



European Training Foundation

MOLDOVA

**EDUCATION, TRAINING AND EMPLOYMENT
DEVELOPMENTS 2018**



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KEY POLICY DEVELOPMENTS IN EDUCATION, TRAINING AND EMPLOYMENT

The Republic of Moldova's (hereafter Moldova) 2020 National Development Strategy¹ is currently under revision, and a new strategy to 2030 is being developed. The government's main objectives remain unchanged: to reduce poverty through macroeconomic stability and sustainable growth. However, the new indicators will be more precise.

Moldova's ruling Democratic Party delayed the next parliamentary elections, which were scheduled for autumn 2018, to February 2019 and rushed through a package of highly controversial laws, such as the fiscal reform package and the Fiscal Amnesty Law.

In July 2017, the Moldovan parliament decided to change the electoral law, moving from a proportional to a mixed system. This was in spite of the Venice Commission advising against it, because of fears that it would be detrimental to democratic standards in the country. In June 2018, Moldova's Supreme Court of Justice decided to invalidate the results of the Chisinau mayoral election. The European Parliament expressed deep concern at the decision, which was taken on dubious grounds and without transparency, significantly undermining the integrity of the electoral process². As a result, the EU blocked the disbursement of 100 million euro in assistance to Moldova because of unmet preconditions on respect for democratic mechanisms and the rule of law.

In 2017, public administration reforms in Moldova reduced the number of ministries from 16 to 9. The Ministry of Labour, Social Protection and Family, and the Ministry of Education, were restructured by merging them with other ministries. Two new ministries were also established: the Ministry of Labour, Health and Social Protection (MoLHSP), and the Ministry of Education, Culture and Research (MoECR). The emphasis of the reform was on professionalism in the staff selection process, optimising administrative costs, delivering public functions more efficiently and increasing the financial motivation of state employees. Fewer recruitments and higher salaries are expected to make the public service more efficient. The restructuring of national institutions was still ongoing in 2018, and included the National Employment Agency (NEA), the Labour Market Observatory, the Agency for Quality Assurance and the Centre for Vocational Education and Training Policy Implementation.

Bringing the education system into line with labour market needs in order to boost labour productivity and increase employment remains very high on the government's agenda. There is a particular focus on higher education and vocational education and training (VET); modernising education and training systems; enhancing quality, relevance and access; and establishing a National Qualifications Framework (NQF). In 2017, the government adopted several legal acts on education and training, including the laws on the National Qualifications Framework and on Sector Skills Committee Activities, which are aimed at enhancing education and business cooperation. Work is continuing on modernising the Classifier of Occupations based on international standards (ISCO-08), developing a new nomenclature for professions and specialisations in education and training, as well as quality assurance mechanisms and procedures for the assessment and recognition of qualifications.

A new National Employment Strategy to 2020 was adopted in March 2017 and the new Employment Promotion Law was approved in June 2018, entering into force in February 2019. Moldova is also adjusting its regulatory framework for small and medium-sized enterprises (SMEs), with a stronger focus on female entrepreneurship and the green economy. The adoption of the Law on Social Entrepreneurship in November 2017 is another important development.

In July 2018, the World Bank approved a 30 million dollar (USD) Economic Governance Development Policy Operation for Moldova that will support a wide range of important structural reforms. While Moldova has increased its capacity to absorb external assistance, the sustainability of its reforms needs to be closely monitored.

¹ The 'Moldova 2020' National Development Strategy was approved in July 2012: www.imf.org/external/pubs/ft/scr/2013/cr13269.pdf

² <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+MOTION+P8-RC-2018-0322+0+DOC+XML+V0//EN&language=en>

1. KEY DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS

The main factors shaping the structure of the population and demographic change in Moldova are ageing and migration. The official population figure of 3.55 million in 2017, from the National Bureau of Statistics, shows a decrease of 9 000 people since 2012³. However, alternative sources indicate that official statistics overestimate the actual size of the population. A Demographic Barometer conducted by the Demographic Research Centre suggests that the actual Moldovan population is around 2.9 million, implying an overestimation of over 660 000 people (16%)⁴. This difference can be attributed to the official definition of migration, and the related records, which include migrants no longer residing in the country, even for over a year. According to the UN Department of Economic and Social Affairs, 973 618 Moldovan citizens – or 25% of the total population – lived outside Moldova in 2017 (migrant stock)⁵. Almost 54% of these emigrants were female. Outward migration plays an important socio-economic role in the country and remittances contribute substantially to consumption, accounting for an estimated 23.4% of gross domestic product (GDP)⁶.

