

KEY POLICY DEVELOPMENTS IN EDUCATION, TRAINING AND EMPLOYMENT – MOLDOVA 2023

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EXECUTIVE SUMMARY

Over the last three years the government under the lead of the pro-European Party of Action and Solidarity (PAS) has to set out a reform agenda and build strong ties with Europe. President Sandu's mandate will expire in 2024, and the next Parliamentary elections are due in 2025.

On 23 June 2022, the European Council granted candidate status to Moldova and on 14-15 December 2023 made a decision to open accession negotiations. This radically changes Moldova's political and economic development trajectory, opening up opportunities and putting pressure on the government to implement structured reforms.

The positive political outlook is counterbalanced by the pressure of multidimensional shocks caused by the impacts of the COVID-19 pandemic, the war in Ukraine, the refugee crisis and energy crisis. All these have the potential to negatively affect recent positive progress in terms of human development.

The Russian invasion of Ukraine has heavily impacted Moldova, which has had to deal with political tension, realistic concerns of being dragged into the conflict and the responsibility of dealing with a high volume of refugees compared to its population. Following a period of uncertainty, the frontline stabilised far from Odessa, reducing the risk of Moldova becoming involved. This alleviated concerns regarding military implication, but did nothing to stem the flow of refugees.

Since the start of the war there has been a big influx of Ukrainian migrants. The Moldovan population demonstrated huge commitment to supporting refugees. Nonetheless, this vulnerable population has put a lot of pressure on the education and social systems of the country.

The energy crisis caused by the war in Ukraine has also affected Moldova, with two major aggravating factors. The first is that Moldova is entirely dependent on Russian gas and has no alternative solutions should the Russian gas conglomerate Gazprom decide to unilaterally terminate the contract. The second factor is the impossibility for citizens and businesses in Moldova, the poorest country in Europe, to cope with the new gas prices.

The Ministries of Education and Labour have continued implementing the key reforms started under the Education Strategy 2014-2020 and the Employment Strategy 2016-2020. Some progress has been made in this respect: the implementation of dual education has continued; the number of students enrolled is increasing; Centres of Excellence have been increasingly taking on their new responsibilities; the LMO (Labour Market Observatory) is delivering evidence-based policy advice on a more regular basis.

The new Education Development Strategy (EDS) 2020-2030 and its action plan were approved in 2023 following a long public debate. The new strategy is no longer structured by sub-sectors (primary, secondary, VET) but it has a number of transversal objectives for the whole sector. The new National Employment Programme (NEP) 2022-2026 has also been approved.

Educational reforms are progressing. The Centres of Excellence have started to become more active in the education sector, establishing relationships with affiliated VET schools and expanding their services beyond initial education. Dual education is still a priority for the Ministry, which is seeking to increase the share of students in Dual education, but the reform looks solidly embedded in the system.

In the field of employment policies, the Ministry of Labour and the National Employment Agency (NEA) have been trying to expand the spectrum of active employment measures to effectively respond to labour market needs. There is a clear effort by the government to strengthen this policy area, also in view of the COVID-19 pandemic which put pressure on the labour market. While further adjustment and the introduction of new measures have been necessary, the implementation faces additional challenges related to limited financial and human resources. New measures related to start-up support and on-the-job training call for more partnerships with employers and the business community. Several active measures have been implemented, although some with a modest number of beneficiaries. Furthermore, the labour market information system does not fully comply with the new requirements, as both the NEA and the Labour Market Observatory face similar capacity challenges.

Therefore, further methodological developments and capacity building are on the way, also with ETF support.

Overall, many of the public education and employment institutions find it difficult to attract adequate human resources due to the low level of salaries. This seems to be a big and persisting challenge that has to be taken into consideration when reviewing the governance mechanisms.

