 38.7%), information and communications (from 21.2% to 27.5%), professional, scientific and technical activities (from 5.3% to 10.7%), and agriculture (from 9.5% to 10.7%).

**TABLE 1.28 GENDER PAY GAP BY ECONOMIC ACTIVITY, 2013 AND 2015 (%)**

Economic activities	2013	2015
Economic activities – total	11.6	13.2
Agriculture, forestry and fishing	9.5	10.7
Industry	18.4	18.2
Construction	13.3	9.9
Wholesale and retail trade; repair of motor vehicles and motorcycles	9.8	9.6
Transportation and storage	0.4	-0.3
Accommodation and food service activities	-0.8	11
Information and communication	21.2	27.5
Financial and insurance activities	14.2	38.7
Real estate activities	0.7	11.9
Professional, scientific and technical activities	5.3	10.7
Administrative and support service activities	4	-6.2
Public administration and defence; compulsory social security	5.1	12.5
Education	8.9	3.2
Human health and social work activities	9.9	13.5
Arts, entertainment and recreation	11.2	15.3
Other service activities	3.2	-7.1

Source: NBS 2015a, gender statistics

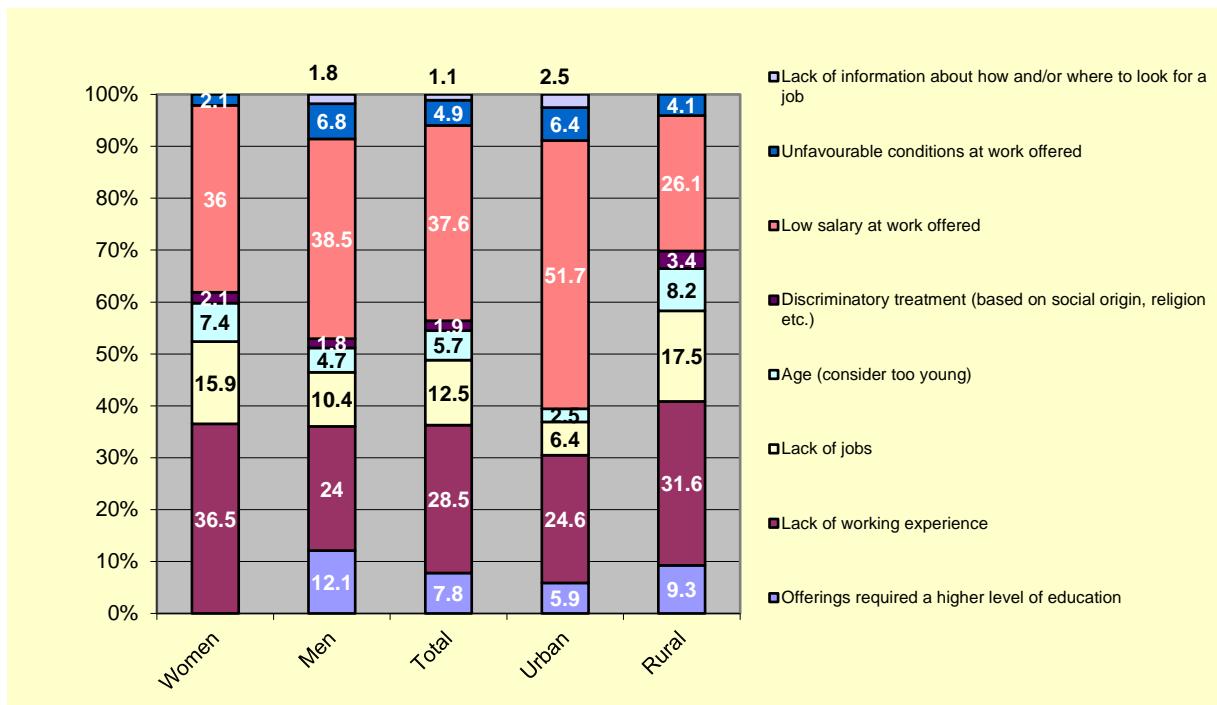
#### 1.2.4 Factors impacting youth transitions to work

There are various factors, both individual and systemic, affecting youth transition to work, such as:

- Economic stagnation: limited (skilled) job creation, low-quality/ low-paid jobs, informality, etc.;
- Continuing emigration flows: dependence on remittances, high reservation wages;
- Regional and rural/urban disparities: uneven opportunities, low geographical mobility;
- Gender gaps: access to and quality of employment, particularly young single parents (mainly women) with small children;
- Educational attainment: education level and quality, skills mismatches between labour demand and supply, lack of work experience and WBL for young people;
- Ethnic and/or linguistic diversity as well as income levels and health conditions.

According to the results of the ILO's SWTS data (ILO, 2016; NBS, 2015b), youth transition from school to work is deeply affected by the overall negative economic situation in Moldova. A lack of domestic and foreign direct investment, a restrictive and inefficient business environment, unclear and changing rules as well as political instability and uncertainty all contribute to weak (skilled) job creation. When asked to specify the main problems faced by young people in searching for a job, many referred to three factors as the most important (Figure 1.9): low salaries offered for jobs (almost 38%); lack of work experience (almost 29%); and lack of jobs (almost 13%).

FIGURE 1.9 MAIN PROBLEMS IN SEARCHING FOR A JOB (%)



Source: NBS, 2015b; author's calculations

However, young men and women and rural and urban residents experience these problems differently (Figure 1.8). For example, low salaries are more of a problem for urban residents (52%), and young men (39%). Lack of work experience is more of a problem for young women (37%) and rural residents (32%). A lack of jobs is also a factor that affects rural residents (18%) and young women (16%) more than other groups. Although less important, other reasons are mentioned as significant problems in finding a job: jobs requiring a higher level of education (8% of all respondents, 12% of men); unfavourable working conditions (5% of all respondents, 7% of men); age discrimination (6% of all respondents were considered too young); and a lack of information on how and where to look for a job (1% of all respondents).

The perceptions of young people when searching for employment show that there is a widening gap between the expectations of employers and those of young jobseekers (Vasilescu et al., 2017)<sup>21</sup>. From the perspective of employers, young people are looking for 'easy jobs', but have high wage expectations. When they are employed, they tend not to opt for a financial bonus in exchange for additional work, and are not interested in professional development or career growth. Young job hunters pay more attention to the attractiveness of the salary, decent working conditions and a flexible working agenda – in that order. However, they may not be aware of the need to invest their resources (e.g. time, dedication, professionalism) to get what they want from jobs. They also cite a high level of discrimination against them in the labour market (especially persons with disabilities, young women and mothers); nepotism (needing someone to recommend them to get a good job); a lack of networks and connections; and a lack of skills, opportunities and resources as reasons for their unemployment.

Employers constantly complain about the lack of skilled workers. The National Confederation of Employers of Moldova (CNPM) conducted extensive research in 2013, using the ILO's assessment tool Enabling Environment for Sustainable Enterprises. It found that the low-skilled labour force was one of the main obstacles for business (ILO, 2013). Half the companies had difficulties finding people with adequate qualifications or skills in the labour market. This was a frequent or permanent

<sup>21</sup> This UNDP survey covered micro-narratives provided by 1 594 respondents, including 929 stories (58%) provided by young people aged 15 to 29.

experience. The majority of businesspeople (70%) considered that the vocational education system did not meet the needs of the private sector in Moldova.

In a more recent employer survey conducted by the NEA in cooperation with the World Bank<sup>22</sup>, Moldovan employers report that inadequate technical skills, a poor work ethic and a lack of motivation among the workforce have a negative impact on the performance of their firms (World Bank, 2017b). An inadequate knowledge of foreign languages (English, Russian) appears to be the most pressing problem for high-skilled occupations, while insufficient analytical and problem-solving skills and a lack of willingness to learn new things are the most cited skills gaps for medium-skilled workers. Some regions are strongly affected by insufficient literacy (46% in Gagauzia) and insufficient numeracy (56% in the region Sud). More than a quarter of firms experienced labour shortages, the most common reason being a lack of qualified staff, followed by a lack applicants (World Bank, 2017b).

Thus, some industries and sectors lack qualified personnel and sometimes seek to hire professionals (and other staff) from outside the country to meet their customers' or partners' requirements. This is mostly due to a discrepancy between the demand for and supply of skilled labour and mismatches between the skills and competences that companies need and the qualifications that the education system provides. This is consistent with the results of the World Bank Enterprise Survey for Moldova (BEEPS, 2013), where some 40% of firms in Moldova cited skills deficits as a major or severe constraint to growth; this is one of the highest percentages in the region (World Bank, 2016c). Employers felt strongly that labour market entrants, whether coming from vocational or general secondary school or even higher education, do not possess the skills to be effective workers.

Young people are less prepared for the labour market, particularly in terms of the practical skills and work experience that are required in real working environments. Although WBL is a mandatory element of VET programmes, the practical training provided in companies does not always improve the employability of trainees (see chapter 3). Studies show that recent graduates who start work need from six to twelve months (sometimes more, depending on the complexity of the work) to adapt to the workplace and gain the abilities and practical skills they need to perform their tasks well. Therefore, a lack of practical skills and work experience is a major obstacle in the school-to-work transition (NBS, 2015b). Another factor affecting the transition to work is the large-scale informal economy. As mentioned before, informal employment constitutes 36% of total employment (15% in urban areas and 55% in rural areas) and is much higher among young people. Given the low pay and unfavourable working conditions associated with these jobs, they are not particularly popular among young people.

Large-scale emigration and the resulting remittances that are sent home (23.4% of GDP) help to reduce poverty and stimulate the local economy. However, they also lead to economic inactivity among the remittance receivers. The families of migrants living off the money sent from abroad often choose not to work, rather than to work in badly paid jobs. The traditionally low salaries and bad working conditions offered by employers in Moldova further aggravate the situation. Remittances, therefore, drive up the reservation wage, which is also known as the lowest acceptable wage. Moreover, young people whose parents are working abroad are not under the control of their parents, which creates the preconditions for an increasing number of NEETs and the development of harmful habits.

Poverty in the regions and rural areas can be a significant barrier to the school-to-work transition, as can ethnic or linguistic diversity (e.g. Gagauzian, Russian, Ukrainian, Roma). These go hand in hand with a low level of education or no education, poor health and limited access to basic public services.

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<sup>22</sup> This is a regular annual employer survey conducted by the NEA, called the Moldovan Labour Market Forecast Survey. The World Bank provided technical expertise and developed a module on the skills and competences needed by employers in the questionnaire. A total of 3 245 Moldovan firms responded to the survey in autumn 2016. The bank and the NEA analysed the survey data and shared the preliminary results with the ETF.

The young men and women in these groups face more difficulties in the process of transition. The biggest problem is the low level of education and the minority group's traditions and attitudes to work and to education. Dependence on social assistance can also become a factor in a lack of interest in searching for a job, as social allowances can be higher than a potential salary.

Young women and men with disabilities and special needs face bigger problems in the process of transition. Employers do not want to employ them, mostly due to the additional costs entailed in adapting the workplace and due to the fact that people with special needs cannot always commit to a full working day. Despite the legislation that requires employers with 20 or more employees to employ people with special needs at a ratio of at least 5% of the total number of company employees, this obligation is not fulfilled by employers because there are no mechanisms to enforce it.

Young women with small children (especially single mothers) seem to have real difficulty in combining their family responsibilities with work requirements. This is due to the very limited number of kindergartens, particularly in rural areas, and the lack of childcare for children below the age of three. Early school leavers are another vulnerable category (especially female early school leavers). According to the ILO's SWTS data, 2.5% of young people aged 15 to 29 have interrupted their studies without completing them or graduating. The main reasons stated were: family responsibilities (almost 24%); difficulties related to funding their studies (20%); lack of interest in their studies (15%); lack of willingness to work (almost 11%); difficulties in acquiring discipline (10%); and marriage (7%).

The low level of geographical labour mobility is also an impediment, especially for rural residents, due to the additional costs of moving, which young people cannot afford. The underdeveloped infrastructure and logistics are also obstacles. In this regard, young rural residents are more vulnerable than urban residents, which leads to higher inactivity or emigration among rural residents.

## 2. YOUTH POLICY FRAMEWORK

Since young people represent one quarter of the Moldovan population and are a driving force in the development of the country, youth development is considered a priority. A policy framework for youth development has been developed and continuously improved in recent years. For example, the Strategy for Youth Sector Development was adopted in 2014 and the new Youth Law was enacted in 2016 to define and improve the youth policy and ensure the physiological, social, economic and psychological development of young people. Youth sector development is also reflected in other sectoral policies and strategies in the country. However, it is a complex issue, requiring inter-institutional cooperation and the active involvement of civil society.

Comprehensive public administration reform is ongoing at the time of writing this report. Reform is aimed primarily at reducing the number of ministries and their staff. This will affect all key stakeholders in the fields of youth, education, VET and employment. For example, the Ministry of Education and Science was merged with the Ministry of Youth and Sport and the Ministry of Culture in September 2017. The new name is the Ministry of Education, Culture and Research (MoECR). Similarly, the Ministry of Labour, Social Protection and Family was merged with the Ministry of Health, and is now the Ministry of Labour, Health and Social Protection. Following the restructuring of the ministries, affiliated agencies, such as the NEA are now also being restructured.

### 2.1 Youth-specific policies

By adopting the National Development Strategy – Moldova 2020 in 2012 (GoM, 2012b), Moldova changed its development paradigm. The country switched from an inertial growth model, based on consumption supported by remittances, to a dynamic model based on investment and the development of the labour force and its productivity level. The new approach promoted the development of a knowledge-based society by strengthening research and development activities and focusing on higher efficiency and competitiveness in economy. One of the seven priorities set for radical change was to align the education system with labour market needs in order to enhance labour productivity and increase employment in the economy as the driving force in development. Thus, improving the quality and relevance of the education system also facilitates a smoother transition for young people into the labour market.

Following the Moldova 2020 strategy, the Moldovan government adopted the National Strategy for Youth Sector Development 2020 in 2014 (GoM, 2014b). The strategy recognised the creation of economic opportunities for the younger generation and their inclusion in social and economic life as one of its priorities. One priority is to increase employment and entrepreneurial opportunities for young people (especially for vulnerable categories) and reform and develop more internship and apprenticeship programmes; another priority is youth outreach services, particularly for vulnerable groups outside formal institutions. Being largely cross-sectoral, the youth policy includes issues relating to non-formal education and training, entrepreneurship and employment, health and family, youth rights and justice, cultural and leisure time activities. Coordinating the implementation of the strategy was the remit of the Ministry of Youth and Sport in cooperation with the education, labour, economy and health ministries. A mid-term evaluation of strategy implementation is currently ongoing, and the strategy may be updated as a result.

This was followed by the adoption of the new Youth Law (2016), which created the youth policy framework and described the objectives of the youth policy (GoM, 2016a)<sup>23</sup>. The law defined youth (also referred to as young people in this report) as persons between the age of 14 and 35 and established the principles of youth policy such as inter-sectoral cooperation; equality and diversity of young people; access to information, opportunities and rights; youth involvement in decision-making processes; and public consultations. With a special emphasis on a cross-sectoral approach, non-formal education (not necessarily VET) and a focus on youth centres and youth organisations, an institutional framework was developed for the implementation of the Youth Law. This framework involved the Ministry of Youth and Sport, the National Agency for Programme Development and Youth Work, committees for youth policies, local public administration, youth centres, youth organisations and local youth councils. The law envisaged the following state intervention to support young people:

- creating economic opportunities through youth entrepreneurial initiatives, counselling and career guidance, job fairs, vocational training and retraining programmes, access to educational and cultural development opportunities and youth research activities;
- motivating participation and development through youth participation in decision-making processes, non-formal and informal education and active citizenship;
- promoting healthy lifestyles through youth-friendly measures to prevent high-risk behaviours among young people, advisory services on reproductive health and sports for physical development;
- providing social services for young people and young families through equal access to youth services and programmes and equal conditions for the development of youth with limited opportunities.

While the areas linked to education, VET and employment are defined by the other main laws as well, the Youth Law covered three other issues for young people: non-formal education, entrepreneurship, and youth transition to work. Non-formal education is viewed as extra-curricular activities outside of the formal school day. It covers many diverse activities and sets very broad goals for youth development: forming good habits; learning 'correct behaviour' for personal development, social skills and self-protection; and developing the habit of earning enough to live on<sup>24</sup>. Although only a small proportion of all young people will consider running their own business, and even fewer are likely to be successful, entrepreneurship is also an essential part of a youth policy that is oriented to the labour market. These tools can help young people see the realities of the labour market and lower 'unrealistic' aspirations (Council of Europe, 2009).

The Education Code (2014) is also very important as a starting point for developing and implementing policies to prepare young people for life, especially for developing competences, capacities and abilities for the transition to the labour market (GoM, 2014a). In 2014, the Moldovan government also adopted the Strategy for Development of Education (2014–2020), Education 2020, which aimed to link the education system to labour market needs and thus increase labour productivity and increase employment in the economy (GoM, 2014c).

This was a realignment of education towards implementing lifelong learning and mobility; increasing the quality and effectiveness of education and learning processes; promoting equity, social cohesion and active citizenship; and stimulating creativity and innovation, including entrepreneurship, at all

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<sup>23</sup> The 2016 Youth Law replaced the 1999 Youth Law and incorporated developments, improvements and adjustments in youth policies in accordance with social and economic changes and in line with international experience.

<sup>24</sup> Non-formal education is voluntary, with personal motivation; it is conducted outside an institutional context (out-of-school); it is not working towards a certificate, but it is intentional; it can be structured or non-structured, but is goal-oriented; it involves 'learning by doing' (interactive methodology) (Council of Europe, 2009).

levels of the education system. The main priorities of the strategy are to increase access to education and lifelong learning; ensure that the subjects studied are relevant to life, active citizenship and career success; and develop an effective system of evaluation, monitoring and quality assurance in education.