Demographic ageing is clearly visible in the population structure. The share of young people (age 15–24) in the active population declined from 20.3% in 2012 to 15.5% in 2017. The increasing dependency ratios – youth (21.3%) and old age (14%) – have important economic and social implications, threatening sustainable growth and the future sustainability of social protection, including pensions. Moreover, in the coming decades, population decline will continue at a rapid pace. In accordance with the demographic forecast (2015–35), the annual decrease in population will fluctuate between 1.1 and 2%⁷. The National Strategic Programme on Demographic Security (2011–25) aims to implement demographic stabilisation policies in order to increase labour market supply, and also improve safety and welfare, to discourage outward migration. More than half of the population is rural, making Moldova a country with one of the lowest levels of urbanisation in Europe.

Moldova is a small, lower-middle income economy, with quite a high share of agriculture in its economy and employment. It also has an uneven territorial distribution of economic opportunities and growth, with the capital city, Chisinau, generating more than half of GDP. The main economic activities that generate revenues for GDP are manufacturing (food products make up 37%), trade, agriculture, construction and transportation, as well as information and communications technology and services.

Following the 2015 recession (due, not least, to large-scale banking fraud), Moldova's economy recovered in 2017 with GDP growth of 4.5%. This was bolstered by good performance in agriculture, with a good harvest resulting in a 12.7% growth in exports. Private consumption also contributed to GDP growth, increasing by 4.9% in 2017, fuelled by remittances, strong growth in wages and the indexation of public transfers in 2016. Growth is expected to be robust and reach 3.8% in 2018 and 3.7% in 2019⁸, which is still below the historical average of 4.6%. With the economic outlook in the

³ Excluding districts from the left side of the Nistru river, and the Bender municipality.

⁴ *Demographic Barometer in Moldova: What is the real number of the population of Moldova?*, conducted in 2015 by the Demographic Research Centre in partnership with the Ministry of Labour, Social and Family Protection, and the United Nations Population Fund.

⁵ European Training Foundation, *Mapping youth transitions to work in Eastern Partnership countries: Country report*, 2018 (forthcoming).

⁶ World Bank, *Migration and remittances factbook*, 2016.

⁷ https://moldova.unfpa.org/sites/default/files/pub-pdf/PSA_engleza.pdf

⁸ <http://www.worldbank.org/en/country/moldova/brief/moldova-economic-update>

baseline scenario subject to considerable external and internal risks, further structural reforms are needed for private sector growth and job creation.

In recent years, the government has taken steps to improve the business climate and Moldova has moved up a few places in the World Economic Forum's *Global Competitiveness Report 2017–18*⁹ (89th out of 137 participating countries). The government has intensified implementation of its reforms, in particular: upgrading public services; liberalising the economy; developing the financial system to create a favourable investment climate; fostering the development of SMEs; reforming the judiciary and eradicating corruption; improving transport and other physical infrastructure; and diversifying and promoting exports. Parliamentary elections in February 2019 could have an impact on investor confidence in the medium term. Although income inequality, reflected in the Gini coefficient, improved from 29.2% in 2012 to 26.3% in 2016, Moldova remains one of the poorest countries in Europe, with a GDP per capita of only 5 343 dollars (USD) in purchasing power parity terms.

Moldova's development path in recent years has been guided by the EU-Moldova Association Agreement (signed in 2014 and fully in force from July 2016). The Deep and Comprehensive Free Trade Area (DCFTA), which is a component of the Association Agreement, provides for mutual elimination of customs duties on industrial and most agricultural products, and for further liberalisation of the services market. It also addresses other barriers to trade and reforms in economic governance, with the goal of strengthening transparency and competition, and adopting EU product standards.

In July 2018, the World Bank approved a 30 million dollar (USD) Economic Governance Development Policy Operation for Moldova. It will support a wide range of important structural reforms to: make the pension system more sustainable; improve health outcomes through higher tobacco taxes; strengthen the transparency of state-owned enterprises through better financial reporting requirements; and strengthen transparency in the public sector through an enhanced asset-declaration regime for high-level officials.

2. EDUCATION AND TRAINING

2.1 Trends and challenges

Moldova has been spending a high percentage of its GDP on education in the last decade (around 7%), although it started to decline in 2015 (6.9%), reaching 6.4% in 2017. The relatively high levels of education expenditure have paid off, judging by the relatively high educational attainment among the active population (age 15+). In 2017, 55.6% of the population had a medium level, 24.5% had a high level, and 19.9% had a low level of education. However, there is a negative trend in the increasing share of the population with a low level of education (16.5% in 2012), while a decreasing share have a medium (57.8% in 2012) or high (25.7% in 2012) level of education.