1. KEY POLITICAL, DEMOGRAPHIC, ECONOMIC AND SOCIAL CHARACTERISTICS

Political developments

The government has been relatively stable, in the hands of pro-European Party of Action and Solidarity (PAS), with President Sandu leading the reform agenda and build strong ties with Europe. In February 2023, following tensions in the country, the prime minister Natalia Gavrilita resigned and was replaced by Dorin Recean, former national security adviser. In July, the government re-shuffled some Ministerial positions including the Ministry of Education and Research (MoER). Overall, the historical division between pro-European and pro-Russian has been shaken by the war. Pro-Russian parties have started to loosen their ties with Russia, in some cases openly rejecting them. The public has been shocked by the aggression and the political balance seems to have tipped towards the European position. The fact that Moldova has the status of candidate country, in June 2022, has further pushed it in this direction. Following the granting of candidate country status, Moldova's alignment to EU policies has started to be monitored.

Despite a very challenging environment, the government has made an effort to stick to its announced efforts in the field of anti-corruption, by nominating new heads of anti-corruption agencies and other law enforcement institutions. Independent NGOs monitoring democratic progress in transition countries have recognised Moldovan improvements in the last year (<https://freedomhouse.org/country/moldova/nations-transit/2023>).

The positive political outlook is counterbalanced by the pressure of multidimensional shocks caused by the impacts of the refugee crisis, resulting from the war in Ukraine, and the energy crisis.

Aside from the political tensions, which have been more intense than originally feared, the main challenge caused by the Russian invasion of Ukraine is now the pressure of the high number of refugees. As of June 2023 approximately 110 000 refugees (representing over 4.5% of the total population of Moldova) are in the country, In fact, Moldova currently hosts more Ukrainian refugees per capita than any other country¹. Despite all efforts to assist those displaced from Ukraine, no status-based solution was available in Moldova in 2022. However, the government periodically has had to extend the state of emergency, which allowed displaced persons from Ukraine to enter Moldova with any available ID document and immediately gain access to the national job market. Following the EU example, the Moldovan Government began preparations to activate temporary protection. The definition and main principles of the temporary protection status were already regulated in Moldova by the 2008 Law on Asylum, recognising temporary protection as one form of asylum in the Republic of Moldova, which can be activated by a government decision for a period of one year, with the possibility of extension for up to two years.

The energy crisis caused by the war in Ukraine has also affected Moldova, with two major aggravating factors. The first is that Moldova is 100% dependent on Russian gas and has no alternative solutions should Gazprom decide to unilaterally stop the contract. The second factor is the impossibility for citizens and businesses in Moldova, the poorest country in Europe, to cope with the new gas prices. A direct effect of the energy crisis and the overall political tensions with Russia is Moldova's current attempt to reduce energy dependence from Russia, starting from the restructuring of Moldovagaz to meet European standards (requiring the three tiers of a natural gas market (upstream/production, midstream/transmission, and downstream/distribution) and not be controlled by the same entity².

¹ reliefweb.int temporary protection for Ukrainians in Moldova – achievements and challenges

² <https://www.energypolicy.columbia.edu/qa-can-a-pro-european-moldova-reduce-its-energy-dependence-on-russia/>

Demographics

The two main factors shaping the population structure and demographic change in Moldova are ageing and migration. In addition, more than half of the population lives in rural areas, giving Moldova one of the lowest levels of urbanisation in Europe.

According to the World Development Indicators database of the World Bank, the total population of Moldova in 2022 was slightly higher than 2.5 million, with a clear long-term negative trend. Moldova registered a 2% population decrease compared to 2021 and 10% compared to 2010³.

Migration is probably the most significant socioeconomic trend for Moldova, a country with one of the highest total emigration rates in the world. Migration has a strong impact on several aspects of Moldovan society, including the population age structure, the economy, and skills availability.

As of 2020, Moldovan international migrants numbered more than 1 150 000, a significant share of the total population. Taking into account the corresponding depopulation linked to low fertility rates, the share of international migrants has increased by 2-3% every 5 years (and 6.3% in the past 5 years), while the COVID-19 pandemic seems to have increased this trend. The reasons for leaving are similar to those in other countries with strong net emigration profiles (lack of job opportunities, very low salaries, prospects of a better future for children). In addition, Moldova possesses a unique combination of legal opportunities and informal connections that further facilitates migration. Over one million Moldovans have Romanian nationality, which allows them to work in other EU countries without restrictions, even though the visa liberalisation by the EU that Moldova was expecting after the signature of the Mobility Partnership in 2008 has not materialised. Additionally, the intensity of past migration has created a strong, well-connected diaspora network that makes migration easier. Given the impossibility of scaling down the population and skills drain, government policies have endeavoured to support the establishment of circular migration, by setting up a policy framework in which migrants create development opportunities for Moldova through economic investments and an upskilled returning workforce.