The strategy emphasises the need to create the conditions for implementing a dual VET system with the active involvement of employers and the business community. It also highlights the need to revise practical training and internship requirements to enhance the quality of VET. It establishes the framework for the development of mechanisms to create partnerships in quality education and for the stimulation of employers' involvement in the training process, thus creating a favourable policy framework for facilitating youth transition from school to work.

The Vocational Education and Training Development Strategy (2013–2020) aims at modernising and optimising vocational and technical education to enhance the competitiveness of the national economy (GoM, 2013). By preparing a skilled and competent workforce aligned to current and future labour market requirements, vocational and technical education can facilitate an effective transition from school to work for young people. The main implementing institution for all the strategies and laws mentioned above is the MoECR.

The recently adopted National Strategy for Employment (2017–2021) has four policy priorities: creating formal and productive employment; developing human capital; improving labour market governance; and harnessing migration for sustainable development (GoM, 2016b). One of the activities envisaged is the diversification of employment services and the expansion of individualised service delivery for vulnerable groups, among them young people. All counselling and career guidance services, active labour market measures, internship and mobility programmes aim at making the workforce more employable and adaptable and more responsive to the needs of the labour market.

In addition, the 2003 Law on Employment and Social Protection of Jobseekers (GoM, 2003a) and the 2003 Labour Code (GoM, 2003b) provide the main framework for working relations and employment services. The main implementing institutions for the strategy and laws are the MoHLSP and the NEA. The 2003 employment law regulated the active and passive labour market measures provided by the NEA. It also envisaged employment incentives to stimulate labour mobility; internships for students and graduates; employment subsidies for employers to hire university graduates; and entrepreneurship grants for job creation. However, due to the insufficiency of funds allocated from the state budget, the NEA has not provided these internships or employment subsidies since 2009.

The MoHLSP and NEA recently drafted an Employment Promotion Law to replace the previous law of 2003. It is currently being debated and awaiting approval by government. This law essentially extends the active labour market measures and places the emphasis on activating jobseekers, including programmes for youth employment. Law No 244 on Sector Committees was adopted on 23 November 2017 to enhance education and business cooperation (GoM, 2017). Another important development was the parliament's adoption of the Social Entrepreneurship Law on 2 November 2017 through an umbrella law to modify and complete legislative acts<sup>25</sup>.

One of the priorities of the SME Development Strategy (2012–2020) was the development of human capital by promoting entrepreneurial skills and culture. The Action Plan 2015–2017 set out by the strategy was supplemented by actions of female entrepreneurship and the promotion of small and medium-sized enterprises (SMEs) in the green economy. Entrepreneurship education is a compulsory subject in all training programmes in vocational schools and colleges. The Basics of Entrepreneurship

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<sup>25</sup> See Law No 233 on the modification and completion of a number of legislative acts adopted on 2 November 2017, published on 24 November 2017 in Official Monitor, No 411–420 Art. No 689; date of entry into force: 24 May 2018, see <http://lex.justice.md/md/372683%20/>

module in VET institutions is a 120-hour module (96 hours of theory and practice and 24 hours of consultations). In addition, the NEA organises training on the basics of entrepreneurship for unemployed people with post-secondary or higher vocational education.

## 2.2 Institutions and stakeholders

### 2.2.1 Parliament Committee on Culture, Education, Research, Youth, Sport and Mass Media

This is the top legislative body that promotes and defends youth legislative initiatives (laws, strategies) in the parliament and monitors and evaluates the practical implementation of legislation on youth policy.

### 2.2.2 Ministry of Education, Culture and Research (MoECR)

Until September 2017, the Ministry of Youth and Sport<sup>26</sup> had the legal power to elaborate, implement, monitor and evaluate state youth policy. Its duties included developing a legal framework in the area of youth; implementing national and international youth programmes and monitoring their development; assessing youth programmes in all social spheres (e.g. information, human rights, health, intercultural learning); supporting the activities of youth associations and NGOs; and counselling young people on all aspects of their lives. Within the public administration reform, all the competences and responsibilities of the Ministry of Youth and Sport became part of the new MoECR<sup>27</sup>. Meanwhile, the total ministry staff was reduced by half to 100. Some actors fear that these youth-specific policy aspects will be lost under the new institutional structure (from former Ministry of Youth and Sport to MoECR).

After merging with the Ministry of Youth and Sport and Ministry of Culture in September 2017, the MoECR now has responsibility for education, culture, research, youth and sport. It also has the relevant competences and elaborates and implements policies, strategies and programmes in all these areas. Its new structure includes four main departments: (i) higher education and research; (ii) general education, VET, national qualifications framework, lifelong learning; (iii) youth; (iv) culture. One of the MoECR's most important tasks focuses on the VET system to facilitate young people's transition from school to work. VET reform is currently ongoing. Its aim is to modernise and optimise professional technical education and improve governance of the VET system by enhancing the quality of learning processes and learning outcomes in line with labour market demands. This is supported by the EU's four-year project that supports the VET sector in Moldova (see the section on donors).

After the approval of a master plan to restructure the VET system in 2015 and following a detailed mapping exercise of the VET network, the system was optimised. The downsizing of vocational schools was combined with the creation of 11 centres of excellence as multifunctional training providers (as part of the post-secondary VET system). The aim was to improve the efficiency, quality and relevance of VET and to gear it towards the needs of the national economy at local, regional, national and sectoral level.

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<sup>26</sup> The organisation and functioning of the Ministry of Youth and Sport were specified by Government Decision No 766 of 26 November 2009, published on 1 December 2009 in Official Monitor No 173, Art. No 848, see <http://lex.justice.md/viewdoc.php?action=view&view=doc&id=352045&lang=1>

<sup>27</sup> The competences and responsibilities of the MoECR were approved by Government Decision No 691 of 30 August 2017 and published on 1 September 2017 in Official Monitor No 322–328, Art. No 793, see <http://lex.justice.md/md/371186/>

The 11 centres of excellence that provide VET at ISCED levels 3, 4 and 5, and are also responsible for the professional training of VET teachers, the certification of skills acquired in non-formal and informal education, and career guidance and promotion of VET are listed below:

- centre of excellence in informatics and information technologies (<http://ceiti.md>),
- centre of excellence in transportation (<http://ctca.arax.md/>),
- centre of excellence in construction (<http://ccc.md>),
- centre of excellence in service and food processing,
- centre of excellence in light industry ([www.sp1.md/](http://www.sp1.md/)),
- centre of excellence in economics and finance (<http://cfbc.md>),
- centre of excellence in energy and electronics (<http://ceee.md>),
- centre of excellence in medicine and pharmacy, Raisa Pacalo (<http://cemf.md>),
- centre of excellence in artistic education, Ștefan Neaga,
- centre of excellence in horticultural and agricultural technology in Taul,
- centre of excellence in viticulture and winemaking in Chisinau.

A few private vocational schools operate efficiently, e.g. Insula Speranțelor (<http://insula.md/>) in Chisinau and Miracol in Balti.

Restructuring the VET system included introducing a new financing formula based on cost per student and per programme to improve the mechanism for allocating financial resources. The new VET financing mechanism established objective criteria for the allocation of funds and incentives for institutions to offer relevant and cost-effective training based on labour market requirements<sup>28</sup>. The development of quality assurance and quality management in VET is another area of reform aimed at improving the quality and relevance of education and promoting the attractiveness of VET by increasing the employability of graduates. A methodology for the external evaluation of quality was adopted for the provisional operation and accreditation of VET programmes and institutions, higher education and continuing education<sup>29</sup>.

In December 2016, the first online platform for VET was launched ([www.ipt.md](http://www.ipt.md)). It includes an interactive map of all VET institutions in Moldova; a complete list of trades and specialities that can be studied in centres of excellence, colleges and vocational schools; information on other aspects of VET (occupational standards, professional qualifications and curricula); and other useful information targeting students, teachers, labour market actors and the wider public. A database is available where VET curricula and qualifications are published ([www.ipt.md/ro/produse-educionale](http://www.ipt.md/ro/produse-educionale)).

Unfortunately, a lack of financial resources, insufficient central administration staff and, in particular, a deficit of qualified specialists and professionals have led to a deterioration of capacity and reduced efficiency in the implementation of policies and programmes. The public administration reform gives some grounds for optimism from the perspective of better coordination of policies, fewer bureaucratic barriers and better use of funds, human and financial resources. However, the reduced number of personnel in the MoECR and the additional responsibilities that they have in other areas, such as youth, culture and research, will make their work much more challenging.

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<sup>28</sup> The basic regulation on the financing of the cost per pupil of public educational institutions and professional/technical institutions was approved by Government Decision No 1077 of 23 September 2016 and published on 30 September 2016 in Official Monitor No 338–341, Art. No 1180, see <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=366875>

<sup>29</sup> The methodology was approved by Government Decision No 616 of 8 May 2016 and published on 20 May 2016 in Official Monitor No 134–139, Art. No 671, see <http://lex.justice.md/md/364908/>

**The Collegium of the Ministry of Education, Culture and Research:** This is a decision-making body at government level that adopts the regulatory framework, instructions, projects and youth policy programmes. The collegium includes top-level officials (minister, general state secretary and state secretaries, heads of departments) in this ministry and other ministries, and institutions dealing with areas covered by the ministry's competences. In order to ensure co-management and transparency, the collegium involves other members from civil society.

**Regional (Rayon) Departments for Education, Youth and Sport:** These are local actors that are responsible for delivering the national youth policy. The departments are subordinated to and coordinated by a local public authority. The latter identifies local youth needs and gives a specific budget for youth activities. Central authorities only provide recommendations to the departments on how to develop the policy. Despite having this structure in place, however, there is a need to improve their capacity to implement policies efficiently at local level, especially in rural areas.

### 2.2.3 Ministry of Health, Labour and Social Protection (MoHLSP)

As a result of the public administration reform, the Ministry of Labour, Social Protection and Family was merged with the Ministry of Health to become the Ministry of Health, Labour and Social Protection (MoHLSP) in September 2017. This ministry has new responsibilities for health, labour and social protection<sup>30</sup>. It is responsible for developing and implementing human resources development and employment policies (including the professional orientation and training of adults); identifying the skills needed in the labour market; and improving and/or upgrading the skills of the labour force in line with the needs of the labour market. The newly created MoHLSP has a staff of 105, which is around half of the personnel of both merged ministries (Ministry of Labour, Social Protection and Family and Ministry of Health). In the short term, this will be a challenge given the new tasks added to the portfolio.

The ministry promotes the development of sector committees to coordinate and monitor the occupational classifiers and nomenclatures of occupations and support the process of occupational standards development. Sector committees are in the process of being established as institutions of social partnership at sectoral level. Based on a tripartite structure (representatives of employers, trade unions and the state), the committees link initial and continuing professional education with labour market needs. Currently, there are six sector skills committees in the process of being registered: construction sector; agriculture and food processing sector; ICT sector; transport and road services sector; trade sector; and non-food industry sector. Although the committees address skills needs and training in sectors and occupational standards, they are not fully functional due to a limited capacity to fulfil their duties and responsibilities.

The ministry plans to create a labour market observatory with the support of the ETF and the World Bank. The ETF's feasibility study provided examples of good practice; reviewed the options for the format and organisational structure of a labour market observatory in the Moldovan context; and analysed the capacities of three possible options as hosting institutions (Lungu, 2016a). The recommendation was to create it within the NIER<sup>31</sup>, which has relatively better capacity and autonomy, with the main functions of monitoring labour market dynamics, filling information gaps and providing a platform for coordinated dialogue and dissemination of information (Lungu, 2016a). To this end, a working group was set up under the auspices of the prime minister's office and a discussion has long been ongoing as to which institution should host the observatory, e.g. the Economic Research

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<sup>30</sup> The competences and responsibilities of the MoHLSP were approved by Government Decision No 694 of 30 August 2017 and published on 1 September 2017 in Official Monitor No 322–328, Art. No 796. See <http://lex.justice.md/md/371189/>

<sup>31</sup> The NIER is a public research institution which operates under the coordination of the Academy of Science and the Ministry of the Economy. It specialises in macroeconomics, demographics and labour force development. It provides easy access to many information and data sources and cooperates well with public institutions

Institute, the MoHLSP or the NEA. So far, the NEA seems to be most likely candidate for the institutional home of the observatory, but there are concerns regarding its lack of institutional capacity.

In the meantime, a small pilot observatory was launched in May 2017 with the support of UNDP ([www.mmpsfd.gov.md/](http://www.mmpsfd.gov.md/)): the Skills Observatory and Experimentation Lab for Youth. It was hosted within the NIER to collect and analyse data on youth-related issues such as youth perceptions, NEETs, the transition from school to work and skills mismatch (Vasilescu et al., 2017). It also experiments with small pilot projects relating to youth labour market inclusion, covering aspects such as 'youth mobility support' and an 'impact evaluation' of some employment services (ETF interviews with UNDP and NIER).

#### 2.2.4 National Employment Agency (NEA)

The NEA is a key institution providing both active and passive labour market measures for jobseekers in Moldova through its territorial network of 35 employment offices and 335 staff<sup>32</sup>. According to the ILO (2017), 191 case workers (known as counsellors) provide services to clients. The agency has a tripartite management board with nine members (government, employers and trade unions appoint three representatives each). According to the NEA (2018), 42 100 people were registered as unemployed in 2017 (of which 29% were young people aged 16 to 29). This figure represents roughly 78% of the total number of unemployed people estimated by the LFS. It also registered 45 400 vacancies in 2017, 69% of which were for unskilled jobs (NEA, 2018). It provided job placements to 35% of newly registered unemployed people, filled 86% of registered job vacancies, involved 76.5% of registered unemployed people in training programmes, and provided unemployment benefits to 11.6% of them. In addition, it also dealt with work permits for labour immigrants and bilateral agreements for employment abroad (ILO, 2017).

According to the 2003 Law on Employment and Social Protection of Jobseekers, unemployed people, including young people, may benefit from passive measures (unemployment benefit or a professional integration or reintegration allowance) if they meet the conditions stipulated in the law. The active measures include job search and job placement support, career guidance and counselling, monitoring the situation of the labour market, labour intermediation services and job fairs. The NEA delivers all the key functions mandated to a modern employment service. It also runs annual employer surveys to identify workforce requirements and labour shortages<sup>33</sup> and publishes the results in a 'labour market barometer'. Services for individual jobseekers include registration, counselling and guidance, profiling of clients, individual employment planning and job placement. Services for employers include registration of vacancies, pre-selection of job candidates and job mediation. Employers are obliged to inform the NEA about job vacancies (ILO, 2017).

In 2016, the NEA was allocated a total budget of MDL 117 million, but spent a total of MDL 101.8 million. Out of this budget, around 50% was spent on passive measures (including unemployment benefits and professional reintegration allowances); 30% was spent on administrative costs; and 20% was allocated for active labour market measures (Table 2.1). According to the ILO's calculation, the NEA spent a mere 0.02% of GDP on active labour market measures in 2015 due to a lack of funds (ILO, 2017). As mentioned before, young people make limited use of employment services in their job search, as only 1.2% used them according to the ILO's SWTS (ILO, 2016).

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<sup>32</sup> In Moldovan, the abbreviated name of the agency is ANOFM. The actual number of staff is 298 due to paid leave and vacant positions. The headquarters has 47 employees. Local employment agencies have two tiers: regional offices and local offices. The former has more capacity to meet the needs of regions and help local offices, see <http://anofm.md/>

<sup>33</sup> In 2016, the sample of enterprises, selected randomly, consisted of 3 335 firms (i.e. 10% of the total number of enterprises reported by the NBS (ILO, 2017).

According to the ILO's assessment (2017), the NEA has a limited range of responses available for unemployed jobseekers (only vocational training and public works are currently on offer); an inadequate capacity to identify and address needs that go beyond those related to employment; and lacks a well-established referral system to other public and private service providers. A lack of financial and human resources and a lack of motivation among staff create many difficulties in service delivery, especially in rural areas. For this reason, the NEA cooperates closely with the ILO, UNDP and World Bank in its work. Many existing NEA initiatives are proposed and technically supported by these international organisations. As part of the public administration reform, the NEA is currently being restructured. It is expected that the number of offices and employees will be reduced as a result.

**TABLE 2.1 NEA ANNUAL BUDGET – ACTUAL SPENDING, 2016 (MDL)**

Passive measures (unemployment benefits)	43.191 million
Administrative costs (staff, buildings and maintenance)	30.422 million
Active labour market programmes, including:	28.206 million
▪ VET training courses	9.655 million
▪ professional integration/reintegration allowances	7.604 million
▪ public works programme	5.957 million
▪ scholarships (pocket money for jobseekers in training)	4.487 million
▪ labour intermediation services	380 000
▪ information, counselling, career guidance	36 000
▪ other expenses	87 000
Total	101.8 million

Source: NEA, 2016; see <http://anofm.md/page/rapoarte1> Activity report 2016, pp. 28–29

## 2.2.5 The Centre for Children and Youth (ARTICO)

This centre is a single institution called ARTICO; it now functions under the umbrella of the MoEGR. It is responsible for the development and implementation of policies for children and young people. It coordinates and supports activities and institutions with extra-curricular and after-school services for children and young people. ARTICO's focus is on complementary, extra-curricular cultural and after-school activities for personal development and career guidance; institutional and methodological services for non-formal education; the development and dissemination of good practices for the participation of children and young people; active citizenship; the promotion of creativity, self-initiative and entrepreneurship among children and young people; the implementation of socioeconomic integration measures for young people; and the prevention and mitigation of youth delinquency.

It also implements and coordinates the EU Erasmus+ programme, the programmes of Volunteerism Club and My Career. According to article 10 of the Youth Law, a new agency was supposed to be created (National Agency for Programme Development and Youth Work), but it is not clear now given the current reform. When the Social Entrepreneurship Law enters into force on 24 May 2018, it could provide an important opportunity for youth organisations and youth workers to offer their services.