Moldova has relatively low enrolment rates in primary and secondary education: in 2015, net enrolment rates were 86.85% and 76.4% respectively. At the same time, the gross enrolment ratio in

⁹ World Economic Forum, *Insight Report: The Global Competitiveness Report 2017–2018*. Available at: <http://www3.weforum.org/docs/GCR2017-2018/05FullReport/TheGlobalCompetitivenessReport2017%E2%80%932018.pdf>

higher education is relatively high, at 41.21% in 2015¹⁰. VET is well represented at the upper secondary level and enrolments in vocational programmes is increasing, reaching 48.7% in 2017 compared to 35.4% in 2012. Moldova has a significant problem with school dropouts. Although the number of early leavers has decreased slightly, it remains very high at one in five of those aged 18–24, which is one of the highest rates in Europe¹¹.

Moldova's education system has the following stages: pre-primary, primary, lower and upper secondary, post-secondary and higher. Education is compulsory at pre-primary, primary and lower secondary ('Gymnasium') levels, from grades 1 to 9. After that, students can take an entrance exam for general and vocational upper secondary school, and lyceum (academic) (grades 10 to 12). Higher education is provided by private and public universities, academies and institutions, and students who have obtained their general upper secondary or Lyceum certificate or diploma are eligible to apply.

Due to the general decline in population and intensive youth migration, the number of students has been decreasing at all levels of education. Over the last two decades, the number of students enrolled in secondary and post-secondary vocational education has fallen by almost 53%, while the infrastructure has remained almost unchanged. The network of educational institutions therefore no longer reflects the underlying demographic reality, with the greatest divergence in rural areas.

Quality of education is also a concern. Although the Programme for International Student Assessment (PISA) results have improved compared to the previous round, they remained below the Organisation for Economic Co-operation and Development (OECD) average. Moldova was ranked 50th out of 70 participating countries in the 2015 PISA, which shows an improvement of education outcomes in science, reading and maths, compared to the 2009 PISA. 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 maths. Furthermore, almost one third had insufficient basic skills to integrate fully into professional and social life. Low performance can indicate a lack of efficiency and quality in education, inadequate curricula, outdated learning materials and poorly trained teachers, which are some of the main barriers to education quality¹².

2.2 Education and training policy and institutional setting

The 'Moldova 2020' National Development Strategy represents the government's overall strategic vision for 2012–20. Its main policy objective is to promote sustainable economic development and poverty reduction. One of its priorities is to align the education system to labour market needs in order to enhance labour productivity and increase employment. The 2014–20 Education Development Strategy, or 'Education 2020', stresses the importance of high-quality education and lifelong learning, and particularly the relevance of the labour market. It aims to increase access to education and lifelong learning, ensuring that studies are relevant for life, for active citizenship and career success. It also aims to develop effective monitoring, evaluation and quality assurance in education.

The Education Code (2014) establishes the legal framework for organising, implementing and developing education, and provides the basis for modernising the education and training system. The code structures the education system into levels and cycles in accordance with the 2011 International

¹⁰ <http://uis.unesco.org/country/MD>

¹¹ European Training Foundation, *Mapping youth transitions to work in Eastern Partnership countries: Country report*, 2018 (forthcoming).

¹² https://www.oecd.org/countries/moldova/Youth_Well-being_Policy_Review_Moldova.pdf

Standard Classification of Education (ISCED) system. It also establishes a new professional training system in the form of vocational education and training (VET) with two paths: secondary VET (VET schools and centres of excellence) and post-secondary VET (colleges and centres of excellence).

At the end of 2017, Moldova's NQF was finally approved by government decision No. 1016, and important steps have been made since then. The emphasis has been on: designing or revising qualifications based on learning outcomes; preparing the structure of the qualifications register; developing the national qualifications register (by December 2018); and improving the legal framework for the recognition of qualifications. There are plans to complete the process of referencing Moldova's NQF to the European Qualifications Framework (EQF) and the Qualifications Frameworks of the European Higher Education Area by 2020.

As a result of public administration reform, the Ministry of Education was merged with the Ministry of Culture and Research in September 2017, becoming the Ministry of Education, Culture and Research (MoECR). The new ministry has four departments: (i) Higher Education and Research; (ii) General Education, Vocational Education and Training, National Qualifications and Lifelong Learning; (iii) Culture; and (iv) Youth. The staff has been reduced by 50% but with higher salaries to make the system more efficient. While initial VET in Moldova is the responsibility of the MoECR, responsibility for continuing VET is shared with other ministries, such as the Ministry of Agriculture. The Republican Centre for VET Development, which was set up as the MoECR's executive VET body, is not yet operational, which hampers effective implementation of the VET strategy.

The MoECR's National Qualifications Department has begun effective cooperation with other relevant ministries, sector committees, VET institutions, businesses and other social partners. Sector skills committees and working groups have contributed to the development of 33 occupational standards and 43 qualifications so far (out of 200). A total of 300 000 Moldovan leu was allocated for occupational standards in the mid-term budget plan approved by the Ministry of Finance at the end of 2017, as referred to in the 2018 State Budget. The European Training Foundation (ETF) is currently supporting an NQF revision process and development of a concept paper for the validation of non-formal and informal learning. It is also providing capacity building to staff in the new National Qualifications and Lifelong Learning departments.