In terms of direct economic impact, in 2020 remittances represented 16.3% of the gross domestic product (GDP), significantly contributing to keeping a large proportion of the mostly rural population above the poverty line. This percentage has halved since 2005 as a result of the strong economic growth during this period (see Statistical Annex). However, a quarter of Moldovan households still receive remittances, and for half of these households, remittances constitute more than 50% of their disposable income. Without remittances, 23.4% of households would fall below the poverty line (IOM, 2020).

On the negative side, high emigration rates have had a direct impact on the population dynamics and age structure, particularly in rural areas, which suffer from higher dependency ratios and ageing, thus furthering the rural exodus to cities. Since 2010, Moldova has experienced a demographic regression, with mortality rates exceeding birth rates. Even more damaging is the impact of migration on the availability of people in specific occupations, specifically in the health and education sectors. The share of youth over the total population has decreased from 2010 (24.4%) to 2021 (16.4%) with a small bounce back in 2022 (18.2%) probably due to the impact of Covid and decreasing employment opportunities in Europe.

Key economic developments

Moldova is a small, lower-middle-income economy, with agriculture accounting for a relatively high share of its economy and employment. It also has an uneven territorial distribution of economic opportunities and growth, with the capital city of Chisinau generating more than half of the country's

³ National Bureau of Statistics https://statistica.gov.md/en/population-with-usually-resident-population-by-sex-and-age-group-in-territorial--9578_60448.html

GDP. The main economic drivers of the GDP are manufacturing, trade, agriculture, construction, transportation, information and communication technology, and services.

Over the past years, Moldova's economic performance has fluctuated. Following the 2015 recession (which was due, not least, to large-scale banking fraud), the country's economy recovered in 2017 with GDP growth of 4.7%, which decreased slightly in 2018 but remained at 4.0%. Even before the COVID-19 crisis, however, the economy had slowed sharply in the last quarter of 2019. Growth in 2019, at 3.6%, was underpinned by strong domestic demand, led by wage increases, remittances, credit expansion and rising public spending. Inevitably, growth declined in 2020 (-8.3%) as the country's economy was hit hard by the effects of the pandemic, due to the country's high dependency on migrant remittances. In 2021, the country's economy bounced back, with GDP growth reaching nearly 14% and the country looking on track for a period of sustained growth. However, the war in Ukraine and the energy crisis reversed this trend. Growth for 2022 dropped (-5.9%), pushing Moldova into recession. Inflation skyrocketed up to 30% in January 2023 but decreased over the whole year and reached 6% in October.

However, the perspective is less bleak considering the benefits that should come from becoming a candidate country.

The National Development Strategy, which is known as Moldova 2030, presents the government's overall strategic vision for 2020-2030. This multi-sectoral strategy focuses on the following development priorities: (a) sustainable and inclusive economy (increased revenue from sustainable sources and mitigation of economic inequality; expanding people's access to utilities and living conditions; and improving working conditions and reducing informal employment); and (b) healthy environment (ensuring the fundamental right to a healthy environment and environmental security).

Key social issues

Moldova is considered to be one of the poorest countries in Europe. Several vulnerable groups can be identified. The rural population is more vulnerable to poverty than the urban population. The quality of services and access to resources are more constrained. Poor infrastructure and road quality further limit access to services. Emigration and dependence on remittances are significant. The proportion of the population living below the poverty line is more than four times higher in rural compared to urban areas. Young Moldovans face multiple and interconnected challenges, most notably in employment and health. Many young people do not have the right skills for the local labour market and young professionals often have difficulties finding employment in their field of work. About one-third of the population has emigrated during the past two decades. Historically, it was low-skilled labour that emigrated (mainly to Russia, Israel and the European Union), but nowadays it is increasingly the educated middle class, and young professionals who migrate in search of better opportunities. The level of salaries in the country is very low. At €518 the average gross monthly salary in Moldova is half that of Romania, and little more than 20% of salaries in Germany and France. This has created a shortage of skilled labour in many sectors, which seriously affects economic development.