## 2.2.6 National Council of Youth in Moldova (CNTM)

CNTM is an association of 58 youth organisations. It promotes the rights of young people and youth organisations and represents their interests in the development, implementation and evaluation of youth policies. The council plays an active role in promoting youth participation, provides capacity building for young people who are part of youth organisations or not, and is involved in improving the legislative framework on youth policy (<http://cntm.md/en>). The CNTM Strategy (2014–2018)<sup>34</sup> identified 'supporting youth in their education and social inclusion' as a priority and specified the following main

<sup>34</sup> See <http://cntm.md/sites/default/files/Strategia%20CNTM%202014-2018.pdf>

objectives: increasing the participation of young people in education; promoting non-formal learning opportunities and intercultural education; developing tools for the validation of skills for employment; and facilitating the employment and social inclusion of young people.

### 2.2.7 Local youth councils

Local youth councils constitute a non-formal group representing different youth organisations, youth networks, youth workers and experts, youth councils and centres. It is a structure of representation, consultation and empowerment of young people to ensure their participation in community development, particularly in decision-making processes. The group is recognised by the local public authority. It provides recommendations on youth initiatives from the idea stage to implementation. The central institution (formerly the Ministry of Youth and Sport, now the MoECR) consults this group when dealing with action plans, programmes and projects. However, no information is available on the details of the services provided to young people.

According to the Youth Law, the structures working for young people are: youth centres (public institutions designed to create opportunities for young people's development through after-school programmes); centres for information and consultancy for young people (offering the information and guidance that young people need to make decisions about their lives; providing training to build life management skills; promoting social and economic inclusion – all for free). Non-governmental institutions that provide youth social services include: youth health clinics, labour centres for youth, centres for training, legal clinics for youth, centres for youth businesses and consultancy. Again, no information is available on the details of services they provide to young people.

### 2.2.8 National Youth Resource Centre

The National Youth Resource Centre provides consultancy services and logistical support to employees of the regional and local youth resource centres, youth initiative groups, members of youth NGOs and professionals working with young people in the following areas: capacity building; developing proposals for funding; fundraising; organisational management; activity reports; and development of educational materials for young people. The National Youth Resource Centre and the network of local youth centres implement youth policy at local level, mainly by providing young people with opportunities for self-development, logistics and fundraising training for their social and economic inclusion through the youth resource centres.

Youth resource centres were established in 2000 in partnership with central and local administrations under the mandate of the former Ministry of Sport and Youth and with the support of UNICEF, UNDP and the World Bank. The centres operate as a service of public interest to provide information, guidance and counselling, non-formal education and leisure activities for young people. Overall, there are around 25 youth resource centres in all regions. They are funded by local authorities and function as information centres in partnership with local actors and civil society organisations. They already play a useful role in the socioeconomic empowerment of young people. A network of these youth centres and a secretariat exist. The general coordination and methodological support for the provision of youth services should be provided by the central administration, e.g. the MoECR, after the public administration reform. Youth centres are still at an early stage of development and are not fully functional. A special programme aimed at developing youth centres between 2017 and 2022 was approved in April 2017. This focuses on capacity building of youth centres and ensuring their functionality<sup>35</sup>.

Social reintegration centres for youth seek to cover the deficit of specialised social services and provide social services to graduates of professional schools, former residents of boarding schools,

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<sup>35</sup> For more information, see [www.mts.gov.md/sites/default/files/document/attachments/program\\_dezvoltare\\_centre\\_de\\_tineret\\_2017-2022.pdf](http://www.mts.gov.md/sites/default/files/document/attachments/program_dezvoltare_centre_de_tineret_2017-2022.pdf)

orphans or young people from vulnerable families. In the centres, young people benefit from psychological and pedagogical assistance as well as legal assistance.

Youth councils, student organisations and the Youth Parliament represent actors that have an active role in promoting youth rights, interests and the delivery of information to young people. They act as complementary support by organising various different social and cultural activities.

A number of research centres carry out youth surveys and statistics on young people's position in the labour market and disadvantaged youth groups: e.g. the Institute for Development and Social Initiatives (IDIS Viitorul) (<http://viitorul.org/en>), AXA Management Consulting (<http://axa.md/>), the Centre of Sociological, Politological and Psychological Analysis and Investigations (CIVIS) (<http://civis.md/>).

## **2.2.9 Organisation for Development of Small and Medium Enterprises Sector Development (ODIMM)**

ODIMM is a public agency working under the Ministry of Economy. It was created to promote, stimulate and support the development of SMEs and improve entrepreneurial skills (<http://odimm.md/>). It does this mainly by implementing programmes aimed at youth economic empowerment (ODIMM, 2015; ODIMM, 2016a). ODIMM has some important programmes that focus on young people or a general population where there is a high share of young people. This is discussed in chapter 3. One of these programmes is the National Programme of Economic Empowerment of Youth (PNAET), which provides entrepreneurial training and business start-up loans for young people aged between 18 and 30. Another one is the PARE 1+1 programme. This provides entrepreneurial training and 50% of business start-up costs as grants to returning migrants in Moldova. Other relevant programmes are the Effective Management of Business programme and the Special Fund for Credit Guarantee.

## **2.2.10 Centre for Entrepreneurial Education and Business Support (CEDA)**

CEDA is an NGO working to create a national system to develop professional and entrepreneurial skills, promote formal and informal entrepreneurial education, and support business initiation and development ([www.ceda.md](http://www.ceda.md)). It has succeeded in establishing various schemes to involve young people at different stages of education in the development of entrepreneurial competences and skills (CEDA, 2016). CEDA implements some interesting projects that target young people such as the Moldovan Employment and Entrepreneurship Education and Training Activity (MEEETA) programme (with funding from the Liechtenstein Development Service) and the Re-engineering Vocational Orientation and Career Counselling (REVOCC) for Moldovan Labour Force Competitiveness project (with funding from the Austrian Development Agency). These are discussed in chapter 3.

Donor support for young peopleThe main donors supporting young people in Moldova are the European Union (EU), EU Member States, UNDP and the United States Agency for International Development (USAID). A number of special programmes connected with educational development also support the integration of young people into the labour market. These are implemented mainly by GIZ (a German development organisation), the Swedish International Development Agency, the Liechtenstein Development Service, the Austrian Development Agency and others. The EU provides technical and financial support for the implementation of PNAET and financial support for the implementation of the PARE 1+1 programme (2010–2018) to attract remittances into the Moldovan economy, both of which are implemented by ODIMM.

The EU's financial resources are also being made available to support the modernisation of the VET system and to adapt it to the needs of the labour market. It does so through the EU Sector Reform Contract, which includes a budget support programme (EUR 25 million) and a technical assistance project (EUR 3.7 million). Despite the four-year implementation period of the technical assistance project, Support for VET Sector in Moldova (January 2014–December 2017), VET reform still faces many challenges. These include building efficient social dialogue; developing a framework to

recognise qualifications; and developing centres of excellence (key elements of VET reform). A new EU twinning project for VET is planned to start at the end of 2018 to ensure the effective implementation of the VET strategy and to facilitate structural and institutional reform.

In addition to country-specific funding, the EU has earmarked EUR 215 million for the period 2015–20 to enable EaP countries to participate in Erasmus+, the EU programme for education, training, youth and sport<sup>36</sup>. Between 2015 and 2017, 485 students and 430 staff members within higher education in Moldova had an opportunity to study, teach or train in Europe and 130 students and 290 staff from Europe had an opportunity to study, teach or train in Moldova (these are known as International Credit Mobility projects). Twenty-one full scholarships were awarded to students from Moldova in Erasmus Mundus Joint Master Degrees, and 12 activities were selected for Jean Monnet funding; 11 projects with 57 participants were funded to support capacity building of Moldovan higher education institutions. Finally, 2 300 young people and youth workers from Moldova participated in joint Erasmus+ Youth in Action projects with their counterparts from Erasmus+ programme countries.

The **Liechtenstein Development Service** supports CEDA financially in the implementation of the MEEETA programme. This programme promotes the economic empowerment of young people by developing their income generation skills through entrepreneurship. Its activities include developing entrepreneurship education delivery in vocational schools; increasing the entrepreneurship skills of VET graduates; and building capacity in pilot vocational schools to generate income by developing and implementing a business plan (which serves as an example for students).

The **Austrian Development Agency** supports CEDA financially in implementing REVOCC. It aims to review and upgrade current vocational guidance and career counselling for pupils from secondary general and professional or technical education and create and develop out-of-school vocational guidance and career counselling services in cooperation with the NEA. In cooperation with CEDA and the NEA, three career guidance centres were created within employment offices in the north, south and centre of Moldova.

**GIZ** is supporting the implementation of dual education through a pilot project that is running from 2015 to 2018. GIZ has provided a budget of EUR 2 million. The project provides expertise and practical guidelines to develop the relevant legal and regulatory framework for dual education in the Moldovan context.

**UNDP** launched the first Skills Observatory and Experimentation Lab for Youth in Moldova in May 2017. It provided both technical assistance for capacity building and funding (around USD 80 000 from its regional hub). As previously mentioned, it is hosted within the NIER and its first task is to collect and analyse data on youth-related issues. Its second task is to experiment with small pilot projects related to youth labour market inclusion. For this reason, UNDP signed a Memorandum of Understanding with the NEA to develop one control group and one intervention group, which receives services such as an individual employment plan, vocational counselling and guidance, training and coaching.

The **World Bank** supports the NEA in improving the quality of services provided to jobseekers with a very small amount of funding from its development budget. For example, it supported the NEA practice of profiling jobseekers and developed recommendations to improve this profiling. It also developed an extra module on the skills and competences needed by employers in the regular employer survey conducted by the NEA. The bank is currently analysing the results of this modular

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<sup>36</sup> The information in this paragraph was provided in a note from the Directorate-General for Education, Youth, Sport and Culture, European Commission.

survey. The World Bank also supports the monitoring and screening of vacancies in other job portals through linkages between the NEA online platform and other job websites.

The World Bank recently discussed with the Moldovan government the possibility of a USD 30 million loan for a Skills for Jobs project. According to the proposal made by the bank, the skills project would include three components: (i) higher education; (ii) adult learning (excluding initial VET); and (iii) labour market information. The first two components are discussed with the education stakeholders, while the third component is discussed with the MoHLSP and the NEA. The technical assistance to be provided as part of the third component will focus on the availability, dissemination and use of labour market information. It will include support for the labour market observatory to improve information and dissemination and a review of NEA business operations to make better use of labour market data.

The **Swedish International Development Agency** is funding the NEA's WBL programme for jobseekers in three pilot regional and/or district offices in the period 2017–18. Its budget is EUR 40 000. It particularly targets long-term unemployed people and jobseekers in need of re-skilling and upskilling.

**USAID** does not have specific youth-oriented projects, but the following projects provide opportunities for the general public, including young people.

- Moldova ICT Excellence Centre (ICTEC) project (August 2015 to August 2018): Supports the creation of business plans by integrating relevant IT educational content and entrepreneurship activities; training staff; and expanding educational, training and entrepreneurship development. The centre opened its doors to target groups in 2017 under the name of Tekwill.
- Moldova Competitiveness Project (MCP) (October 2015 to September 2020): Promotes a diverse and export-oriented economy by increasing labour force skills in industries with youth involvement (ICT clustered with creative services and precision engineering; wine production and export clustered with the tourism sector; and the garment industry clustered with textiles; and apparel clustered with the footwear sector).
- Development Credit Authority (DCA) (September 2011 to April 2028): Increases finance for local SMEs through a loan guarantee mechanism in export-oriented industries and advances economic opportunities by providing continued support to committed investment in the country.

### 3. IMPLEMENTATION OF MEASURES SUPPORTING YOUTH TRANSITION TO WORK

Moldova has formal structures and institutions to prepare children and young people for work and life throughout all stages and levels of the education system. The education process, from the early years of primary school until the end of higher education, has obligatory components covering technical education, professional orientation, career guidance, job search counselling and entrepreneurial development to support young people. The educational programmes thus include special courses, disciplines and/or support within the framework of general education<sup>37</sup>. This regulatory or normative framework is complemented by various resource centres, centres for career guidance and development, which have been created by and work closely with educational institutions (primary and general schools, VET institutions, universities) and NGOs. However, the complexity of youth transition requires an analysis of the effectiveness and sustainability of existing programmes and measures in supporting the youth transition to work.

This chapter reviews 28 identified measures and programmes implemented over the past three years at national, regional or local level, targeting young people or certain youth groups in supporting their transition to work in Moldova. This is by no means an exhaustive list. It ranges from standard public services to special programmes and donor-funded projects, and is very diverse in terms of size, scope and activity. Nevertheless, the measures and programmes constitute the basis of our analysis of youth-related services. Taking into account their primary objective, the initiatives are grouped into three clusters: (i) skills development; (ii) career guidance and counselling; and (iii) entering and remaining in the labour market (see the annex).

**Skills development measures:** These include all skills development measures provided at school level (initial education or training); skills development after leaving school (including non-formal and continuing training outside school and continuing vocational training in companies); and training or retraining provided by the NEA and other private agencies to jobseekers and workers in general. This category also includes measures to prevent early school leaving, to encourage students who have dropped out of school to return, and to provide second chance education opportunities.

**Professional orientation and career guidance services:** Professional orientation and career guidance is presented here as a transversal topic. The services include counselling and guidance in secondary general education and secondary VET; career guidance in universities; and career guidance for jobseekers at NEA offices. It is generally part of the whole service package, combined with skills development and employment services.

**Measures for entering and remaining in the labour market:** This includes all other types of support measures to facilitate young people's entry into the labour market (except skills development and training) and other services and measures that would support sustainable integration in employment, including inter-job mobility. Examples of such measures are support for job search and labour intermediation; support for first work experience; entrepreneurship and self-employment support measures; public works programmes; and other targeted measures for disadvantaged youth.

It is worth noting that some measures identified in the course of the analysis combine elements from all clusters above. In such cases, that particular measure is sometimes classified according to its

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<sup>37</sup> According to the regulation (framework) governing the organisation and functioning of primary and secondary education institutions, cycles I and II, Section 11, Art.147, b), the head teacher provides counselling and vocational guidance (approved by the Ministry of Education on 25 March 2016, Order No 235). Source: [www.edu.gov.md/ro/content/invatamint-general](http://www.edu.gov.md/ro/content/invatamint-general)

dominant activity and budget proportions across clusters. In other cases, each type of service under the same measure is specified separately due to its primary objective.

### 3.1 Skills development measures

The skills development measures are reviewed and assessed on the basis of eight initiatives identified to support this objective (see the annex) and clustered around three sub-headings: (i) improving initial VET through WBL; (ii) providing non-formal education; and (iii) delivering continuing vocational training.

#### 3.1.1 Improving initial VET through work-based learning

System-wide measures exist at different levels of the education system to better prepare pupils for the labour market. WBL represents an important part of the learning process and gives learners an opportunity to gain practical skills in a real work environment. Since 2014, Moldova has developed a number of regulations and initiatives to introduce and organise WBL in its VET system. Following the general framework set by the National Strategy for Development of Education (2014–2020) (GoM, 2014c), a set of normative documents were developed and approved by the Ministry of Education and social partners. These include apprenticeship regulation, apprenticeship contract, a circular on obligatory hours for practical training and internship periods, regulation on training foremen in companies and a vocational training diary<sup>38</sup>.

According to the current framework, WBL exists at all levels of VET – secondary, professional, technical post-secondary and vocational education for adults – in the following forms (Lungu, 2016b):

- organising on-the-job training in real companies as part of formal learning in schools (12 to 14 weeks per year mandatory internship in all upper secondary VET programmes at NQF (national qualifications framework) levels 3 to 5);
- organising on-site training in laboratories and production workshops in VET institutions that are equipped to be more or less compatible with real work environments (two to three days per week);
- piloting a dual VET system through apprenticeships in the workplace as an alternative to traditional VET in secondary vocational schools since September 2014 (70% practical + 30% theoretical training).

The first two schemes are well established in Moldova, and a total of 47 000 VET students are engaged in WBL practice (21 000 students enrol annually). The 2003 Labour Code (GoM, 2003b) provides for practical training in companies and for the apprenticeship contract between learner employees and companies. Moreover, the training costs incurred by companies can be deducted from income tax as an incentive to invest in training. Relatively speaking, a lot has been happening in the VET system in terms of providing WBL opportunities, but similar initiatives are not common in upper secondary education and higher education. In higher education, practical training is compulsory only for specialists with a higher qualification, and is geared towards obtaining generic and specific practical skills in their speciality (Ministry of Education, undated b).

**Piloting dual education:** Since 2014, the MoECR has been developing a dual education pilot project that lasts one to two years. It includes 70% WBL in enterprises and 30% in-class training in educational institutions. The benefits of dual education are many for trainees (practical orientation; payment of an allowance and scholarship; better employment and career opportunities); for employers

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<sup>38</sup> See the regulation on the organisation and operation of apprenticeships, Order of the Ministry of Education No 1080, 20 October 2014, [www.edu.gov.md/sites/default/files/regulament\\_programe\\_de\\_ucenie.pdf](http://www.edu.gov.md/sites/default/files/regulament_programe_de_ucenie.pdf) and the regulation on the stages of practice in production in secondary VET (regulatory framework for organising internships, Order of the Ministry of Education No 233, 25 March 2016, [www.edu.gov.md/sites/default/files/ome\\_nr.\\_233\\_din\\_25\\_martie\\_2016\\_0.pdf](http://www.edu.gov.md/sites/default/files/ome_nr._233_din_25_martie_2016_0.pdf)

(best choice of candidates; time and cost saving instead of hiring externally; increased motivation and loyalty to company; acquisition of specialists not available in the labour market); and for VET institutions (lower costs; lower rate of graduate unemployment; better match between VET qualifications and labour market demands).