The National Agency for Quality Assurance in Professional Education was created in 2014 and restructured in 2018 to become the National Agency for Quality Assurance in Education and Research (ANACEC). The agency's mission is to implement public quality-assurance policy at all levels of education, including continuing education and research. It is responsible for developing evaluation methodologies, and for periodically reviewing accreditation standards, national reference standards and the performance indicators used in quality assurance and evaluation. Any public or private legal entity interested in offering training programmes is subject to mandatory external evaluation to be authorised on a temporary basis, and both the institution and the curricula are subject to formal accreditation procedures.

VET policy reform is guided by the VET Development Strategy 2013–20, which aims to modernise and optimise VET to enhance the competitiveness of the national economy. The main objective is to increase the attractiveness, quality, affordability and flexibility of VET and its relevance to labour market needs. A master plan to restructure the VET system was approved in 2015, after a detailed VET network mapping exercise. The VET system is currently being optimised to make it more efficient. Some VET schools have been closed and 12 new centres of excellence have been created as multifunctional training providers.

The latest VET policy developments¹³ that the MoECR has introduced are as follows.

1. Proposed legislative amendments to the Regulation on Per Capita Financing of VET Institutions, which will give them more flexibility to manage self-generated income separately from state budget resources.
2. Proposed legislative amendments to the Regulation on the Organisation and Functioning of the ANACEC to create a VET Policy Implementation Unit to oversee: curriculum development; continuous professional training for VET teachers; and the certification process for professional competences at ISCED levels 3, 4 and 5, in accordance with the NQF.
3. Regulation on the Validation of Non-formal and Informal Education through Validation Centres. The centres will be created within VET institutions, which will be accredited by ANACEC. The process of validating competencies will be based on occupational standards, the EQF and NQF.
4. The Framework Plan for Dual VET will be a regulatory framework for the development of ISCED 3, 4 and 5 dual VET. The development of dual VET is supported by the international donor committee, which includes GIZ, ADA, LED and SDC. The ETF has also developed a methodology for quality assurance in work-based learning in Moldova.
5. A new methodology for inclusive education, to be piloted at 10 VET schools until 2020.

In 2017, a methodology for tracking the professional development of VET graduates was piloted in 20 VET institutions supported by the ETF, and 5 supported by LED (out of 86 in total). The methodology aims to determine the employability of graduates in the labour market, and the rate of transition to the next level of education. The main objective is to analyse graduates' employability and employment prospects, including through entrepreneurship. It is anticipated that the MoECR will continue this exercise through the education management information system (SIME or EMIS), including for VET.

Developing human capital by promoting entrepreneurial skills and culture is a priority for the SMEs Development Strategy 2012–20. Entrepreneurship is a compulsory subject in all training programmes and educational curricula in vocational schools and colleges. The duration of the Basics of Entrepreneurship course in VET institutions is 120 hours (96 hours of theory and practice, and 24 hours of consultations).

One innovation in the world of education is Tekwill: an ultra-modern IT hub created by the Moldovan Association of Information and Communications Technology Companies, with support from USAID and the government of Sweden. Tekwill offers office space, resources and education to the new generation of IT enthusiasts, professionals and entrepreneurs. Tekwill's new youth programme (TwentyTu) aims to deliver teacher training, equip schools with modern equipment and develop new educational programmes to teach emotional intelligence, entrepreneurship and digital literacy.

The EU Sector Reform Contract on VET was granted to support the implementation of Tekwill through budget support and technical assistance. These two programmes ceased activities in 2017, and disbursement of the third and final instalment is currently frozen for reasons linked to poor democratic standards. Despite the commitment of stakeholders and their hard work in difficult circumstances, many challenges remain. They include: building efficient social dialogue at sector level; continuing the development of Centres of Excellence (key elements of the VET reform) and VET institutions, which has been jeopardised by a lack of autonomy; developing a lifelong learning system; and increasing

¹³ See: www.gov.md and www.particip.gov.md.

institutional capacity. To support VET reforms further, a new EU intervention is planned in the form of a twinning project (2019–21). It aims to ensure effective implementation of the VET strategy and support structural and institutional reform, while securing high-quality VET services in terms of knowledge, skills, competences and physical assets.

3. LABOUR MARKET AND EMPLOYMENT

3.1 Trends and challenges

Moldova is facing a complex and challenging employment context with insufficient and poor quality jobs, low productivity, persistent informal arrangements and inequalities. The country's labour market is characterised by low activity and employment rates (42.2% and 40.5% respectively in 2017) with no significant gender disparities. However, there are huge differences in employment by educational attainment, with a 28.2 percentage point gap between the high and low skilled (56% and 27.8% respectively)¹⁴.