People with disabilities are often subject to stigma and limitations in exercising their rights. Historically, they had limited access to education, health, and political representation. Recently things started to improve at least for children who are being integrated into standard schools. Legal institutions often have poor knowledge of the rights of people with mental and/or physical disabilities.

Children of migrant workers: A fifth of all children have at least one parent working abroad and 10% stay with grandparents as both parents work abroad⁴. A large proportion of children of migrant workers live in rural areas. Poor quality education, malnutrition and poor access to safe water and sanitation is more frequent among this group of children. In Moldova, tolerance towards the LGBTQI community is extremely low and they often face stigma and discrimination. The freedom of assembly and expression are in many ways restricted. Many political groups as well as the Orthodox Church express

⁴ <https://www.migrationpolicy.org/article/children-left-behind-impact-labor-migration-moldova-and-ukraine>

high levels of intolerance, and hate speech in the media is commonplace. Stigma towards the Roma community in society is also widespread⁵.

⁵ Multidimensional Poverty Analysis (MDPA), Embassy of Sweden, July 2020.

2. EDUCATION AND TRAINING

2.1 Trends and challenges

Education strategy and legal framework for education

The main goal of the 'Moldova 2030' strategy is a noticeable improvement in the quality of life of the people of the Republic of Moldova. Such an approach also implies poverty eradication in all relevant aspects of this phenomenon, not exclusively in monetary terms, as it involves not only the level of income, but also equal and undeniable access to qualitative public and private goods and services.

The new Education Development Strategy (EDS) 2020-2030 have been approved in 2023. The draft strategy is not structured around education sub-sectors but defines nine transversal strategic objectives (SO):

SO1: Quality education versus sustainable labour market development.

SO2: Inclusive school versus inclusive society.

SO3: Quality of teaching staff – quality of education – quality of human resources – quality of the economy.

SO4: Society, community, family versus quality of education.

SO5: Safe, formative, inclusive learning environments.

SO6: Digitalisation versus the quality and functionality of the education system.

SO7: Lifelong learning versus the quality of adult learning and education.

SO8: Scientific research versus the source of innovation and changes in education.

- SO9: Good governance versus quality of education.

In terms of legislative framework, the main expected change is the revision of the NQF Law which is currently being discussed.

Education expenditure

Over the past decade, Moldova has spent a high percentage of its GDP on education (around 6%). After a negative trend from 2014 (6.27%) to 2018 (5.44%), the indicator bounced back to 6.39% in 2020. An inefficient schools' network absorb a lot of the resources allocated to education. The country has started a reflection on possible ways to increase the schools' network efficiency. Some decisions on closing and merging VET schools have been already taken in 2023. The difficulty lays in balancing greater efficiency with equitable access to education also in rural areas.

Access, participation and early school leaving

The relatively high levels of educational expenditure have paid off, judging by the relative increase over time of the levels of educational attainment among the active population (aged 15+). In 2022, 52.1% of the adult population had a medium level of education, 18.5% a high level and 29.5% a low level. This is the result of a slight but continuous positive trend of an increasing proportion of the population with a high level of education (+0.3% since 2019 and +3.8% since 2010).

The NET enrolment rate in secondary education (ISCED level 2-3) is also very high, reaching 99.2% in 2021.

Moldova has a significant problem with early leavers from education (European Training Foundation, Torino Process 2018, National Reporting Framework). In 2022, the rate of early leavers (% aged 18-24) from education has bounced back to 21.5% in line with the historical trend, after a positive decrease (16.9%) in 2020. Additionally, efforts to raise the population's educational attainment levels

and reduce dropout rates may have unintended consequences, leading to poor performance in education overall. This can also mean that the actual quality of education may have deteriorated, probably due to various factors, such as overcrowded classrooms, higher ratio of students to teachers, etc. In addition, this could have impacted the country's poor performance in the Programme for International Student Assessment (PISA) (see below).

Moldova has relatively low enrolment rates in primary and secondary education: in 2018 net enrolment rates were 90.62% and 86.91% respectively. In the same year, the gross enrolment rate in higher education was relatively high at 39.82%. VET is well represented at the upper secondary level and enrolment in vocational programmes has increased in the last 10 years, reaching 44.8% in 2021, up from 37.1% in 2013. The enrolment rate has remained stable over the last 4 years and there are no signs of further changes.