GIZ is supporting Moldova in piloting dual education through a EUR 2 million project for the period 2015–18 by providing expertise and practical guidelines in developing a regulatory framework. The first pilot resulted in a 93% employment rate in the first year after graduation and 78% in the second year. Such positive results motivate more trainees, companies and training providers to get involved in the programme. In 2017, more than 50 companies and 22 vocational schools were involved in dual education programmes. In the 2017/18 academic year, around 860 enrolment places for dual VET were offered by more than 35 companies in various trades.

Despite the existing regulatory framework (albeit with some weak points), the implementation of WBL, even in the VET system, is very recent and still weak in Moldova (Lungu, 2016b). The first reason is the lack of capacity to implement WBL programmes both on the part of employers and vocational schools. In particular, there is a lack of qualified trainers, masters and mentors in companies. There are not enough big companies to provide WBL, while small companies (mostly informal) are not motivated to provide training places. A lack of financial resources and incentives for employers also prevents effective implementation, as WBL requires some additional effort and extra costs for companies. Existing WBL programmes in companies are mostly quite formal and not efficient, as they are not used by employers to select the best future workers after training. The difficulties regarding the quality assurance of WBL outcomes due to a lack of proper monitoring and evaluation are another important issue. This is because it is not obligatory in the regulations to recognise and certify the outcomes of WBL training.

The results of the WBL programme implementation in the VET system in Moldova have not yet been analysed, thus it is not clear whether WBL has had the intended impact on increasing employability and facilitating easier transition for VET graduates. Even when it is organised efficiently, it has to be emphasised that many VET graduates with WBL still prefer to emigrate abroad, which dampens the enthusiasm of companies to invest in training. To organise WBL more efficiently, the state might consider providing some financial and non-financial incentives to companies. Non-financial incentives include helping employers to build capacity for WBL; providing training for trainers; ensuring the functionality of the regulatory framework; addressing the weak points of quality assurance; and supporting them with methodologies, practical tools and guidelines for WBL (Lungu, 2016b). In a country with a weak economy, it is also important to find alternatives to WBL and develop innovative workplace simulation methods (e.g. a 'mini-school training firm') in the school-based VET system.

Another improvement relates to the incorporation of entrepreneurship training in VET curricula. The project implemented by CEDA and funded by the Liechtenstein Development Service, **MEEETA**, focuses on the students, teachers and pedagogical staff in VET institutions to develop entrepreneurial competences and abilities. It has been in place since 2010 and extended four times, the last one being for the period 2017–20. It has an annual budget of EUR 250 000 to EUR 300 000. After identifying training needs, a 304-hour training course with five modules covering the basics of entrepreneurship was developed and 183 teachers and trainers were trained. Curriculum development, guidelines and support materials for teachers were followed by the actual implementation of curricula to promote entrepreneurship and develop entrepreneurial competences among students. Following the participation of 174 graduates in a business development course, 110 business plans were developed, and 47 graduates applied for a grant. Funds were granted to 29 of these applications (USD 37 400). Overall, more than 500 graduates of VET institutions are involved in the creation of their own business. A CEDA survey conducted on the MEEETA project showed that 33% of all graduates were employed and another 6% had established their own business.

In cooperation with KulturKontakt, CEDA piloted an income generation initiative in selected vocational schools to develop and implement business models. Fourteen training courses and workshops were developed for teachers and management in selected schools; three business plans were developed as a result. These examples demonstrate that entrepreneurial education and the development of entrepreneurial competences through practical activities focusing on WBL is an efficient alternative of youth inclusion in the labour market. Income generation with learning-by-doing activities in VET institutions ensures better opportunities for practical training and entrepreneurial competences for students. It also generates additional funds that can be used to improve VET institutions and provide additional jobs for students.

Although the activities in the VET system are organised better than in the general education system, they need to be improved. One impediment is the absence of a common centre for coordinating these programmes. The available information on implemented programmes remains limited and unsystematic. No analysis takes place and good practices are not identified or disseminated systematically. Therefore, it is difficult to draw conclusions about the efficiency of measures and programmes and to make improvements.

### 3.1.2 Providing non-formal education for young people

Not many initiatives could be identified in this field. One interesting project – **Inclusive participation in society: decent work for young people** – was implemented by CNV International (Confederation of Trade Unions of Netherlands), the Moldovan National Confederation of Trade Unions and the NGO Faclia between 2012 and 2014. It received financial support from the EU (Institute of Democracy and Human Rights). It aimed to contribute to the social and economic inclusion of young people in Moldova by developing individual competences and entrepreneurial skills and promoting socioeconomic rights and decent work for young people. Four regions were involved in the implementation of the project (Ungheni, Calarasi, Falesti, Causeni) with the results listed below.

- Some 24 young people were trained and advised on how to improve their socioeconomic situation by four regional advisory councils made up of representatives of local socioeconomic actors and representatives of regional civil society organisations.
- The socioeconomic rights of young people were promoted by 60 representatives of socioeconomic actors across the four regions, trained under the programme.
- Over 8 000 young people, representatives of socioeconomic actors and civil society from four regions, were sensitised by a mobile team of 24 young volunteers.
- A network of 27 organisations promoted the socioeconomic inclusion of young people and facilitated social dialogue.
- Lobbying and advocacy activities by the representatives of socioeconomic actors and civil society in the four regions were conducted in the field of youth socioeconomic rights at local authorities.
- The gap between education and the local labour market was identified and analysed and recommendations were offered to local stakeholders.
- Some 40 young people developed leadership skills in the Active Citizen Leader Building summer school, developed with the financial assistance of the Ministry of Youth and Sport.
- Some 240 young people improved their opportunities of finding a desirable job after participating in the Development of Personal and Professional Skills programme.
- Some 16 civic education teachers and school psychologists were trained in the field of career guidance to help young graduates or prospective graduates find the right field of work or study.
- Some 400 young people participated in the Career Guidance for Young People programme to decide on their careers.

Another interesting initiative is the **Development of Moldova ICT Excellence Centre** – Tekwill project, implemented between 2015 and 2017 ([www.tekwill.md/](http://www.tekwill.md/)). It was implemented as a private-public partnership between the Moldovan government, the private sector (Moldovan Association of ICT Companies (ATIC)) and the Technical University of Moldova (UTM). Tekwill was located on the university campus and built with the support of USAID and the Swedish government through the Swedish International Development Agency. This support amounted to USD 4 million; another USD 4 million was contributed by other partners and donors.

Tekwill aims to improve ICT sector competitiveness by establishing educational initiatives that are adapted to industry requirements; offering support to IT entrepreneurship; and creating innovative products and services. Its educational programmes cover a large number of subjects, from basic to the most advanced technologies. They focus on practical projects. Target beneficiaries include IT professionals, students, academics, ICT companies, entrepreneurs, future ICT business owners and start-ups. Tekwill has all the facilities needed for business start-ups and incubation, such as co-working spaces, tech labs (Internet of Things, 3D printing) and community events. It has already developed and executed educational and entrepreneurship programmes involving more than 3 000 beneficiaries, most of whom are young people. Over 1 000 people are expected to benefit annually from the activities and initiatives.

### 3.1.3 Delivering continuing vocational training

All programmes in this field are implemented by the NEA to train and retrain jobseekers. These **vocational training programmes** target jobseekers, including young people, and provide them with free access to vocational training courses (based on their skills, experience and interest), for a maximum period of nine calendar months. The training programmes are organised and implemented regionally (centre, south and north) by local employment offices in Chisinau, Cahul and Balti, under the general coordination of the NEA headquarters. An average of 2 800 to 2 900 unemployed people have attended or graduated annually from these courses in the last five years (NEA, 2016). The NEA spent MDL 9.66 million on these courses in 2016. There are three types of courses:

- qualification courses for people who do not have any occupation or profession;
- retraining courses for people who have a profession or trade, but have minimal chances of employment;
- refresher or update courses for people who need to perfect their professional education to adapt to the changing requirements of the labour market and workplace.

In 2016, the NEA contracted 15 education and training institutions to provide jobseekers with vocational training programmes, 29 professions or trades in the central region, 33 professions or trades in the north, and 10 professions or trades in the south. In total, 2 902 unemployed people graduated from these vocational courses in 2016, 68% of whom were young people aged 16 to 29 and 66% of whom were women. Three quarters of participants attended qualification courses; 16% attended retraining courses and the remaining 9% attended refresher or update courses. This structure of course types represents a general trend over the last five years. The highest share of participants in the training courses are unemployed people with a low level of education (67% from secondary schools, *gymnasiums*, *lyceums*), followed by VET graduates (20%) and higher education graduates (13%).

The most popular professions for training in 2016 were: cook (24%), barber (9%), hairdresser (7%), computer operator (6%), accountant (6%) and manicurist (5%). Among the technical professions, the most demand for training was for plasterers; welders (electro-gas); car mechanics; electricians (repair and maintenance of electrical equipment); locksmith-fitters in sanitary engineering (sanitary locksmith plumbers); locksmith electricians for the repair and maintenance of electrical equipment. Out of 2 902 graduates in 2016, almost 90% (2 598 persons) were employed after training, and the employment

rate of graduates is growing year by year (e.g. 74% in 2012, 86% in 2014). The unemployed people who attend training and do not receive unemployment benefit or a professional integration or reintegration allowance are granted a non-taxable monthly scholarship (pocket money) during the period of training, amounting to 10% of the previous year's average salary. The programme works relatively well but the main barrier is budgetary constraints.

The NEA uses **WBL to support young people and adults** in integrating into the labour market. It also uses it to improve the employability of long-term unemployed people, low-skilled jobseekers, people with a profession that is not required in the labour market and jobseekers who plan to change careers. This is a WBL programme implemented by the NEA, which contracts a private vocational school (Insula Speranțelor) in cooperation with employers. The training programme usually lasts four to eight months; 60 to 70% of the content consists of practical training in companies. Around 45% of jobseekers who have received training as part of an NEA vocational training programme receive this WBL component (Lungu, 2016b). Around 800 to 900 trainees complete these training programmes each year and 60 to 70% of the graduates are employed afterwards, while another 20 to 25% find jobs abroad as migrants.

In 2017–2018, the NEA initiated another **WBL programme for jobseekers** in cooperation with the ILO and with the financial support of the Swedish International Development Agency (EUR 40 000) to develop jobseekers' practical skills. The programme aims to increase the employability of more disadvantaged jobseekers in the labour market by acquiring and certifying their competences in a programme with less theoretical in-class training (number of hours: up to 15%) and more practical training at a real workplace (number of hours: up to 85–90%). The initiative is piloted in seven territorial employment offices (Chisinau, Bălți, Cahul, Soroca, Donduseni, Riscani, Hîncesti) on the basis of two occupations in high demand in the labour market: tailor and cook. A total number of 68 jobseekers (27 cooks and 41 tailors) are involved in the training programme (79.4% are women and 32.4% are residents of rural areas).

For cooks, two training providers (Insula Speranțelor in Chisinau and the Centre of Excellence in Service and Food Processing in Balti) were contracted. Seven employers were involved in the training programme (five in Chisinau and two in Balti). They agreed to employ trained people after graduation. For tailors, four training providers (Centre of Excellence in the Garment Industry in Chisinau; Miracle in the Balti, Riscani and Donduseni districts; the Alcedar Studio vocational school in Soroca; the vocational school No 1 in Cahul and the vocational school in Hîncesti) were contracted. Eight employers were involved in the programme and agreed to employ graduates. The programme delivered good results. Consequently, the NEA allocated MDL 11.8 million to this programme for the coming year. Its aim is to involve 1 000 jobseekers, particularly young people.

### 3.2 Professional orientation and career guidance services

Moldova has a number of practices to support schooling and career decisions (seven identified measures in annex). The critical moments for decision-making on youth career development are the end of grade 9, the time when young people need to decide whether to continue their studies, and the end of grade 12, the time when they decide to build a career based on vocational or higher education. After graduating from grade 12, students may continue studying at a university, if they can pass the Baccalaureate exam, or pursue vocational education by entering a vocational school (secondary VET) or VET College (post-secondary VET). In the 2014/15 school year, of the 74% who continued studying after the *lyceum*, the vast majority (87%) chose to go to university, with only 5% going to a vocational school and 8% going to a vocational college (World Bank, 2016c). To motivate young people to choose VET, a new regulation was adopted regarding the organisation of studies in post-secondary

and post-secondary non-tertiary technical and professional education as part of the credit transfer system<sup>39</sup>.

School-based career orientation begins in grade 5 and continues through to university for general education students. The general education curricula for *gymnasium* (grades 5–9) and *lyceum* (grades 10–12) students include modules on personal development and career guidance that constitute 25% of civic education courses. Career orientation is also incorporated into the curricula taught by the master teacher, including topics such as self-management and personal achievement. In addition, school psychologists are sometimes involved in providing assessments and career counselling to students. Career guidance and counselling are better organised in the VET system (levels 3, 4, 5), and there is an obligation to provide vocational guidance activities (Ministry of Education, undated a). However, sometimes it is too late for individuals who made wrong choices in education and ended up in professions or fields they do not like. There is also a compulsory course on the basics of entrepreneurship in the VET system (120 hours, including 96 hours of theory and practice and 24 hours of consultation). Municipal Centres for Information and Vocational Orientation (CMIOP), a General Directorate for Education, Science & Sports and university career guidance centres also exist (CEDA, 2015).

According to a World Bank survey of grade 9 and grade 12 students in Moldova in 2015 (World Bank, 2016c)<sup>40</sup>, vocational education is as popular as general education, although students are mainly interested in post-secondary VET colleges. However, the appeal of university education is still very strong, especially among women. Educational aspirations reveal a shortage of information about the opportunities for and limitations of different educational pathways. About half of general school students and two thirds of older students felt they did not have enough information about the labour market. An analysis of the survey results shows that Moldova's current career guidance efforts are not well coordinated or implemented as the majority of survey respondents reported not having attended any career guidance activity, and few were aware of existing tools. Disadvantaged students demonstrate the highest information deficits, a fact that is particularly worth noting (World Bank, 2016c).

Students who were interviewed considered activities that provide exposure to the labour market, such as internships, to be very useful career guidance tools. Therefore, a more comprehensive and integrated career guidance system is needed to make the existing education and labour market information more accessible to all students, more user-friendly, timely and relevant. Existing career guidance tools need to be refined and better implemented, while more innovative tools need to be created, in partnership with employers in some cases (World Bank, 2016c). The key challenges in the provision of career guidance are the limited number of career guidance specialists and the lack of career guidance training for the teachers who provide this service. In addition, a lack of pedagogical support materials and the absence of relevant tools in combination with a lack of experience in providing this kind of guidance reduce the effectiveness of efforts that are made and result in an insignificant impact on young people (CEDA, 2015).

**REVOCC** is a project implemented by CEDA. Funding is provided by the Austrian Development Agency in cooperation with vocational schools and the NEA. The project's budget is EUR 670 000 for the period 2014–17. It aims to provide inclusive quality vocational guidance and career counselling services to pupils in educational institutions at secondary level to support their social and economic

<sup>39</sup> The regulation on the organisation of studies in post-secondary and post-secondary non-tertiary technical and professional education under the credit transfer system was approved by the Ministry of Education's Decision No 234 on 25 March 2016, see [www.edu.gov.md/sites/default/files/ome\\_nr\\_234\\_din\\_25\\_martie\\_2016.pdf](http://www.edu.gov.md/sites/default/files/ome_nr_234_din_25_martie_2016.pdf)

<sup>40</sup> The World Bank survey was called Moldova Job and Schooling Decisions Survey (MJDS) and included both quantitative and qualitative elements targeting grade 9 and grade 12 students facing major educational and occupational decisions during the 2014/15 school year. For more information, see World Bank, 2016c.

integration or transition to upper levels of education. The target groups are students in grades 5 to 12; students in vocational schools; graduates of educational institutions; jobseekers; people who intend to change their profession or job; people who want to develop professionally through specialisation, advanced vocational training or additional qualifications; and people in vulnerable groups (CEDA, 2016).

The project is implemented in cooperation with the NEA. The focus is on reviewing and upgrading current vocational guidance and career counselling for pupils in secondary general education and VET and on developing similar services for people who are not in school (CEDA, 2016). Three career guidance centres were created within the structure of local employment offices in Chisinau, Soroca and Cahul. These centres organise seminars on education and training opportunities; trends and developments in the labour market; training courses on career decisions; discussions on career development by successful people; visits to employers; self-discovery through psychological testing; and vocational marketing. In 2016, these three career guidance centres organised 24 events in which 539 beneficiaries (students, young people, jobseekers) participated.

**Resource centres for inclusive education** in pre-university educational institutions<sup>41</sup> aim to ensure an inclusive and qualitative educational process for all students by providing psychological and pedagogical support for educational institutions. This is classed as professional orientation as it includes different types of counselling and the provision of support to a special category of pupils. The centres provide support for children with special educational needs, specialised psychological support (including speech therapy) and other pedagogical support services for their inclusion. They provide methodological assistance to teachers in educational institutions on the particularities of interventions designed to solve the problems faced by children in the educational process. They also help to improve the conditions for children's development based on their individual choices and potential; and to coordinate activities that promote an inclusive educational process and collaborate with other relevant institutions.

According to a 2014 Ministry of Education order<sup>42</sup>, universities are required to establish **career guidance centres** to provide professional counselling to their students, graduates and teachers; monitor the professional insertion of graduates in the labour market; and collaborate with enterprises, NGOs and associations to identify voluntary formative activities, internships or traineeships and job opportunities. University students are offered guidance and training on effective communication and time management while searching for an internship or job; on the preparation of CVs, letters of motivation and professional portfolios when applying for an internship or job; on the use of existing information and databases when looking for an internship or job; on search techniques when looking for an internship abroad; and on job interview preparation.