Moldova has a low aggregated unemployment rate, at 4.1% in 2017. This is attributable to both a very low activity rate and significant outward migration, as well as the specific definition of inactivity in the Moldovan Labour Force Survey (LFS), which may distort the overall picture. More specifically, if a household member is absent at the time of the survey because they are abroad, that person is recorded as 'inactive'. Moldovan emigrants currently working abroad are therefore considered to be 'residents' for the purposes of the LFS and counted both in the inactive and reference population aged 15+. When the LFS results are recalculated, excluding this category from the sample, the 2016 activity rate for the 15+ population increases from 42.6% to 47.7%, and the employment rate from 40.8% to 45.7%¹⁵.

Although the youth unemployment rate (age 15–24) has slightly decreased, from 13.1% in 2012 to 11.8% in 2017, it remains relatively high. However, this decline might not reflect improved employment prospects, but a shrinking young population, limited readiness to work or a reliance on remittances. The persistently high rate of young people not in employment, education or training (NEET) – 20.2% of 15–24 year-olds in 2017 – may confirm this. The NEET rate increases among young people with higher age, women, rural residents and those with a lower level of education¹⁶.

From a combined GDP-employment perspective, Moldova is emerging as a service-focused economy, with half of the labour force employed in services, generating 71.4% of GDP. This is followed by industry, which employs 16.6% and contributes around 14% to GDP, while one third is employed in agriculture and contributes just 14% to GDP. The gap between employment and contribution to GDP suggests it is mainly subsistence activity.

¹⁴ European Training Foundation, *Mapping youth transitions to work in Eastern Partnership countries: Country report*, 2018 (forthcoming).

¹⁵ *Ibid.*

¹⁶ European Training Foundation, *Skills mismatch measurement in ETF partner countries. Country report: Republic of Moldova*, 2018 (forthcoming).

Vulnerable employment has been increasing over the years and currently affects more than one third of workers (34.5% in 2017). This is the result of poor working conditions and persisting informal arrangements.

There are substantial imbalances between supply and demand in the labour market. Public employment services are registering a growing number of vacancies, which cannot be filled by the jobseekers available¹⁷. This suggests a high incidence of skills mismatch, and the occupational mismatch indicator points to over-qualification in the labour market. The share of the active population with a tertiary education working in semi-skilled occupations has increased from 20.4% in 2012 to 23% in 2017. There could be a number of reasons for this, such as: a problem with the labour demand for highly skilled workers (lower demand or uneven territorial distribution of employment opportunities for university graduates); inadequate university education outcomes in terms of skills and abilities for high skilled jobs; a lack of practical experience (taking a job not matched to a person's level of education is often a strategy for getting work experience and opening up new avenues for the job search)¹⁸.

3.2 Employment policy and institutional setting

Important steps have been taken to improve the legal and institutional framework governing the labour market in Moldova. A new National Employment Strategy 2017–21 establishes four objectives: creating formal, non-discriminatory and productive employment opportunities; developing human capital for increased employment opportunities; improving labour market governance; and capitalising on the potential of migration to support sustainable development. The National Action Plan for 2017 also sets out a series of measures to increase the level of employment, particularly by developing the SME sector and extending the industrial park network and free economic zones to provide more jobs, especially in rural areas. Active 'school-enterprise' partnerships will be developed to strengthen the link between the labour market and the VET system, along with career guidance services and voluntary activities.

The new Employment Promotion Law was approved in June 2018 and will enter into force in February 2019 with the aim of making the labour market more effective and inclusive. It promotes Active Labour Market Policies (ALMPs) to increase employability through training, create job opportunities through wage subsidies and stimulate start-ups. Special target groups mentioned in the law include unskilled young people, women over 50, people with disabilities and the Roma minority.

As a result of reforms to public administration, the Ministry of Labour, Social Protection and Family was merged with the Ministry of Health in September 2017, and became the Ministry of Labour, Health and Social Protection (MoLHSP). The MoLHSP is responsible for: human resources development and employment policies (including professional orientation and training for adults); identifying the skills requirements of the labour market; and improving or upgrading the skills of the labour force in accordance with those.

The National Employment Agency (NEA) is a key institution providing both active and passive labour market measures for jobseekers through its territorial network of 35 employment offices. The agency has a tripartite Management Board of nine members, with three representatives each appointed by the government, employers and trade unions respectively. As part of the public administration reform, the

¹⁷ 45 400 vacancies and 42 100 jobseekers in 2017, according to Public Employment Service data.