Participation in lifelong learning (1.3% in 2022) is one of the major weaknesses of the education system.

Among Ukrainian migrants almost 50 000 were school-aged children, of which only 1 862 are currently enrolled in Moldova's education system. Language barriers and the expectation of going back to Ukraine soon are the main reasons for such low enrolment rates. However, this number is still substantial in relation to Moldova's student population, and the education system is making considerable efforts to adjust to their needs.

PISA results

As noted earlier, the quality of education is a concern. The PISA 2022 results did not show significant improvement. Overall, Moldova ranked 48th out of 81 countries, which is slightly better than the previous round in 2018. Looking at the details, the situation appears less encouraging. The average 2022 results were about the same as in 2018 in mathematics, and down compared to 2018 in reading and science. The results were higher than in 2010 in mathematics and reading, and were similar to 2010 levels in science. Over the most recent period (2018 to 2022), the gap between the highest-scoring students (10% with the highest scores) and the weakest students (10% with the lowest scores) narrowed in mathematics, reading and science. Compared to 2015, the proportion of students scoring below a baseline level of proficiency (Level 2) increased by five percentage points in mathematics; showed no significant change in reading; and no significant change in science. 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 quality⁶.

Young people not in employment, education or training (NEET)

The share of young people not in employment, education or training (NEETs) has fluctuated over the years and remained stable between 2021 and 2022, although maintained a high level of 17.2% for 15-24-year-olds. The outcome had improved by 2.3 percentage points from 2019, which is also consistent with the high early school leaving and the employment outcomes.

The youth unemployment rate (15-24-year-olds) fell consistently from 12.3% in 2015 to 10.7% in 2022. However, the decline of both indicators may reflect not only improved employment prospects but also a shrinking young population, limited readiness to work or a reliance on remittances. An increase in inactivity has also been observed across many countries as an effect of the COVID-19 pandemic. In the case of youth unemployment, although gender differences were not markedly high, in 2022 the NEET rate among young women was 7.3 percentage points higher (20.8%) than that of young men (13.5%). In older age groups (e.g. 15-29), this trend is very strong, showing that there is a difficult school to work transition for young women⁷.

⁶ [Moldova | Factsheets | OECD PISA 2022 results](#)

⁷ National Bureau of Statistics – https://statistica.gov.md/en/youth-neet-in-the-republic-of-moldova-for-the-third-9430_60851.html

2.2 Initial VET and adult learning

Strategic and legal framework for initial VET and adult learning

The VET strategic framework is now integrated in the new Education Development Strategy (EDS) 2020-2030. The Ministry does not foresee developing sectoral strategies for the different education sub-sectors. Operational planning documents which extrapolate VET information from the overall action plan could be developed within the VET department for organisational purposes. Adult Learning is an area of natural cooperation between the EDS and the new National Employment Programme (NEP) 2022-2026. The MoER should set up reforms to ensure that graduates develop an interest in continuing education throughout their life (this is well covered in the EDS) and ensure the provision of continuing education for different target groups. The MHLSP and NEA have the responsibility for reaching out to inactive people and adopting active labour market measures for the unemployed, and the responsibility for calculating and anticipating skill needs. The NEP has a clear and sound programme for providing ALMPs to an extended group of stakeholders (with a special focus on NEETs), while the EDS places emphasis on municipal involvement. Together, both these documents show a willingness to strengthen the government's capacity to reach out to people in need of re-training, but the documents do not appear to be coordinated.

VET governance and financing arrangements

Several important decisions have shaped the governance of the VET system, including the Law on Sector Skills Committees (2017), Government Decision No 201/2018 on the organisation and functioning of the National Agency for Quality Assurance in Education and Research, and Government Decision No 1234/2018 on remuneration conditions of the staff of educational institutions operating under a financial and economic self-management regime. The approval of the Law on Sector Skills Committees created a high level of optimism that the private sector would play a stronger role in VET and human capital development. Over the past two years, however, it became clear that defining a broad legislative framework is a necessary step, but that it is not sufficient to ensure the effective operationalisation of the sector skills committees. The committees are currently active but face several challenges in the implementation of their ambitious mandate. The ETF is supporting the development of the sector skills committees, particularly in their capacity to implement new functions, such as the development of occupational standards for their respective sectors.