Such university career centres function successfully in universities like the Academy of Economic Science (ASEM), Technical University (TU), State University of Moldova (USM), State Agrarian University of Moldova (UASM), Trade Cooperative University of Moldova (UCCM) and State Pedagogical University 'Ion Creanga' in Chisinau (UPSC). The ASEM Career Guidance and Counselling Centre can be taken as an example of good practice as its efforts focus on (i) supporting and monitoring students and graduates in their transition to work and their employability; and

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<sup>41</sup> The organisation and functions of resource centres are regulated by Ministry of Education Order, No 100 of 26 February 2015: The methodology of the organisation and functioning of resource centres for inclusive education in pre-university education institutions, see

[www.edu.gov.md/sites/default/files/ordin\\_me\\_nr\\_100\\_26\\_02\\_2015.pdf](http://www.edu.gov.md/sites/default/files/ordin_me_nr_100_26_02_2015.pdf)

<sup>42</sup> In 2014, the Ministry of Education approved the Methodological guide on the creation and operation of the university centre for career guidance and counselling, Order No 970 of 10 September 2014, see

[www.edu.gov.md/sites/default/files/ordinul\\_nr.\\_970\\_din\\_10.09.14.\\_ghid\\_metodologic\\_de\\_creeare\\_si\\_funcionare\\_a\\_centrului\\_universitar\\_de\\_ghidare\\_si\\_consiliere\\_in\\_cariera.pdf](http://www.edu.gov.md/sites/default/files/ordinul_nr._970_din_10.09.14._ghid_metodologic_de_creeare_si_funcionare_a_centrului_universitar_de_ghidare_si_consiliere_in_cariera.pdf)

(ii) promoting entrepreneurship and business development as an alternative option<sup>43</sup>. In 2016, the ASEM Graduates Association was registered, and the career guidance centre organised three training sessions for 70 students from *lyceums* on the theme of choosing an ASEM speciality that suited them.

The ASEM Career Guidance and Counselling Centre organises the following activities to support and monitor students and graduates in their transition to work and to support their employability.

- Monitoring the professional insertion of graduates in the labour market, which shows an 88% employment rate of graduates in 2012 and 75% in 2015. At the same time, only 49% of graduates were employed according to the qualification they acquired at the ASEM in 2012 (47% in cycle I (bachelor's degree) and 56% in cycle II (master's degree)). The employment rate of 2016 graduates was 39% for cycle I and 80% for master's degree (of which 62% were employed before enrolling for the master's).
- Organising job fairs as part of career days. The job fair organised in February 2016 attracted 17 companies with job offers for students and ASEM alumni members. It was attended by 500 students and alumni. Big companies such as Vitanta, Moldtelecom and Orange Dainyno participated in the fair.
- Organising training sessions on job search skills for 100 students. The main issues covered are: How do you select a suitable job? What rules do you need to follow when writing your CV? How do you succeed at the interview and your first week at work?
- Organising a workshop on the subject of graduates' competences versus employers' requirements. Ten companies, two NGOs and a large number of ASEM professors and students addressed the need for constructive dialogue between educational institutions and the business community.
- Developing an online platform for job opportunities ([www.tdo.ase.md/](http://www.tdo.ase.md/)), where companies can advertise their vacancies and students and graduates can upload their CVs and obtain information about available professional development programmes.
- Collecting and sharing information about vacancies with alumni and students. More than 60 vacancies announced by employers are sent daily to personal electronic addresses and academic groups.

The ASEM Career Guidance and Counselling Centre also conducts activities to promote entrepreneurship and business development. It organises contests for business ideas in which a large number of students participate. The contests are supported by the business community and social partners. In 2016, students presented 14 business ideas, six of which were selected, and the owners received financial and logistical support when they were placed in the ASEM's business incubator. The ASEM also provides training to enable students develop successful start-ups by helping them to develop business ideas; structure a business plan; manage the operations of a business; prepare a marketing plan, SWOT analysis, and financial plan; effectively present the product and business plan; and use Google AdWords to promote their business. It guides the students within the ASEM's business incubator (registering their business, developing contracts with customers, handling the business accounts and taxation).

The **NEA's information and counselling services** are an essential part of its services for jobseekers. A key activity is providing general information and counselling, especially through call centres, the Job Expo Centre and job fairs (traditional and virtual). The young women and men can

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<sup>43</sup> ASEM is the Romanian abbreviation for Laboratory for Assessment of Professional Traits. It provides career counselling services and career plan development; psychometric testing; vocational profiling; support with developing a personal portfolio and finding employment (e.g. writing a CV & letter of motivation, planning and taking part in job interviews); training in communication, presentation, negotiation and leadership skills.

get career guidance on identifying and evaluating their own strengths, abilities, interests and motivations; obtain information on developments in the labour market and occupations; increase their self-esteem and personal confidence; and improve their career decision-making. The NEA encourages its clients to become more active in the labour market; promotes autonomy and personal responsibility in looking for a job; and provides training on techniques and methods on how to search for a job, write a CV and letter of motivation and prepare for job interviews. Its tools and information channels include a job portal ([www.angajat.md](http://www.angajat.md)), an online job fair platform ([www.e-angajare.md](http://www.e-angajare.md)), jobs for self-employed and call centres.

These services can be provided through local employment offices and various NGOs working on the same issues at local level. In 2016, the NEA provided information and counselling services to almost 101 000 people, 15 000 more than in 2014 (Table 3.1). Overall, 70% of the beneficiaries were unemployed people, 43% were women, 32% were young people aged 16 to 29, and 1.5% were people with disabilities.

**TABLE 3.1: BENEFICIARIES OF THE NEA'S INFORMATION AND COUNSELLING SERVICES, 2012, 2014 AND 2016**

Types of beneficiaries	2012		2014		2016	
	Number	%	Number	%	Number	%
Total number of beneficiaries, of whom:	69 651	100	86 494	100	100 864	100
Women benefiting from professional information and counselling	36 523	52.4	42 154	48.7	43 815	43.4
Youth (16–29 years) benefiting from professional information and counselling	25 079	36.0	31 010	35.9	32 497	32.2
People with disabilities benefiting from professional information and counselling	663	0.6	1 744	2.0	1 475	1.5
Unemployed people benefiting from professional information and counselling	48 652	69.9	55 833	64.6	70 659	70.1
Unemployed women benefiting from professional information and counselling	25 857	53.1	29 037	52.0	33 328	47.2
Unemployed youth (16–29 years) benefiting from information and counselling	16 288	33.5	17 579	31.5	20 218	28.6
Beneficiaries of individual consultations	61 509	—	75 548	—	91 491	—
Beneficiaries of group consultations	5 606	—	6 885	—	6 364	—
Beneficiaries of training in the Labour Club	830	—	4 104	—	4 531	—
Beneficiaries of training seminars on job search techniques	8 147	—	6 847	—	9 872	—

Source: NEA, 2016; see: <http://anofm.md/page/rapoarte1> and NEA Jobless database

As already mentioned, the **professional orientation and career guidance** provided by the NEA involves more than just giving information and counselling: it is actually about guiding jobseekers, people who want to change their professional path, young people and students who have completed their schooling. The service is kept separate from previous measures because it requires more effort and systematic investment in jobseekers and it has a special place in the Law on Employment and Social Protection of Jobseekers (GOM, 2003a).

Professional orientation and career guidance gives people a chance to find a job that will enable them to fully develop their capacities. It provides personal satisfaction at work, and serves society by aligning individual aspirations with social interests. The service is organised in three main components: self-knowledge and self-evaluation activities; knowledge of the world of professions and vocational marketing; and professional orientation and guidance based on the results of other components. In 2016, more than 3 000 jobseekers benefited from professional orientation and career

guidance through 159 activities organised by the NEA (2 500 in 2012 and 4 000 in 2014). Women beneficiaries accounted for 47% of the jobseekers (38% in 2012 and 45% in 2014) (NEA, 2016).

Another interesting initiative is the **Skills Observatory and Experimentation Lab for Youth** project. This is initiated and implemented jointly by UNDP and the NIER for a period of three years (2017–19). Although this is not a career guidance and counselling service itself, the results of its activities provide significant information on the youth situation in the labour market, which can then be used as input in career guidance and counselling. This is a small research project funded by UNDP (USD 80 000) and implemented by the NIER researchers based on the agreed youth-oriented topics (<http://observator-tineri.md/>). Four studies have been conducted by UNDP-NIER within the project so far on the following topics:

- collection of micro-narratives from young people (aged 15–29) regarding their perceptions of employment and unemployment, published in *Youth unemployment and experiments for labour market inclusion* (Vasilescu et al., 2017);
- analysis of youth integration problems in the first three years after graduation through interviews, published in *Youth on the labour market in the Republic of Moldova: competences and aspirations* (Crismaru et al., 2017);
- sociological analysis of NEETs in Moldova in terms of reasons, sub-groups and typologies, published in *Inclusion of youth not in employment, education or training (NEETs)* (Buciuceanu et al., 2017);
- small survey on skills mismatch among young people in the ICT, textile and banking sectors focusing on graduates' soft skills, the results of which will be published soon.

In addition, the NIER also conducted small experiments on the inclusion of young people in the labour market. The first one was carried out at a job fair organised by the NEA, where a database of jobseekers was shared with employers to create a mediation tool between jobseekers and employers. The second experiment focused on supporting young people who move to another city or region to find a job. The last experiment was conducted with university students to connect them with employers through joint seminars to discuss the importance of soft skills and vocational skills and to work on their motivations. These experiments are not included as separate measures as they include only a few young people as beneficiaries.

### 3.3 Measures for entering and remaining in the labour market

The measures for entering and remaining in the labour market are reviewed and assessed on the basis of 13 initiatives identified to support this objective (see the annex). The measures are presented here under three sub-headings: (i) Providing labour intermediation for jobseekers and employers; (ii) Supporting the first job experience; and (iii) Supporting entrepreneurship and self-employment.

#### 3.3.1. Providing labour intermediation for jobseekers

NEA is a primary actor in providing **labour intermediation** and matching labour supply and demand between jobseekers and employers. In 2016, labour intermediation services were provided to 32 400 jobseekers. Of these, 28 100 were unemployed and 63% of these people found a job through the intermediation service (NEA, 2016). Almost 30% of these jobseekers were young people aged 16 to 29; half the agency's clients are aged between 30 and 49 (NEA, 2018). The NEA profiles its clients based on qualifications and work experience, and provides services, actions and interventions on the basis of the profiling results. The result is the development of individual employment plans. A total of 14 000 individual employment plans were developed in 2016. Of this figure, 42% found a job through intermediation and 11% enrolled in professional training courses. The NEA also registered 44 600 job vacancies offered by almost 6 000 employers in 2016, 32% of which were jobs for specialists and 68% of which were jobs for workers.

As part of labour intermediation, 73 job fairs were organised in 2016 and 15% of participants were employed. These included a specialised job fair for young people (within the framework of the trades and professions forum), and three online job fairs (on the theme of 'jobs in manufacturing', 'jobs' and 'jobs for young people'). More than 300 employers announced almost 7 000 vacancies via the online platform [www.e-angajare.md](http://www.e-angajare.md) and more than 3 000 people accessed the platform from Moldova and abroad (including Romania, UK, Russia, Belgium and Ireland). In recent years, labour intermediation has been continuously improved and modernised, increasing the efficiency of services for both jobseekers and employers. However, employers may not always be cooperative in advertising vacancies and recruiting from the NEA due to the typical profile of NEA clients, i.e. low-skilled jobseekers. Limited visits to companies, the prevalence of low-paid jobs among the vacancies captured by the NEA (almost 80%), and the mismatch between the skills of registered unemployed people and vacancies are other challenges in job matching (ILO, 2017). Moreover, employers have no incentive to employ special categories such as less-experienced young people or disadvantaged people.

The imbalance between labour supply and demand is also linked to residency in rural and urban areas: most vacancies registered with the NEA (84%) are from urban areas, while most registered unemployed people (64%) live in rural areas. According to the regulations, one condition for registering as unemployed is not having any source of income. Most rural residents, however, own a small parcel of land, which is considered an automatic source of income. In reality, this is only a source of existence, and it prevents the owners of property from participating in training programmes or other services provided by the NEA. This creates impediments to labour force mobility across regions. The NEA had provided some benefits to stimulate labour mobility until 2009, but this was stopped due to financial constraints and restarted only in 2017. The NEA also needs a well-established referral system vis-a-vis other public and private service providers to increase its options for services.

The **NEA's support for the employment of women** requires special efforts to facilitate their social inclusion and activation in the labour market, especially those residing in rural areas. Out of 50 000 people registered as unemployed with the NEA in 2016, 46% of them were women and 32% were young women aged 16 to 29 (Table 3.2). Women accounted for 47% of beneficiaries of information and counselling services, almost 49% of beneficiaries of labour intermediation services, 28% of participants in public works, and almost 66% of graduates from vocational training courses provided by the NEA. The latter indicates a high level of interest by women in vocational training courses, and a high success rate of these courses as 95% of these graduates found employment after the course.

Women face many obstacles to their integration in the labour market, which makes them more vulnerable. In particular, young women who are at the beginning of their career and have no work experience face many stereotypes. Another issue is gender segregation in educational fields and occupations. As a result, women concentrate on the feminised professions where wages are lower (e.g. education, social work), and they are less represented in professions that are considered suitable for men (e.g. plasterer, builder, construction officer, police officer). Young mothers with babies or small children have more difficulties in finding suitable jobs that fit in with their family responsibilities. The reduced number of kindergartens, especially in rural areas, is also a problem. Women have to devote more time to family care (e.g. domestic work, educating children), so there is less time for self-realisation and professional development.

TABLE 3.2 NEA SERVICES PROVIDED TO UNEMPLOYED WOMEN, 2014 AND 2016

Types of services	2014		2016	
	Number	%	Number	%
Total registered unemployed with NEA, of which:	42 166	100	50 061	100
Registered unemployed women	21 245	50.4	23 134	46.2
Registered unemployed women who found a job	8 769	41.3	8 882	38.4
Registered unemployed young women aged 16–24	4 555	21.7	4 005	17.3
Registered young women aged 16–24 who found a job	2 285	50.2	1 944	48.5
Registered unemployed young women aged 25–29	3 127	14.7	3 368	14.6
Registered young women aged 25–29 who found a job	1 326	42.4	1 324	39.3
Registered unemployed young women aged 16–29	7 682	36.2	7 373	31.9
Registered young women aged 16–29 who found a job	3 611	47.0	3 268	44.3
Women beneficiaries of information and counselling services (% of total number of beneficiaries of this programme)	29 037	52.0	33 327	47.2
Women beneficiaries of labour intermediation services	13 129	52.4	13 642	48.6
Women graduates of vocational training courses (% of total number of graduates)	2 092	72.6	1 905	65.6
Women placed in employment after graduating from vocational training courses (% of total number of women graduates)	1 759	84.1	1 763	92.5
Women involved in public works	557	34.4	512	27.9

Source: NEA, 2016; see <http://anofm.md/page/rapoarte1> and NEA Jobless database

The support provided by the NEA to help **persons with disabilities** find employment is another service that targets a specific group. As seen in Table 3.3, 773 unemployed persons with disabilities registered with the NEA in 2016, accounting for 1.5% of the total number of registered unemployed people. Of this number, 337 were women (43.6%). Of the total registered number of unemployed persons with disabilities, 342 (44.2%) found a job through the NEA; 154 of these were women (45%). The number of persons with disabilities contacting the NEA is growing year by year, as is the efficiency of the services provided. For example, the employment share of unemployed persons with disabilities increased from 27% in 2012 to 44% in 2016, while the beneficiaries of labour intermediation services among disabled people increased from 32% to 47% and the share of vocational training participants increased from 6% to 11% in the same period.

Out of 773 unemployed persons with disabilities registered in 2016, 190 disabled people were aged between 16 and 29 (24.5% of total registered unemployed persons with disabilities). The main obstacles facing persons with disabilities when integrating into the labour market are a low level of qualifications and a lack of practical work experience; reduced accessibility to services, institutions and employers by physically disabled people; a lack of motivation and incentives for employers to hire persons with disabilities, despite the obligation in the Law on the Social Inclusion of Persons with Disabilities (GoM, 2012a); and a lack of social non-profit enterprises that would hire persons with disabilities for social purposes.

**TABLE 3.3 NEA SERVICES PROVIDED TO UNEMPLOYED PERSONS WITH DISABILITIES, 2012, 2014 AND 2016**

Types of services	2012		2014		2016	
	Number	%	Number	%	Number	%
Total registered number of unemployed persons with disabilities	496	100	458	100	773	100
Number of disabled people who found employment through the NEA	102	26.6	220	36.8	342	44.2
Beneficiaries of labour intermediation services among disabled people	156	31.5	300	50.2	364	47.1
Participation of disabled people in training courses	29	5.8	65	10.9	83	10.8
Beneficiaries of public works among disabled people	25	5.0	18	3.0	40	5.2
Recipients of information and professional guidance services among disabled people	637	100	585	97.8	692	89.5
Beneficiaries of professional integration or reintegration allowance among disabled people	39	7.9	32	5.4	25	3.2
Beneficiaries of unemployment benefits among disabled people	17	3.4	119	20.0	146	18.9
Persons with disabilities who contacted the NEA without unemployment status	308	—	896	—	342	—

Source: NEA, 2016; see <http://anofm.md/page/rapoarte1> and NEA Jobless database

The NEA helps **people who have been released from prison** to find employment. It does so via its local offices. Staff in these offices visit prisoners who are about to be released from prison to advise them about available services. They provide them with the contact details of offices where they are to be registered for employment support. The most typical problems faced by ex-prisoners in their integration into the labour market are a low level of education; having no trade or profession; a lack of work experience; a lack of identity documents; knowing how to behave in interviews; a lack of motivation in looking for a job; poor health; a lack of employers who will accept a person released from detention as an employee; and restrictions on ex-prisoners obtaining high-level positions.

In 2016, local offices registered 245 ex-prisoners as unemployed (compared to 144 in 2014), accounting for 0.5% of the total number of registered unemployed people. Eighteen of them (7%) were women. A total of 61 people (25%) found employment with the help of the NEA; 8 of them were women. In addition, 15 people (6%) followed vocational training courses free of charge, and 329 people benefited from a professional integration or reintegration allowance, 20 of whom (6%) were women and 206 of whom (63%) were from rural areas.