¹⁸ European Training Foundation, *Skills mismatch measurement in ETF partner countries. Country report: Republic of Moldova*, 2018 (forthcoming).

NEA is currently being restructured, including centralising the system, cutting staff and optimising business operations. There will then be one NEA with a central office of 50 staff in Chisinau, and 35 branches at local level, with 200 staff rather than 289. These will not be independent legal entities but will have the right to sign agreements with local companies on the provision of ALMPs.

The NEA currently provides intermediary services, career guidance and counselling, organises job fairs and public works, and provides training to increase the employability of jobseekers and priority groups of people with special needs. Services for individual jobseekers include registration, counselling and guidance, client profiling, individual employment planning and job placement. Services for employers include registering vacancies, pre-selecting job candidates and intermediation. Employers are obliged to inform the NEA about job vacancies.

The NEA's public works programme aims to improve the situation of temporarily unemployed people in vulnerable groups (particularly those in rural areas), keeping up their motivation to work and helping them acquire skills for work. The NEA runs annual employer surveys to identify workforce requirements and labour shortages, and publishes the results in a 'labour market barometer'. It also runs the newly created Labour Market Observatory, which was supported by ETF capacity building activities in 2018.

In 2017, there were 42 100 registered unemployed people (of which 29% were young people aged 16–29). This figure represents around 78% of the total unemployed estimated by the LFS. The NEA also registered 45 400 vacancies in 2017, 69% of which were unqualified jobs. It provided job placements for 35% of 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 them¹⁹.

According to a 2017 assessment by the ILO, the NEA has a limited range of support measures for unemployed jobseekers, and inadequate capacity to identify and address needs that go beyond those related to employment. A lack of financial and human resources, and of motivation among staff, make service delivery difficult, especially in rural areas. The NEA therefore cooperates closely with the ILO, UNDP and World Bank, which have proposed and provided technical support for many existing NEA initiatives²⁰.

In recent years, the MoLHSP has been promoting closer cooperation with the business sector and has played a leading role in establishing sectoral skills committees. In December 2017, a legal status for sector committees was recognised by law. Based on a tripartite structure (a confederation of employers, trade unions and the state), the committees link initial and continuing professional education with labour market needs. After their legal status is recognised, the committees can apply for financing and present one or more project applications in two areas: developing cooperation platforms with companies in specific sectors (social dialogue); and matching education and labour market needs through VET and labour market research at sector level (labour market analysis). So far, only four committees have been registered and granted funds: agriculture, construction, trade and light industry. A new call for projects will be launched in October 2018.

¹⁹ European Training Foundation, *Mapping youth transitions to work in Eastern Partnership countries: Country report*, 2018 (forthcoming).

²⁰ ILO, *Assessment of the delivery of employment services for youth by the National Employment Agency of the Republic of Moldova*, Chisinau, 2017.

Many institutions in Moldova are involved in producing information related to labour market skills needs, and a significant amount of data is gathered, but there is a lack of analysis, management and access to information for the relevant stakeholders. With UNDP support in May 2017, a youth skills observatory was created with two functions: data collection and analysis for policy papers, as well as innovation for youth employment. The youth skills observatory is coordinated by the Demographic Department of the National Institute for Economic Research. It is envisaged that the NEA's newly created Labour Market Observatory will be able to perform reliable and sustainable labour market analysis. However, ongoing restructuring and staff recruitment will slow down the work until the new structure is fully established in early 2019.

Under the EU's Eastern Partnership initiative, Moldova is part of the EU4Business and EU4Youth programmes, which provide grants for boosting youth employment. One of those grants is in partnership with Ukraine and Belarus, for the 'School Garden' Network of Business Incubators, which support modern agricultural entrepreneurship, as well as the professional and social growth of young people in poor and deprived rural communities.

MOLDOVA STATISTICAL ANNEX

Annex includes annual data from 2012, 2016 and 2017 or the last available year

	Indicator		2012	2016	2017
1*	Total Population (000)		3,559	3,553	3,550
2*	Relative size of youth population (age group 15-24) (%)		20.3	16.3	15.5
3*	Youth Dependency ratio (%)		21.7	21.3	M
4*	Old Dependency ratio (%)		13.6	14	M
5	Global Competitiveness Index	Rank	87/144	100/138	89/137
		Score	3.9	3.9	4
6	GDP growth rate (%)		-0.7	4.5	4.5
7	GDP per capita (PPP) (current international \$)		4227	5343	M
8	GDP by sector (%)	Agriculture added value	11.2	12.1	12.2
		Industry added value	17.8	18.5	17.9
		Services added value	56.5	56.1	55.4
		Other	14.5	13.3	14.5
9	Poverty headcount ratio at \$1.9 a day (PPP) (%)		0.3	0.2	M
10	Gini index (%)		29.2	26.3	M
11*	Educational attainment of adult population (aged 15+) (%)	Low	16.5	20.5	19.9
		Medium	57.8	55.1	55.6
		High	25.7	24.5	24.5
12	Gross enrolment rates in secondary education (%)		88.2	M	M
13	Share of VET students in secondary education (%)		11.9	13.3	M
14	Gross enrolment rates in upper secondary education (%)		89.6	M	M
15	Share of VET students in upper secondary education (%)		35.4	45.7	48.7
16	Low achievement in reading, mathematics and science – PISA (%)	Reading	A	41.9(2015)	A
		Mathematics	A	50.3(2015)	A
		Science	A	42.2(2015)	A
17*	Participation in training/lifelong learning (age group 25-64) by sex (%)	Total	M	M	M
		Male	M	M	M