The MoER has started cooperating effectively with other relevant ministries, sector skills committees, VET institutions, businesses and other social partners. Sector skills committees and working groups have thus far contributed to the development of 33 occupational standards and 43 qualifications (out of 200). In 2018, a total of MDL 300 000 (around EUR 15 000) was allocated for occupational standards. Despite all of these achievements in setting up a regulatory framework, the National Qualifications Department of the MoER has had difficulty keeping up with the ambitious work plan. In 2019, the EU started to support the department through a twinning programme and the ETF has continued to provide its complementary expertise.

In the context of VET reform, efforts have also been made to improve the efficiency and effectiveness of the financial management of VET institutions. As of 1 October 2018, the public VET institutions are financially and economically self-managed. They receive allocations from the state budget for the execution of the state order, their financing is based on a service contract and they are allowed to generate additional funds. The formula funding is based on a 'per student calculation' adjusted to the economic sectors covered by the institution. It is too early to assess the impact of this reform. Schools have initially faced some difficulties in managing this degree of autonomy and in coping with the necessity of generating additional income. The new education funding law (2018) also allows the Ministry of Education a discretionary amount equal to 3% of its budget for ad hoc projects and activities. The VET directorate is planning to use this money to fund Centres of Excellence to take over as coordinators of affiliated VET institutions.

Qualifications, validation and recognition

Moldova has a legislated National Qualification Framework. The Ministry, through the NQF department, is putting a lot of effort into making the framework operational. The Moldovan Register of Qualifications is currently under development. The first version of the register has been positively assessed by the ETF and EQF advisory board representatives. The decision to provide Moldova with candidate status has opened significant opportunities for networking and peer learning for the NQF department, which has joined the EQF in 2023.

VET in Moldova demonstrates good performance in enabling learners to switch between parallel general and vocational learning pathways. The education and training system delivers a much higher degree of permeability than the systems of other countries, on average. However, VET students in Moldova who aim to transition between successive stages of education to a general education/academic track, face far greater challenges⁸.

Moldova has developed and legislated a solid system for the validation of non-formal and informal learning. Several Centres of Excellence have been accredited as VNFIL providers, and with the financial support of international projects have achieved relevant numbers of people receiving a qualification through VNFIL. The financing of the model remains its weak point. Requiring potential applicants to cover the costs of the process reduces the attractiveness and potential added value of the system.

The MoER has expressed interest in becoming one of the first countries outside the current remit of the EQF to have the opportunity to be referenced according to the meta-framework. The accession progress is helping Moldova in this context as Moldovan representatives are joining several EU discussions platforms.

Quality and quality assurance

Quality assurance is the responsibility of the MoER and the ANACEC, which was established in 2014 (for all levels of education). The latter is responsible for the creation of national reference and accreditation standards, curricula evaluation methodology, educational processes and school results. The ANACEC also manages the external quality evaluation which is carried out in both initial and continuous VET institutions every 5 years.

Key documents setting out the legal basis for quality assurance in Moldova include:

Government Decision No 201/2018 on the organisation and functioning of the National Agency for Quality Assurance in Education and Research.

External quality evaluation methodology, defining external quality evaluation criteria, accreditations standards and performance indicators.

- External Evaluation Guide for Vocational Training Programmes in Technical Vocational Education, defining evaluation standards.

The above-mentioned documents describe the status, objectives, tasks and functions of the ANACEC as well as the methodological and procedural framework for quality assurance. ANACEC has demonstrated significant competencies in implementing its mandate; however as other HCD stakeholders, it suffers from a lack of staff due to low salaries in public administration in Moldova. School self-assessment processes have not been established yet.

Overall, the education quality is low and the PISA results have clearly demonstrated this (see section on PISA results above).