The NEA supports people in the minority **Roma and Gypsy communities** to find employment. The NEA registered 1 453 Roma people in 2016 (3% of the total number of registered unemployed people), of which 60% were women and 27% were young people aged 16 to 29. The number of registered unemployed people among the Roma minority has doubled since 2014 (723 Roma, representing 1.7% of the total number of unemployed people in 2014). Of the 1 453 Roma registered, 125 found jobs, 48 participated in public works, and another 48 attended and graduated from vocational training courses. The main challenges faced by Roma in finding employment are a lack of qualifications and work experience; a lack of motivation to look for a job (they prefer to work on their own freelance professional activities); a lack of identity documents; the continuous movement of Roma people; and the unwillingness of employers to accept a Roma person as an employee. The NEA supports them by promoting their rights and access to available services.

The support provided by the NEA to **migrants and returnees** in finding employment is important in the context of the massive migration of labour from Moldova, particularly due to the negative experiences of some migrants abroad or other reasons that prompted them to return home. Although migrants are treated as ordinary citizens by the public employment services and no special incentives

or funds are available for returning migrants, the NEA provides specific data on its services provided to migrants and returnees. Returning migrants are particularly in need of reintegration measures into social and economic life and the NEA's services are provided within the framework of active labour market measures.

The number of returnees is increasing year by year. It reached 2 877 persons in 2016, almost 10 times the 2012 number (Table 3.4). In 2016, the share of young people aged 16 to 29 among the registered returnees was 27% and the share of women was 20%. The share of returnees who found a job through the NEA increased from 18% in 2012 to 33% in 2016. More returning migrants are also participating in the NEA's vocational training courses. Most of these migrants returned from Russia, followed by Italy, the Czech Republic, Germany and Poland. The NEA, with the support of UNDP, is currently piloting the contact points for integrating returned migrants in 10 offices (Chisinau, Balti, Cahul, Causeni, Edinet, Hincesti, Orhei, Soroca, Ungheni rayons, ATU Gagauzia). The offices were equipped, their staff were trained and the concept of inter-institutional cooperation and coordination of activities for supporting the integration of migrants returning from abroad was developed.

**TABLE 3.4 NEA SERVICES PROVIDED TO RETURNING MIGRANTS, 2012, 2014 AND 2016**

Services	2012		2014		2016	
	Number	%	Number	%	Number	%
Returning migrants registered	300	100	1 126	100	2 877	100
Migrants placed in employment	55	18	287	25	951	33
Vocational training participants	15	5	45	4	79	3

Source: NEA, 2016; see <http://anofm.md/page/rapoarte1> and NEA Jobless database

### 3.3.2. Supporting the first job experience

The NEA's **public works programme** aims to improve the situation of temporarily unemployed people in vulnerable groups, particularly people in rural areas. Its objective is to give them a temporary job and an additional source of income for the family budget, maintain their motivation to work and provide them with skills for the job. The involvement of young unemployed people in public works is intended to address several issues, including providing them with their first job and enabling them to gain experience in a speciality, profession or trade. Public works are works and activities that benefit the public and are of interest to local communities. They are carried out by local public administration authorities and are funded by the budgets of administrative territorial units and other assets earmarked in accordance with legislation (grants, investments, financing for community development). In 2016, the NEA spent MDL 5.96 million on public works.

The average number of participants in the programme is more or less constant at 1 700 to 1 800 each year. In 2016, local employment offices contracted public works with 404 local public administrations. A total of 1 834 people participated, 28% of them were women and 2% were people with special needs or disabilities. The salary paid on the public works programme is 30% of the previous year's average salary in the economy and is granted for a period of up to 12 calendar months. In 2016, the monthly allowance was MDL 1 383.30 (the minimum is MDL 1 000 per month). The majority of unemployed people involved in the public works programme are from rural areas. They work on the renovation of social and cultural establishments, sanitation, gardening and the arrangement of public spaces and/or areas. Unfortunately, the public works are not very efficient from the perspective of getting stable and lasting employment.

Despite their presence in the Law on Employment and Social Protection of Jobseekers (GoM, 2003a), very few programmes support young people in their first work experience. The NEA currently offers no employment subsidies or traineeships due to a lack of financial resources. However, a government website created by the State Chancellery advertises **public internship programmes** in public institutions and state-owned enterprises ([www.stagii.gov.md/](http://www.stagii.gov.md/)). The target group consists of students

and graduates of higher education in Moldova, as well as Moldovan migrants, students and graduates abroad. All students and graduates can find internship opportunities on the website and apply for acceptance. After completing the programme, they receive a certificate to prove that they have work experience, but this is only valid in public institutions and state-owned enterprises. Unfortunately, no information is available regarding beneficiaries.

There is also some **special governmental support for newly recruited young specialists** in unfavourable regions. For example, special transfers could be made as compensation payments to support young teachers in their first three years of work if they are employed in rural or remote schools: MDL 45 000 for young specialists in institutions of higher education, and MDL 36 000 for young specialists in post-secondary educational institutions. In addition, further support is provided to young teachers to offset the monthly cost of renting accommodation, the cost of 30 kW electricity and heating<sup>44</sup>. Another Government Decision supports the employment of young specialists (teachers, physicians, pharmacists, social workers, specialists in the area of culture) by offering free housing. This is to motivate graduates to accept jobs in rural areas for at least five years, after which the home becomes their private property<sup>45</sup>.

### 3.3.3. Support for entrepreneurship and self-employment

The **National Programme of Economic Empowerment of Youth (PNAET)** is implemented by ODIMM to provide entrepreneurial training and business start-up loans for young people aged 18 to 30, particularly for those living in rural areas. The implementation period is from 2008 to 2017. An annual budget of MDL 500 000 is financed by the state budget and EU funds. The programme includes three components: (i) entrepreneurial training and consultancy; (ii) access to preferential credit; and (iii) post-financing monitoring.

Entrepreneurial training and consultancy focus on business registration and relevant legislation, business planning, financial management, accounting, human resources management, marketing and sales. Once business plans have been submitted and analysed and the application for credit has been approved by the special credit line directorate, it is possible to access preferential credit of up to MDL 300 000 (this can be repaid over a period of up to five years) with an unredeemable portion of 40%<sup>46</sup>. If additional financial resources are needed, beneficiaries can also apply for a bank loan with the credit guarantee provided by PNAET, through Loan Guarantee Fund managed by ODIMM. The guarantee (up to MDL 150 000) represents up to 50% of the amount of credit for a period of up to five years (with interest of 1.5% on the amount of the guarantee). Post-financing monitoring includes providing ongoing consultations, expert support and training if needed.

Despite the restricted funding, PNAET organised eight training courses for 211 young people (40% of whom were women) in different regions in Moldova in 2016 (ODIMM, 2016a). In 2015, 16 training courses were organised with 458 participants. These included 186 young women (40.6%) and 114 young entrepreneurs (24.9%). Eight young entrepreneurs benefited from the preferential loans (MDL 2.4 million). Thus, the financial component was an important motivation for young people (ODIMM, 2015). During the entire implementation period of the programme (2008–16), 157 training sessions were organised with 4 314 young people; another 14 576 received individual consultations.

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<sup>44</sup> Government Decision No 802 of 29 October 2015 approves the regulation on the calculation, distribution, use and recording of special transfers to support young teachers, published on 6 November 2015 in Official Monitor No 302–305 Art. No 894, see <http://lex.justice.md/md/361750/>

<sup>45</sup> The conditions and regulation regarding the provision of free housing to young specialists with higher education and postgraduate studies, who are employed in public institutions, are described in Government Decision No 1259 of 12 November 2008, published on 18 November 2008 in Official Monitor No 206–207, Art. No 1271, see <http://lex.justice.md/md/329700/>

<sup>46</sup> The financial component was stopped in 2016 due to financial and budget constraints.

**PARE 1+1**, a national programme designed to attract remittances into the economy, targets migrant workers or their immediate relatives who wish to invest in the start-up or expansion of a business. With an annual budget of MDL 40 million financed by the state budget and EU funds, it provides entrepreneurial training and 50% of business start-up costs as grants to returning migrants. The programme initially ran from 2010 to 2015 but was then extended until 2018. PARE 1+1 is designed to mobilise the human and financial resources of migrant workers for the sustainable economic development of Moldova and facilitate migrants' access to financing and reintegration into society (ODIMM, 2016a). Its objectives are to make migrants and the beneficiaries of remittances aware of the opportunities of business development in Moldova; to enhance their entrepreneurial skills; to stimulate and develop SMEs; and to facilitate access to the financial resources needed to start a business.

The programme includes four components:

- organising entrepreneurial training courses for migrants and their relatives, including the free distribution of information materials and support;
- providing free assistance to entrepreneurs starting a business, including help with the elaboration of a business plan;
- providing grants equivalent to 50% of the value of the proposed investment up to a maximum of MDL 200 000 (on the basis of the '1+1' rule, which states that the amount invested from remittances will be matched by the same amount from the programme);
- conducting post-financing monitoring.

The following training courses are organised for beneficiaries of the programme: business registration (and legal framework); business management; human resources management; business planning; marketing and sales; accounting and financial management; opportunities offered by the Deep and Comprehensive Free Trade Areas (DCFTA); and supporting projects' implementation and practical consultations.

Between 2010 and 2016, 1 564 people were trained in entrepreneurship and business management, and gained increased access to information on various opportunities for developing a business. The training participants developed 1 116 business plans, benefiting from advice regarding the profitability and desirability of their projects. More than 50% of the programme's beneficiaries were young women and men up to the age of 35. A gender analysis showed that 32% of the beneficiaries were women, i.e. 297 enterprises were created and/or managed by women (ODIMM, 2016b). Overall, 927 enterprises (including 404 start-ups) were supported financially, benefiting from grants of up to MDL 200 000. A total of MDL 164 million was granted to migrants and their relatives, generating MDL 540 million of investment in the national economy, i.e. each MDL 1 awarded in the form of a grant generated about MDL 3.3 of investment in the economy. The programme created 2 780 jobs, more than half of them in the agriculture sector (ODIMM, 2016b).

The continuing education programme, **Effective Business Management (GEA)**, is provided free of charge by ODIMM. It targets entrepreneurs of any age who are economically active in any form of legally established organisation and are seeking to increase their entrepreneurial skills to efficiently manage their business. The programme provides training modules (two training days for each module) on business planning; financial management; online marketing; human resource management and labour legislation; effective selling techniques and merchandising; VAT registration; accounting in the field of business; online and international marketing; external economic activity and customs relations; procurement and legislation in the field; procedures for participating in European projects.

In 2016, 89 GEA training courses were organised in 24 regional districts (rayons) for 2 396 participants: 70% of participants were entrepreneurs and the remaining 30% were the employees of the companies involved in training. Many of the participants in the training courses came from the

agriculture (35%) and trade (17%) sectors. Of the total number of people trained, the largest share were women (83%). The average age of participants was 41 (up from 36.6 years in 2015); 62% of training participants were highly educated and 27% had a medium level of education (ODIMM, 2016a).

The **Special Fund for Credit Guarantee** programme aims to facilitate access to finance for SMEs by providing credit guarantees to economic agents who do not have sufficient collateral. The guarantee for active companies covers up to 50% of the loan amount, up to a maximum of MDL 700 000, for a period of up to five years. For start-ups, the guarantee covers up to 70% of the loan, up to a maximum of MDL 300 000, for a period of up to three years. In 2016, 239 companies received guarantees that attracted MDL 140 million in loans, and investment projects amounting to MDL 233 million were implemented. The programme supports business development and job creation, and is an opportunity for young people to start and develop their own business.

### 3.4 Key challenges faced in the implementation and good practice

It is clear that Moldova has a quite comprehensive legal framework for youth policy and state structures that can deliver services to young people. The above review of 28 measures provides information on existing services for young people. The most visible services are the WBL programmes in the VET system; career guidance and counselling in the school system; employment mediation services delivered by the NEA; and programmes to support entrepreneurship and business start-ups. Nonetheless, the institutions often face difficulties in implementing effective measures and programmes to support young people for two reasons. The first reason is the lack of human resources and professional staff needed to implement special youth transition programmes. The existing personnel need extensive capacity building and development. The second reason is the lack of financial resources needed to implement these programmes.

A considerable part of the first cluster measures on skills development focuses on improving initial VET through WBL. Examples of policy improvements at system level are introducing WBL in secondary and post-secondary VET curricula and piloting a dual VET system. There are also pilot initiatives to introduce entrepreneurship education in the VET system, which will help to give more options to graduates. WBL is a relatively new concept in Moldova, and existing MoECR initiatives have focused solely on the VET system so far. A review of WBL practices indicates some weaknesses, mainly due to the limited number of employers and their weak capacity and motivation to offer good quality training to students (Lungu, 2016b). WBL is not on the agenda in the general secondary and higher education system as only a few programmes support WBL in secondary general and higher education (e.g. pedagogy and medicine).

Young people generally do not receive non-formal education in the Moldovan system, which means that soft and transversal skills are not taught. Among the few measures identified are two donor-initiated programmes. For example, the Inclusive Participation of Youth in Society project was an interesting experience in encouraging the civic participation of young people, while offering digital skills training to interested individuals in the newly created ICT Excellence Centre (Tekwill) is an excellent way of supporting young people's digital skills. The delivery of continuing training and retraining is provided to jobseekers mainly by the NEA in the form of short-term vocational training courses. Although these courses are open to all jobseekers, the majority of trainees are young people and women (68% and 66% respectively in 2016). Apart from WBL programmes designed to integrate low-skilled jobseekers, training programmes are not always quality assured (they do not have the best trainers) due to the priority given minimising costs in the public procurement system.

The second cluster includes all career guidance and counselling services publicly provided in the secondary general education and VET systems. It also includes resource centres for inclusive education, universities, NGOs and donors (CEDA, Liechtenstein Development Service, Austrian Development Agency), which implement projects to improve services. The career guidance and

counselling system in secondary general education and VET faces some implementation challenges (CEDA, 2015). Existing studies highlight that the services do not effectively reach all students, and disadvantaged youth in particular have problems accessing the right information (World Bank, 2016c). Most career guidance sessions are limited to minimum information on the basics, and do not include visits to firms, job fairs, individuals coming to talk about their profession, open days in other schools, or internships. Students need to be exposed to the facts of working life and labour market trends as early as possible. Career orientation in schools could also start in lower grades so that when the moment of decision comes, students are ready to select the right option. The NEA also provides career information and counselling for all jobseekers (32% of whom are young people), as part of individualised employment plans for unemployed people. There are some good examples of career guidance services in the universities (i.e. ASEM), but not all universities have similar success.

The third cluster covers measures for entering and remaining in the labour market. Labour intermediation between jobseekers and vacancies is one of these measures and is provided primarily by the public employment services (NEA). Labour intermediation is a service provided to all jobseekers and employers, and uses job fairs extensively. It organises a special job fair for young people and online job fairs that target young people. In addition to young people, the NEA also provides these services to other categories: women, disabled people, ex-prisoners, the Roma population and returning migrants. Despite its place in legislation, the NEA currently does not provide employment subsidies or internships due to a lack of funds. However, it does operate a public works programme. A public internship programme was launched by the State Chancellery for young people in public institutions, but the results have not been made available. Some special government support is also available for newly recruited young specialists in unfavourable regions, mostly in the form of compensation payments and rent and electricity support.

The NEA's services are open to all jobseekers, and young people represent around 30% of its clients. This means that the programmes do not deal with specific youth-related needs. Given the limited resources, this is understandable. However, its services could be made more 'youth-friendly' and integrated with the relevant services of other institutions in order to cooperate throughout all the transition phases from school or joblessness to work (incorporating education, business, employment services, youth centres and municipalities). The number of young beneficiaries with special needs is particularly low. Although some services are quite successful, most measures are not regularly monitored and their content is not evaluated. The evaluation focuses on numbers and targets, but less emphasis is placed on checking the quality and impact of services. Even good practices are not analysed, systematised and disseminated.

Programmes that support entrepreneurship and business start-ups do exist and are provided mainly by ODIMM. On the positive side, they generally include different types of entrepreneurship services in one integrated package (training, consultancy, access to funding, post-finance monitoring and mentorship), which is important for success. However, they do not have a clear mechanism for evaluating the impact of entrepreneurship support in the medium to longer term. There are no linkages between different entrepreneurship programmes. The number of beneficiaries in these programmes is still very low for a country with limited job creation. Finally, in terms of service delivery, it is not clear whether there is any coordination or cooperation system (e.g. a referral system) between ODIMM and other institutions such as the NEA, MoHLSP, MoEGR, CEDA, National Youth Resource Centre, ARTICO or other organisations with youth programmes that were covered by the former Ministry of Youth and Sport.

The programmes and measures are implemented sporadically and separately, without an overall coordination mechanism that covers all stages and types of educational institutions, labour market institutions and social partners. The focus on youth is missing in most cases. Weak cooperation and coordination between relevant actors is a serious impediment when preparing young people for the

labour market and their transition from school to work. One authority needs to connect all the fragmented activities and individual initiatives and direct them towards a common objective to facilitate a smooth youth transition. The same authority also needs to analyse the impact of all the programmes and measures that have been implemented. A lack of financial and human resources in the service delivery institutions is another serious obstacle when it comes to properly implementing measures and reaching out to wider audiences to make an impact on society.

A review of existing measures also shows that few measures have been implemented in relation to non-formal learning, core competences, soft skills, transversal skills, digital skills or social entrepreneurship. Indeed, Moldova does not have concrete mechanisms for either non-formal learning or for validating the skills acquired through non-formal and informal learning. Nevertheless, some existing measures can serve as good practice in supporting the youth transition to work, e.g. PNAET, PARE 1+1, GEA, MEEETA, REVOCC and ASEM. Table 3.5 identifies key success factors in six selected examples of good practice.