	Indicator		2012	2016	2017
		Female	M	M	M
18*	Early leavers from education and training (age group 18-24) by sex (%)	Total	21.2	20	19.4
		Male	25.8	23.4	21
		Female	16.2	16.1	17.6
19*	Activity rates by sex (aged 15+) (%)	Total	40.7	42.6	42.2
		Male	43.5	45.4	45.3
		Female	38.2	40.1	39.4
20*	Employment rates by sex (aged 15+) (%)	Total	38.4	40.8	40.5
		Male	40.6	43	43.1
		Female	36.5	39	38.1
21*	Unemployment rates by sex (aged 15+) (%)	Total	5.6	4.2	4.1
		Male	6.8	5.5	4.8
		Female	4.3	2.9	3.3
22*	Unemployment rates by educational attainment (aged 15+) (%)	Low	5.3	4.5	4.3
		Medium	6.9	5.3	5
		High	6.6	5.4	4.3
23*	Youth unemployment rates by sex (aged 15-24) (%)	Total	13.1	11.2	11.8
		Male	12.8	10.9	10.9
		Female	13.4	11.7	13
24*	Proportion of long-term unemployed out of the total unemployed (aged 15+) (%)		30.7	20.2	23.4
25*	Long-term unemployment rate (aged 15+) (%)		1.7	0.9	1
26*	Incidence of self-employment (%)		29.2	37	34.8
27*	Share of the employed in a public sector (%)		M	M	M
28*	Employment by sector (%)	Agriculture	26.5	33.7	32.3
		Industry	19.3	17.1	16.6
		Services	54.3	49.2	51
29	Employment in the informal sector		M	M	M
30*	Proportion of people aged 15–24 not in employment, education or training (NEETs), by sex (%)	Total	19.8	19.7	20.2
		Male	18.6	18.4	17.7
		Female	20.9	21.1	22.7

	Indicator	2012	2016	2017
31	Public expenditure on education (as % of GDP)	8.4	6.3	6.4
32	Public expenditure on education (as % of total public expenditure)	20.9	17.7	17.8
33	Skill gaps (%)	M	M	M
34	The share of SMEs in GDP (%)	M	M	M
35	The share of SMEs in employment (%)	M	M	M

Sources:

3, 4, 6, 7, 8, 9, 10 - The World Bank, World Development Indicators database

5 - World Economic Forum

1, 2, 11, 13, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 30, 31 – National Bureau for Statistics

12, 14, 15, 32 - UNESCO, Institute for Statistics

16 OECD PISA database

33 – World Enterprise Survey, World Bank

Legend:

A = Not Applicable

M = Missing Data

Note:

(*) Information presented without data on districts from the left side of the river Nistru and municipality Bender