**TABLE 3.5 EXAMPLES OF GOOD PRACTICE AND KEY SUCCESS FACTORS**

Name	Target group	Key success factors
National Programme of Economic Empowerment of Youth (PNAET)	Young people aged 18–30 wishing to develop entrepreneurial skills, launch a business and/or expand their business in rural areas	<ul style="list-style-type: none"> <li>■ Well-established entrepreneurial training and consultancy</li> <li>■ Combination of training and consultancy with access to financial support and mentoring</li> <li>■ Post-financing monitoring with continuous consultation, coaching and expert support if needed</li> <li>■ Additional financing guaranteed through special loan guarantee fund for credit</li> <li>■ Sustainability and ownership thanks to the availability of financial support from the state budget and EU funds</li> </ul>
National programme to attract remittances into the economy (PARE 1+1)	Moldovan migrant workers and their immediate relatives who receive remittances	<ul style="list-style-type: none"> <li>■ Excellent (and practical) entrepreneurial training courses for migrants and their relatives</li> <li>■ Free assistance to potential entrepreneurs who start a business, including help to develop business plans</li> <li>■ Availability of grants equivalent to 50% of the value of the investment to attract remittances into the economy</li> <li>■ Post-financing monitoring with the necessary ongoing business support and expertise; hundreds of success stories</li> <li>■ Sustainability and ownership thanks to the availability of financial support from the state budget and EU funds</li> </ul>
Continuing programme: Effective Business Management (GEA)	Entrepreneurs engaged in economic activities in any form of legally established organisation	<ul style="list-style-type: none"> <li>■ Free-of-charge training to improve management skills</li> <li>■ Competent and experienced team of trainers with a practical learning approach</li> <li>■ Excellent opportunity to update knowledge and practical business management skills in the context of a changing business environment and regulatory framework</li> </ul>
Moldova Employment and Entrepreneurship Education and Training Activity (MEEETA)	Students and graduates of VET institutions	<ul style="list-style-type: none"> <li>■ A sustainable system of training to incorporate entrepreneurial competence, skills and abilities in VET, involving teachers, pedagogical staff and students</li> <li>■ Special programmes and training materials developed on the basics of entrepreneurship for teachers, training of trainers</li> <li>■ Piloting of the programme with VET graduates who are interested in becoming entrepreneurs and access to funding for selected business plans</li> </ul>
Re-Engineering Vocational Orientation and Career Counselling (REVOCC)	Students in secondary general and VET institutions, NEA staff	<ul style="list-style-type: none"> <li>■ Bringing together secondary general and VET institutions and the NEA for direct contact with the labour market</li> <li>■ Developing close cooperation and partnerships between the NEA, education institutions and business at local level</li> <li>■ Strengthening the capacities of all partners involved in the process and encouraging active cooperation among them: secondary general and vocational schools, NEA</li> </ul>
University career guidance centres: the example of ASEM	Students in secondary schools, colleges and higher education; alumni of universities, teaching staff and companies	<ul style="list-style-type: none"> <li>■ Excellent reputation of services among students, graduates, teaching staff and employers</li> <li>■ Professional and well-trained staff in the centres and good cooperation with employers</li> <li>■ Combining the functions of tracking graduates with support for job search activities and advertising vacancies</li> <li>■ Encouragement of entrepreneurship and business development as a possible career option and support for business creation through the business Incubator</li> </ul>

## 4. MAIN CONCLUSIONS AND FUTURE PERSPECTIVES

This chapter presents an overview of the conclusions and future perspectives related to the issues and policy measures identified in the complex process of youth transition in Moldova. The existence and availability of many measures indicate the high importance attached by the public authorities to the country's youth and their potential for the future well-being of the country. By their nature, measures may aim at prevention, reintegration or compensation. Many measures in Moldova focus on the supply side of the labour market (e.g. education, VET, employability actions) and job intermediation and skills-matching mechanisms (e.g. employment services, active labour market programmes, job insertion actions), while less emphasis is placed on the demand side of the labour market (e.g. job creation, sectoral policies, labour market regulations).

Taking into account their primary objective, the existing measures are grouped into three clusters: skills development measures; professional orientation and career guidance services; and measures for entering and remaining in the labour market. The most visible measures in Moldova concentrate on WBL programmes in the VET system, career guidance and counselling in the school system, employment mediation services delivered by public employment services, and ODIMM's programmes to support entrepreneurship and business start-ups. However, few measures focus on the non-formal education of young people, especially core competences, soft and transversal skills, digital skills or social entrepreneurship.

Despite the diversity of the measures in terms of size, scope and activities, most of them do not focus specifically on young people. Instead, they target a broader public that also includes young people. Given the limited human and financial resources in public institutions, this is understandable. For example, the NEA's services are open to all jobseekers, and young people represent around 30% of its clients – although young people benefit more from some services such as training and retraining (68% of trainees are young people). Nevertheless, key institutions could design their services to be more 'youth-friendly' and integrate them with the relevant services of other institutions. Since connections between programmes at different levels and types of education or employment support are currently weak, these institutions need to cooperate throughout all the transition phases from school or joblessness to work (incorporating education, business, employment services, youth centres and municipalities).

Some youth services have been quite successful and can serve as examples of good practice in supporting the youth transition to work, e.g. PNAET, PARE 1+1, GEA, MEEETA, REVOCC, ASEM. Many NEA services have also been successful. However, most of these measures are not regularly monitored and their content is not evaluated. The existing evaluation systems focus on numbers and targets, but less emphasis is placed on checking the quality and impact of services. Even good practices are not analysed, systematised and disseminated. The priority is to enable young people to find their first job, but most institutions do not have the resources to do this. Despite their existence in employment law, employment subsidies for graduates or vulnerable groups and internships are no longer provided due to the NEA's lack of financial resources.

Reaching out to young people, particularly those who are vulnerable, remains an area that needs improvement. The coverage of different services and the number of beneficiaries are low. Young people with disabilities or special needs are particularly vulnerable and very few services are available for them. To increase the variety of youth services, a well-functioning referral system could be established between all the public and private service providers. For example, a clear connection and cooperation (referral) mechanism is needed between ODIMM, NEA, MoHLSP, MoECR, CEDA, National Youth Resource Centre, ARTICO and other organisations that offer youth programmes.

Given the limited job creation in the country, the number of youth activation programmes and beneficiaries needs to be increased substantially. These findings point to the need for a forward-looking perspective around four issues that are discussed below.

## 4.1 Cooperate at inter-institutional level, collect and analyse data, monitor and evaluate

The issue of youth transition is a cross-cutting issue for many institutions and it requires inter-institutional coordination and policy coherence. The inter-institutional coordination can be achieved through coordinated planning, action, monitoring and evaluation between different institutions and actors responsible for youth, education, VET, employment and entrepreneurship. The cooperation also requires the help of social partners, youth organisations, youth workers and young people themselves. Nonetheless, one institution may need to take the lead to ensure a smooth process.

Availability and accessibility of labour market information for all, especially for young people, is crucial for individual citizens, employers and institutions to make informed choices. The information must be presented in simple language that can be easily understood by the public and must provide practical suggestions for actions. The creation of a labour market observatory for regular labour market analyses and the collection, analysis and dissemination of job vacancies (including private job portals) could be helpful. The UNDP-NIER-supported Youth Skills Observatory has demonstrated an ability to produce knowledge about young people and their transition to work.

As widely discussed in this report, the definition of 'inactive' in the NBS labour force survey statistics leads to a distortion of employment statistics. It might be necessary to revise the definition of inactive, so that actual emigrants working abroad are excluded from the inactive group when calculating activity, employment and NEET rates. This can help to get a picture of the domestic labour market that is closer to reality.

Developing tools to monitor and evaluate the effects of existing services and programmes on the beneficiaries, in particular young people, could help to provide an understanding of what works and what doesn't work, which in turn can help to improve services. The tasks of monitoring the youth situation and evaluating youth transition programmes in the labour market could be performed by a future labour market observatory.

The task of cross-sectoral coordination and cooperation in relation to young people could be assumed explicitly by one institution. However, such an institution would need to be powerful enough to gather all the relevant stakeholders around the same table for effective coordination and cooperation. It would also need to have the necessary human and financial resources and have a strong institutional capacity.

## 4.2 Improve existing services and systems and connect them more effectively

Good quality, relevant general secondary education, VET and higher education are key for a good start for all, but a greater focus is needed on disadvantaged regions and rural areas. Given the complaints of Moldovan employers about the types of skills that are lacking, for example, the education and VET system could place a higher emphasis on foundational skills, soft and transversal skills, digital skills, foreign languages and entrepreneurial skills. It is also necessary to raise awareness among students and young people about the type of technical and transversal skills required in the labour market through more extracurricular activities.

Another area that could be improved is the provision of vocational guidance and career counselling on the ground. Preparing handbooks for practitioners; revising civic education curricula; developing

methodological tools (e.g. training methods, assessment) and information materials (e.g. professional handbooks, personality and skills assessments, how to discover one's professional interests); and training teachers could significantly improve the quality of service delivery. More active sessions could be organised, with visits to firms, individuals coming to talk about their profession, open days in schools, encouraging young people to explore part-time offerings, internships, voluntary work, lower-paid opportunities with high future potential and the exploration of market niches (e.g. creative industries).

Although some examples exist, the current system does not offer many opportunities for young people to gain initial work experience. In addition to WBL and apprenticeships, more young people need to be exposed to various alternatives for their first work experience, such as internships, traineeships, volunteering, job shadowing, summer jobs for students, self-employment pilots, social entrepreneurship initiatives and small business start-ups. As explained in the European Quality Framework for Traineeships (Council of the EU, 2014), a strong institutional and regulatory framework and the engagement of social partners are also necessary to improve the quality of existing internships.

Another way of improving existing services would be to develop a 'referral system' among the relevant public and private institutions active in the fields of education, VET, employment, entrepreneurship and youth participation. With stronger connections among institutions, young individuals can be accepted by one institution and directed to any other institution to get different kinds of services, depending on their needs. At the same time, the institutions can keep track of their beneficiaries and assess the results of the services that have been provided. The adoption of the new employment promotion law could improve the NEA's services and referrals to others.

### 4.3 Increase youth outreach and coverage

Existing measures could benefit by increasing the number of youth beneficiaries as current numbers are quite low. Future programmes targeting young people need to take into account the diversity of youth groups, with different (and sometimes conflicting) needs. A particular focus is needed on certain vulnerable groups, e.g. NEETs, early school leavers, young jobseekers without qualifications, single mothers with small children, young people with disabilities, groups with ethnic or linguistic diversity, and rural or poor young people. For example, engaging young early school leavers in non-formal training would be the best way to gain skills that improve their employment opportunities.

As mentioned in the NEETs study, some experts think that some young people are not interested in learning or engaging in work due to many personal and structural reasons. While general pessimism about the Moldovan economy is the main structural reason, personal reasons are related to low self-esteem, lack of aspirations and motivation to work, general passivity and inactivity, poor adaptability and communication skills, particularly among vulnerable young people who are difficult to reach. The presence of dependents is also associated with low job search activity, especially in the case of young mothers with children. Specific outreach and activation policies are needed for these youth groups.

Making existing services more 'youth-friendly' would be a useful step in attracting the interest of young people to services. For example, training programmes could be designed differently by including certain youth-specific elements, or a youth-specific training course could be developed, e.g. a training course that prepared young people for the workplace and was targeted at young graduates of secondary and tertiary education and first-time jobseekers. The use of mobile applications, social media networks, SMS notifications, occupational outlooks and online career exploration tools or the incorporation of job or career fairs into music concerts, sport events or motor shows could also attract younger and better-educated jobseekers.

Young people could be engaged in mutual support groups and peer-to-peer information services. They themselves could be involved in creating jobs for other young people; creating a youth communication portal; finding role models for youth; establishing local or regional youth initiatives; and connecting with young entrepreneurs and social entrepreneurs. They could be encouraged to tell their stories of success or failure and describe their experiences in gaining employment in the labour market. Promoting (affordable) access to sport and other leisure and broader educational activities among young jobseekers might also increase the level of motivation to get jobs and facilitate social inclusion.

#### 4.4 Innovate further youth policies and programmes

There is a higher focus on key competences everywhere. Given the relatively poor results in international quality tests such as PISA and the complaints of Moldovan employers about the types of skills that are lacking, greater investment could be made to ensure that key competences form part of curricula in general secondary education, VET and higher education. The key competences adopted in the EU Key Competences Framework (Council of the EU, 2018a) might be a relevant to consider and incorporate in the education system: communication in the mother tongue; communication in foreign languages; mathematical competence and basic competences in science and technology; digital competence; learning to learn; social and civic competences; sense of initiative and entrepreneurship; cultural awareness and expression; and a healthy lifestyle.

The development of a system and incentives for non-formal education has great potential to reach young people who have left the school system. These programmes are usually more flexible, learner-centred and contextualised; hence, they can promote individual and social learning in a participatory role and develop competences (knowledge, skills and attitudes) more effectively, even without leading to formal certification. It is easier to involve civil society, NGOs and enterprises in non-formal education, which in turn could reach young people more easily. Non-formal education needs a regulatory framework and quality assurance tools to evaluate its outcomes, including mechanisms, an institutional framework and human resources for monitoring and evaluation.

Creating practical mechanisms and incentives to develop social entrepreneurship could be another opportunity. Taking advantage of the recent adoption of the Social Entrepreneurship Law in Moldova, young people could particularly benefit from social enterprise work that could help them to develop skills. As social entrepreneurs are not business people in the traditional sense of the word, but rather voluntary initiative-takers who develop, fund and implement solutions to social, cultural, or environmental issues; they can offer young people a life-changing experience. The experience with social enterprises gives young people opportunities to explore innovative ways of achieving their mission, independence and emancipation through entrepreneurship.

Programmes to encourage and support youth mobility across regions is another strategy to overcome the obstacles of low pay, long distances between home and work and the lack of accommodation in cities. Given the very limited mobility within the country, a package of strategies combining a transport policy with on-the-job training, work experience schemes, childcare support, mobility grants, flexible forms of employment and in-work benefits could increase employment opportunities for young people. Mobile teams of labour market specialists could be deployed in remote and rural areas to inform young people about labour market requirements and trends, study opportunities, and collect information for drafting CVs for those interested in getting a job.

## ANNEX: EXISTING MEASURES SUPPORTING YOUTH TRANSITIONS IMPLEMENTED OVER THE 2014–17 PERIOD IN MOLDOVA

Title of programme/measure	Target group(s)	Implementing institution(s)	Level: national/ regional/ local/ sectoral	Funding (source, estimate size)	Number of beneficiaries (per year in the case of a regular activity)	Main activities/ services
<b>3.1 Skills Development Measures</b>						
<b>3.1.1 Improving initial VET through work-based learning (WBL)</b>						
1. WBL incorporated into VET programmes (regular activity)	Students of all VET institutions WBL is a compulsory part of the study programmes	MoECR, all vocational schools, companies involved	National	Companies cover the costs of in-company training	21 000 trainees annually	On-the-job training in companies (12–14 weeks of mandatory internship periods in all upper secondary VET programmes) On-site training in laboratories and production workshops in VET institutions that have a similar setup to real work environments (two–three days per week)
2. Piloting dual education (ongoing project from 2015 to 2018)	Graduates of gymnasiums and secondary schools; long-term unemployed people; jobseekers; people with a profession not required in the labour market; adults	MoECR, 22 vocational schools, 50 companies	National	GIZ: EUR 2 million; companies cover the cost of in-company training; vocational schools receive public funding	Employment rate after graduation for the first year: 93%; for the second year: 78%	One–two years of apprenticeship in the workplace as an alternative to traditional VET programmes (70% practical training + 30% theoretical training) In 2017/18 school year, around 860 enrolment places for dual VET were offered by more than 35 companies in various trades
3. Moldova Employment and Entrepreneurship Education and Training Activity (MEEETA) (ongoing project)	Students of VET institutions; their teachers or trainers; graduates Implementation period: 2010–17, extended to 2017–20	CEDA, in cooperation with the MoECR	National	Liechtenstein Development Service: EUR 250 000–300 000 annually	More than 500 graduates of VET institutions set up their own business between 2010 and 2016	Developing a 304-hour training course with five modules on the basics of entrepreneurship; training 183 teachers and trainers Promoting entrepreneurship as a career option for VET students and graduates by developing their entrepreneurial skills Supporting vocational school graduates who want to start a business and providing mentorship and grants for successful projects A survey of graduates shows that 33% of graduates were placed in employment and 6% established their own business as a result