ANNEX: INDICATORS' DEFINITIONS

	Description	Definition
1	Total population (000)	The total population is estimated as the number of persons having their usual residence in a country on 1 January of the respective year. When information on the usually resident population is not available, legal or registered residents can be considered.
2	Relative size of youth population (age group 15-24) (%)	The ratio of the youth population (aged 15–24) to the working-age population (usually aged 15–64 or 15–74).
3	Youth Dependency ratio (%)	The ratio of younger dependants (people younger than 15) to the working-age population (those in the 15–64 age group).
4	Old Dependency ratio (%)	The ratio of older dependants (people older than 64) to the working-age population (those in the 15–64 age group).
5	Global Competitiveness Index	The Global Competitiveness Index assesses the competitiveness landscape providing inside into the drivers of countries' productivity and prosperity. It expressed as scores on a 1 to 7 scale, with 7 being the most desirable outcome.
6	GDP growth rate (%)	The annual percentage growth rate of GDP at market prices based on constant local currency.
7	GDP per capita (PPP) (current international \$)	The market value of all final goods and services produced within a country in a given period of time (GDP), divided by the total population, and converted to international dollars using purchasing power parity (PPP) rates.
8	GDP by sector (%)	The share of value added from Agriculture, Industry and Services.
9	Poverty headcount ratio at \$2 a day (PPP) (%)	The percentage of the population living on less than \$2.00 a day at 2005 international prices.
10	Gini index (%)	Gini index measures the extent to which the distribution of income (or, in some cases, consumption expenditure) among individuals or households within an economy deviates from a perfectly equal distribution. A Gini index of 0 represents perfect equality, while an index of 100 implies perfect inequality.
11	Educational attainment of adult population (25-64 or aged 15+) (%)	Educational attainment refers to the highest educational level achieved by individuals expressed as a percentage of all persons in that age group.
12	Gross enrolment rates in secondary education (%)	Number of students enrolled in a given level of education, regardless of age, expressed as a percentage of the official school-age population corresponding to the same level of education.
13	Share of VET students in secondary (%)	The proportion of VET students in secondary education out of the total number of pupils and students in secondary education (general + VET)
14	Gross enrolment rates in upper secondary education (%)	Number of students enrolled in a given level of education, regardless of age, expressed as a percentage of the official school-age population corresponding to the same level of education.
15	Share of VET students in upper secondary education (%)	The proportion of VET students in upper secondary education out of the total number of pupils and students in upper secondary education (general education + VET)

	Description	Definition
16	Low achievement in reading, maths and science – PISA (%)	The share of 15-years-olds falling to reach level 2 in reading, mathematics and science.
17	Participation in training/lifelong learning (age group 25-64) by sex (%)	The share of persons aged 25–64 who stated that they received education or training in the four weeks preceding the (LFS) survey.
18	Early leavers from education and training (age group 18-24) by sex (%)	The percentage of the population aged 18–24 with at most lower secondary education who were not in further education or training during the four weeks preceding the (LFS) survey. Lower secondary education refers to ISCED 1997 level 0–3C short for data up to 2013 and to ISCED 2011 level 0–2 for data from 2014 onwards.
19	Activity rates by sex (aged 15+) (%)	Activity rates represent the labour force as a percentage of the population of working age.
20	Employment rates by sex (aged 15+) (%)	Employment rate represents persons in employment as a percentage of the population of working age.
21	Unemployment rates by sex (aged 15+) (%)	Unemployment rate represents unemployed persons as a percentage of the labour force.
22	Unemployment rates by educational attainment (aged 15+) (%)	Educational levels refer to the highest educational level successfully completed. Three levels are consider: Low (ISCED level 0-2), Medium (ISCED level 3-4) and High (ISCED 1997 level 5–6, and ISCED 2011 level 5–8)
23	Youth unemployment rates by sex (aged 15-24) (%)	Youth unemployment rate represents young unemployed persons aged (15-24) as a percentage of the labour force (15-24).
24	Proportion of long-term unemployed out of the total unemployed (aged 15+) (%)	Number of unemployed persons aged 15+ who are long-term unemployed (12 months or more) as a percentage of unemployed persons aged 15+.
25	Long-term unemployment rate (age 15+) (%)	Number of unemployed persons aged 15+ who are long-term unemployed (12 months or more) as a percentage of the labour force aged 15+.
26	Incidence of self-employment (%)	The share of self-employed as a proportion of total employment. Self-employment includes employers, own-account workers, members of producers' cooperatives and contributing family workers.
27	Share of the employed in a public sector (%)	The share of employed in a public sector as a proportion of total employment.
28	Employment by sector (%)	The share of employed in Agriculture, Industry and Services.
29	Employment in the informal sector	Share of persons employed in the informal sector in total non-agricultural employment.
30	Proportion of people aged 15–24 not in employment, education or training (NEETs) (%)	The percentage of the population of a given age group and sex who is not employed and not involved in further education or training.
31	Public expenditure on education (as % of GDP)	Public expenditure on education expressed as a percentage of GDP. Generally, the public sector funds education either by directly bearing the current and capital expenses of educational institutions, or by supporting students and their families with scholarships and public loans as well as by transferring public subsidies for educational activities to private firms or non-profit

	Description	Definition
		organisations. Both types of transactions together are reported as total public expenditure on education.
32	Public expenditure on education (as % of total public expenditure)	Public expenditure on education expressed as a of total public expenditure. Generally, the public sector funds education either by directly bearing the current and capital expenses of educational institutions, or by supporting students and their families with scholarships and public loans as well as by transferring public subsidies for educational activities to private firms or non-profit organisations. Both types of transactions together are reported as total public expenditure on education.
33	Skill gaps (%)	The percentage of firms identifying an inadequately educated workforce as a major constraint.
34	The share of SMEs in GDP (%)	The share of GDP contributed by small and medium businesses.
35	The share of SMEs in employment (%)	The share of persons employed in small and medium businesses.

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