Title of programme/measure	Target group(s)	Implementing institution(s)	Level: national/ regional/ local/ sectoral	Funding (source, estimate size)	Number of beneficiaries (per year in the case of a regular activity)	Main activities/ services
<b>3.1.2 Providing non-formal education for young people</b>						
<b>4. Inclusive participation in society, decent work for young people (implemented between 2012 and 2014)</b>	Young people in four regions	Moldovan National Confederation of Trade Unions, Facilia (an NGO)	Regional (Ungheni, Calarasi, Falesti, Causeni)	Confederation of Trade Unions of the Netherlands (CNV); EU funds	Over 8 000 young people participated in activities, 40 were trained in leadership skills, 240 received training in personal development and professional skills, 400 received career guidance	Developing an individual's competences and entrepreneurial skills Advocacy and training for socioeconomic rights and decent work for young people Developing young people's leadership skills, personal development and professional skills Career guidance for young people, training of civic education teachers and school psychologists
<b>5. Tekwill ICT Excellence Centre for business start-ups and incubation in ICT Project: Development of Moldova ICT Excellence Centre</b>						
	IT professionals; students; ICT companies; people in academia; young people; entrepreneurs; ICT business owners; start-ups  Tekwill was established between 2015 and 2017	Moldovan government, Technical University of Moldova (UTM), Moldovan Association of ICT Companies (ATIC)	Chisinau	USAID + Swedish International Development Agency: USD 4 million  Total budget: USD 8 million	Facilities for business start-ups and incubation such as co-working spaces, tech labs (Internet of Things, 3D printing) and community events  3 000 people benefited from educational and entrepreneurship programmes  Over 1 000 people are expected to benefit annually from the activities and initiatives that have been launched	Developing IT courses and materials for young people and adults  Improving the skills needed within the IT sector by developing and executing both educational and entrepreneurship programmes  Offering support for IT entrepreneurship; attracting and supporting acceleration and mentorship programmes, facilitating an efficient transfer of know-how  Creating innovative products and services in the ICT sector  For more information, see <a href="http://www.tekwill.md/">www.tekwill.md/</a>
<b>3.1.3 Delivering continuing vocational training</b>						
<b>6. NEA's vocational training programmes (regular activity)</b>	Jobseekers; long-term unemployed people; graduates of gymnasiums and secondary schools; people with a profession not required in the labour market; adults	NEA and its 35 regional or district offices	National	State budget: MDL 9.66 million in 2016 (NEA)	Between 2 800 and 2 900 unemployed people each year, of which 65–70% are young people aged 16–29; 58% live in rural areas  In 2016, almost 90% of graduates were employed after training	There are three types of vocational training courses that can last up to nine calendar months: <ul style="list-style-type: none"><li>▪ Qualification courses for people who do not have any occupation or profession (75% of all courses)</li><li>▪ Retraining courses for people who have a profession or trade, but have minimal chances of employment (16% of courses)</li></ul>

Title of programme/measure	Target group(s)	Implementing institution(s)	Level: national/ regional/ local/ sectoral	Funding (source, estimate size)	Number of beneficiaries (per year in the case of a regular activity)	Main activities/ services
7. VET training based on WBL to support young people and adults in integrating into the labour market (regular activity)	Jobseekers; long-term unemployed people; graduates of gymnasiums and secondary schools; people with a profession not required in the labour market; adults	NEA, in cooperation with a private vocational school: Insula Sperantelor	National	Individuals' resources NEA funds for training programmes for jobseekers	800–900 trainees annually Employment rate after graduation is 60–70% (20–25% find jobs abroad as migrants)	<ul style="list-style-type: none"> <li>▪ Refresher or update courses for people who need to perfect their professional education to adapt to changing labour market requirements (9% of courses)</li> </ul>
8. WBL programme for jobseekers (ongoing project for 2017–18)	Most disadvantaged jobseekers in the labour market who want to acquire competences and have them certified	NEA and its 35 regional and district offices, in cooperation with the ILO and the Swedish International Development Agency	Piloted by the seven territorial employment offices	State budget + Swedish International Development Agency funds of EUR 40 000	Piloting stage for the professions of cooks and tailors  So far, 68 jobseekers have benefited from the course (79% of whom are women, 32% are rural residents)	Training programme with less theoretical in-class training (number of hours: up to 15%) and more practical training in real workplaces (number of hours: up to 85–90%)
<b>3.2 Professional orientation and career guidance services</b>						
9. Career guidance and counselling in secondary general education and VET (regular activity)	Students of gymnasiums and lyceums; students of all VET institutions	MoECR and its general secondary and vocational schools	National	State budget	All students are supposed to receive career guidance, but a survey revealed that only half of students had enough information about the labour market	Modules on personal development and career guidance account for 25% of civic education courses  Career orientation is incorporated in the curricula taught by the master teacher; it includes topics on self-management and personal achievement  School psychologists are sometimes involved in providing personality assessments and career counselling to students

Title of programme/measure	Target group(s)	Implementing institution(s)	Level: national/ regional/ local/ sectoral	Funding (source, estimate size)	Number of beneficiaries (per year in the case of a regular activity)	Main activities/ services
10. Re-engineering vocational orientation and career counselling (REVOCC) for Moldovan labour force competitiveness	Students in grades 5 to 12 in general secondary education and VET; young people; jobseekers Implementation period: 2014–17	CEDA, in cooperation with the MoECR and the NEA	National	Austrian Development Agency: EUR 627 000 Annual budget: EUR 250 000–300 000	It created three centres for vocational guidance and career counselling within the three local employment agencies In 2016, 24 events were organised with 539 participants	Upgrading the current vocational guidance and career counselling services for pupils in secondary general education and VET Creating/developing out-of-school vocational guidance and career counselling services in cooperation with the NEA Building capacity and implementing career guidance and counselling activities in the schools and three vocational guidance centres
11. Resource centres for inclusive education in pre-university education institutions (regular activity)	Children with special educational needs; dependent children at risk of dropping out of school; parents or legal representatives of children; teachers from the institution; members of the local community	Pre-university education institutions	National, with a focus on the local level	State budget: funds of pre-university education institutions	50–100 people each year	Developing and providing education services for children with special educational needs Raising awareness and informing teachers about the particularities of children with special needs for an inclusive school environment Developing parental education programmes and empowering parents Creating partnerships with the community and decision-makers to ensure continuity in learning and orientation
12. University centres of career guidance (regular activity)	Students and graduates of universities, lyceums and colleges; alumni of universities; teaching staff; companies; parents	Universities	Local	University funds	Academy of Economic Science (ASEM) Technical University (TU) State University of Moldova (USM) State Agrarian University of Moldova (UASM) Trade Cooperative University of Moldova (UCCM) State Pedagogical University of Chisinau (UPSC); and others 50–100 people each year	Career guidance and counselling for students and graduates Tracing the professional career development of university alumni and supporting their career management process Supporting students in designing their professional career; assisting them with training options or job search activities Promoting entrepreneurship and entrepreneurial activities in cooperation with business incubators Supporting teaching staff in their career development process; providing career guidance for students with special needs Collaborating with companies, NGOs and associations to find traineeships, voluntary work or vacancies for students

Title of programme/measure	Target group(s)	Implementing institution(s)	Level: national/ regional/ local/ sectoral	Funding (source, estimate size)	Number of beneficiaries (per year in the case of a regular activity)	Main activities/ services
13. NEA's information and counselling services (regular activity)	Young people and jobseekers, especially through call centres, the Job Expo Centre and job fairs	NEA and its 35 regional and district offices	National	State budget: MDL 36 000 in 2016 (NEA)	In 2016, the total number of beneficiaries came to 100 864 people, of whom: 70% were unemployed 43% were women 32% were young people aged 16–29 1.5% were persons with disabilities	Information on the evolution of the labour market and occupations Increasing the personal confidence, self-esteem, autonomy and proactive attitude of jobseekers Raising the person's awareness of his/her qualifications, abilities, interests and motivations Personal evaluation and self-assessment of personality for vocational guidance Training on job search methods (vacancies, CV, letter of motivation), job interview techniques, support for career decisions
14. NEA's professional orientation and career guidance (regular activity)	Jobseekers; young people; students in general schools, VET and universities  This activity is specified in the Law on Employment and Social Protection of Jobseekers and it requires more systematic effort and investment in jobseekers	NEA and its 35 regional and district offices	National	State budget: MDL 36 000 in 2016 (NEA)	3 000–4 000 jobseekers per year, 40–45% of whom are women	All the activities mentioned in the previous measure, but this is more than just giving information and counselling, it involves actively 'guiding' jobseekers, young people, students and people who want to change their professional path  The service has three components: self-knowledge and self-evaluation activities; knowledge of the world of professions and vocational marketing; and professional orientation and guidance based on the results of other components
15. Skills Observatory and Experimentation Lab for Youth	Research focused on youth employability, NEETs and the inclusion of young people in the labour market; small experiments on youth inclusion in the labour market	UNDP and NIER	National (pilot)	UNDP: USD 80 000	Collects and analyses youth-related data; pilot experiments on youth inclusion in the labour market	Five studies: youth inclusion in the labour market; youth perceptions of competences and aspirations; profiling of NEETs; youth integration problems in the labour market; youth skills mismatch  Pilot experiments on youth inclusion in the labour market covering issues such as 'youth mobility support' and an 'impact evaluation' of some employment services  For more information, see <a href="http://observator-tineri.md/">http://observator-tineri.md/</a>

Title of programme/ measure	Target group(s)	Implementing institution(s)	Level: national/ regional/ local/ sectoral	Funding (source, estimate size)	Number of beneficiaries (per year in the case of a regular activity)	Main activities/ services
<b>3.3 Measures for entering and remaining in the labour market</b>						
<b>3.3.1 Providing employment intermediation for jobseekers</b>						
16. NEA's labour intermediation programme (regular activity)	Jobseekers, particularly unemployed people; graduates of educational institutions	NEA and its 35 regional and district offices	National	State budget: MDL 380 000 in 2016 (NEA)	In 2016, 32 400 jobseekers benefited, including 28 000 unemployed people, 63% of whom found a job Out of all jobseekers, 30% were young people (40% found a job) 73 job fairs were organised, including a specialised job fair for young people	Information on job vacancies and their conditions of employment by publishing/displaying vacancies, organising job fairs Electronic mediation by automatically emailing vacancies and using ICT to apply for jobs ( <a href="http://www.angajat.md">www.angajat.md</a> ) Organising activities to mediate between employers and jobseekers Profiling jobseekers according to their characteristics and developing individual employment plans; referring to other services Pre-selecting candidates (recruiting services) according to the requirements of vacancies posted and in accordance with their aptitudes and interests
17. NEA's support for the employment of women (regular activity)	Women looking for a job; vulnerable women from rural areas or with disabilities; women within the Roma minority and migrant returnees from abroad	NEA and its 35 regional and district offices	National	State budget: part of NEA budget	In 2016, 46% of all unemployed people were women (23 134 women), of whom 32% were young women aged 16–29	Professional orientation and career guidance on gender-specific aspects, e.g. stereotypes, feminised professions, young women with small children Career information and counselling, labour intermediation services and vocational training courses Support in elaborating individual employment plans; offering referrals to other relevant services
18. NEA's support for the employment of persons with disabilities (regular activity)	Persons with special needs and disabilities	NEA and its 35 regional and district offices	National	State budget: part of NEA budget	In 2016, 773 persons with disabilities registered as unemployed, 43% of whom were women 342 disabled people found a job through the NEA, 45% of whom were women	Professional orientation and career guidance Career information and counselling, labour intermediation services and vocational training courses Support in elaborating individual employment plans; offering referrals to other relevant services Cooperating with NGOs on supporting the inclusion of disabled people in the labour market

Title of programme/measure	Target group(s)	Implementing institution(s)	Level: national/ regional/ local/ sectoral	Funding (source, estimate size)	Number of beneficiaries (per year in the case of a regular activity)	Main activities/ services
19. NEA's support for the employment of persons released from prison (regular activity)	Persons released from prisons	NEA and its 35 regional and district offices	National	State budget: part of NEA budget	240–250 people per year (0.5% of all unemployed people) In 2016, 245 ex-prisoners registered as unemployed; 61 of them found a job through the NEA	Providing support in finding a job (activity starts before the person's release from prison) Providing an allowance for professional integration or reintegration Providing professional orientation, career guidance and vocational training courses Supporting the elaboration of individual employment plans; offering referrals to other relevant services
20. NEA's support for the employment of people in the Roma/Gypsy minority (regular activity)	Roma/Gypsy minority communities	NEA and its 35 regional and district offices	National	State budget: part of NEA budget	In 2015: 1 138 people In 2016: 1 450 people (3% of all registered unemployed people), 27% of whom were young people aged 16–29 125 found a job, 48 took part in a public works scheme, 48 attended VET courses	Providing career information and counselling, labour intermediation, vocational training courses Providing professional orientation and career guidance; Supporting the elaboration of individual employment plans; offering referrals to other relevant services Cooperating with NGOs on supporting the inclusion of Roma/Gypsy people in the labour market
21. NEA's support for the employment of migrants/returnees (regular activity)	Labour migrants; returned migrants	NEA and its 35 regional and district offices	National	State budget: part of NEA budget	In 2016, 2 877 migrant returnees registered, 27% of whom were young people aged 16–29, 20% of whom were women 33% of them found a job through the NEA	Providing career information and counselling, labour intermediation, vocational training courses Providing professional orientation and career guidance Providing support in elaborating individual employment plans; offering referrals to other relevant services
3.3.2 Supporting the first job experience						
22. NEA's public works programme (regular activity)	Jobseekers; young people with no professional education; jobseekers who cannot attend VET programmes; long-term unemployed people not receiving	NEA and its 35 regional and district offices	National	State budget: MDL 5.96 million in 2016 (NEA)	1 700–1 800 people per year	Organising public works in cooperation with local public authorities Selecting and recruiting participants for public works (public and social services) Subsidising the salary of participants up to 30% of the average national salary

Title of programme/measure	Target group(s)	Implementing institution(s)	Level: national/ regional/ local/ sectoral	Funding (source, estimate size)	Number of beneficiaries (per year in the case of a regular activity)	Main activities/ services
23. Public internship opportunities for students and graduates	unemployment benefit	Students and graduates of higher education; students and graduates of foreign higher education institutions	State Chancellery	National	No information available	No information available on beneficiaries
24. Special government support for newly recruited young specialists in unfavourable regions	Young teachers; physicians; pharmacists; social workers; specialists in the area of culture	Government of Moldova	Unfavourable regions	State budget	No information available on the number of beneficiaries	Creating a government website to publish internship opportunities ( <a href="http://www.stagii.gov.md/">www.stagii.gov.md/</a> ) Students and graduates can apply for the internship opportunities advertised on the website If they are accepted and complete the programme, they receive certificates to prove their work experience, but these are valid only in public institutions and state-owned enterprises
<b>3.3.3 Supporting entrepreneurship and self-employment</b>						
25. National Programme of Economic Empowerment of Young People (PNAET) (ongoing project for the period 2008–17)	Young people aged 18–30 who wish to develop their entrepreneurial skills to launch a business and/or expand their own business in a rural area	ODIMM	National, with a focus on rural areas	State budget + EU funds: MDL 500 000 annually	Between 2008 and 2016, 157 training courses were organised with 4 314 participants; 14 576 people received individual consultations In 2016, eight training courses were organised for 211 young people (40% of whom were women)	Entrepreneurship training and business consultancy for applicants Preferential credits of up to MDL 300 000 (repayment period up to five years) with an unredeemable portion (40%) Post-financing monitoring and mentorship Guarantee for a bank loan up to MDL 150 000 if additional funding is needed

Title of programme/measure	Target group(s)	Implementing institution(s)	Level: national/ regional/ local/ sectoral	Funding (source, estimate size)	Number of beneficiaries (per year in the case of a regular activity)	Main activities/ services
26. Programme to Attract Remittances into the Economy PARE 1+1 (ongoing project for the period 2010–18)	Moldovan emigrants and their immediate relatives who receive remittances	ODIMM	National	State budget + EU funds: MDL 40 million annually Between 2010 and 2016, MDL 164 million was spent, generating MDL 540 million	Between 2010 and 2016, 1 564 migrants and/or their relatives were trained; 1 116 business plans were developed; 927 companies were funded; 2 780 jobs were created More than 50% of beneficiaries were under the age of 35	Entrepreneurial training courses for migrants and their relatives, including the free distribution of information materials Free assistance to entrepreneurs starting a business, including the elaboration of a business plan Grants to the value of 50% of the investment, with a maximum limit of MDL 200 0000 Post-financing monitoring and mentorship Each MDL 1 granted generates MDL 3.3 of investment in the economy
27. Continuing programme: Effective Business Management (GEA)	Prospective and actual entrepreneurs engaged in economic activities in any form of legally established organisation	ODIMM	National	State budget	In 2016, 89 training courses were organised in 24 regional districts for 2 396 participants 70% of participants were entrepreneurs and 30% were employees of companies	Free training provided in eight training modules: financial management; human resource management and labour legislation; VAT registration; accounting on domains of application; marketing; international marketing; business planning; and external economic activity and customs relations
28. Programme: Special Fund for Credit Guarantee	Micro and small enterprises operating in Moldova	ODIMM	National	State budget	In 2016, a total of 239 loan guarantees were provided to facilitate investment projects worth MDL 233 million	Credit guarantee to SMEs who do not have sufficient collateral Guarantees to active enterprises (up to 50% of the loan amount) up to a maximum of MDL 700 000 for up to five years Guarantees to newly created enterprises (up to 70% of the loan amount) up to a maximum of MDL 300 000 for up to three years

## ACRONYMS

ARTICO	Centre for Children and Youth
ASEM	Academy of Economic Science
ATIC	Moldovan Association of ICT Companies
CEDA	Centre for Entrepreneurial Education and Business Support
CNPM	National Confederation of Employers of Moldova
CNTM	National Council of Youth in Moldova
EaP	Eastern Partnership
ETF	European Training Foundation
EU	European Union
GDP	Gross domestic product
GEA	Effective Business Management (national programme)
ISCED	International Standard Classification of Education
LFS	Labour force survey
MDL	Moldovan lei
MEEETA	Moldova Employment and Entrepreneurship Education and Training Activity
MoECR	Ministry of Education, Culture and Research
MoHLSP	Ministry of Health, Labour and Social Protection
NBS	National Bureau of Statistics
NEA	National Employment Agency (ANOFM)
NEET	(Young people) not in education, employment or training
NIER	National Institute of Economic Research
ODIMM	Organisation for Development of Small and Medium Enterprises Sector Development
OECD	Organisation for Economic Cooperation and Development
PARE 1+1	National programme to attract remittances into the economy
PISA	Programme for International Student Assessment
PNAET	National Programme of Economic Empowerment of Youth
REVOCC	Re-engineering Vocational Orientation and Career Counselling
SDGs	Sustainable Development Goals 2030
SWTS	School-to-Work Transition Survey
UASM	State Agrarian University of Moldova
UCCM	Trade Cooperative University of Moldova
UPSC	State Pedagogical University 'Ion Creanga' in Chisinau
USAID	United States Agency for International Development
USD	United States dollar
USM	State University of Moldova
VET	Vocational education and training
WBL	Work-based learning

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