⁸ [Torino Process 2022–24: Moldova | ETF \(europa.eu\)](https://european-council.europa.eu/media/en/press-room/pages/press-room-detail.aspx?lang=en&id=12345)

Work-based learning arrangements

The adoption of the Regulation on the Organisation of VET Programmes for Dual VET (2018) and the Regulation on the Framework Curriculum for Dual Secondary VET (2018) have completed the process of formally establishing dual education, which started in 2014. The number of enrolled apprentices doubled from 2016/2017 to 2017/2018 and according to a state order the forecasted share of students in dual technical vocational education for the academic year 2020/2021 will be 9.8%. At present, 78 companies are taking part in the Dual VET. In terms of the regulatory framework, the MoER is at an advanced stage of finalising the draft law on dual education, which will soon be presented to the authorities for consultation. However, the teaching and learning environment, as well as the apprentices' degree of satisfaction, differs widely from one case to the next. The Dual VET requires investments and shared responsibilities between companies and VET institutions. It also depends on the desire and readiness of companies to assume a high level of responsibility, and on their technical and human capacity. Thus, regardless of the comprehensive recognition of the importance of work-based learning (WBL), VET institutions still face difficulties in establishing long-term relations with companies and the companies do not yet have appropriate mechanisms to ensure the quality of WBL. In particular, WBL remains underdeveloped in the agri-food area owing to the shortage of large companies and the fact that small businesses and individual farms are neither motivated nor fully prepared to provide WBL.

Moldova joined the European Alliance for Apprenticeship in 2022. This should provide ample opportunities for networking and peer learning.

Digital education and skills

There is no standalone legal act on the digitalisation of general education and VET in the Republic of Moldova. Issues related to digitalisation are regulated and provided for within the following legal documents:

the Strategic Framework: Moldova Education 2020 provides a strategic directorate exclusively for the Integration of ICT in education at all levels. Another strategy specifically for the VET sector, called the Strategy for the Development of Technical Vocational Education for the Years 2013-2020 (VET Strategy, stipulates the need for activities related to the continuous promotion of modern teaching technologies using ICT. In addition, in accordance with the provisions of the Education Code, key competencies include digital competencies.

Under Objective No 4, 'Guaranteeing quality education for all and promoting lifelong learning opportunities', Education Strategy 2021-2030 contains axis No 5, related to 'information and communication technologies in education - a factor in ensuring the quality and functionality of the learning system'. The action plan should bring understanding to the way this axis will be implemented, presumably also developing a larger legal framework for digitalisation of the education system.

The digital competence standards for teachers in general education were approved by Order 862/2015 of the Ministry of Education. These standards are also valid for VET teachers. It is important to mention that the standards are only relevant to the general disciplines studied in TVET. At the same time, there is no way of verifying and ensuring that teaching staff are using ICT methods in the classroom.

The minimum standards for ICT equipment for Vocational Education institutions were approved by Order 1043/2015 of the Ministry of Education. The standards stipulate the minimum equipment necessary for Technical Vocational Education institutions.

All VET schools have implemented the SELFIE self-assessment in 2021. The results have been analysed and discussed with the Ministry of Education. In 2022, all general schools have implemented the SELFIE self-assessment. In 2023, selected general and VET schools have drafted a digital action plan on the basis of the SELFIE results.

There are several examples of digital innovation. The Centre for Excellence for ICT for example has developed a Moodle platform that is used for teaching and assessing purposes. The platform is also used for the final exams of all ICT programmes in VET.

Statistics on education and training

Education statistics are collected by the Ministry of Education through the different departments that oversee the education sub-sectors. A new Education Management Information System (EMIS) has been implemented and should reinforce data collection. Tracer studies have been piloted but they have been put on hold pending integration into the new EMIS.

3. LABOUR MARKET AND EMPLOYMENT

3.1 Trends and challenges

Labour market characteristics

The employment scene in Moldova is complex and challenging, with insufficient, poor-quality jobs, low productivity, persistent informal arrangements and inequalities. One of the underlying aspects is the declining size of the Moldovan working-age population.

The activity rate is very low in the Republic of Moldova. It has increased slightly reaching 41.8% in 2022, recovering from the low of 40.3% in 2020 due to the Covid-19 pandemic. The employment rate has also recovered slightly from 38.8% in 2020 to 40.5% in 2022. Those outcomes reflect substantial gender differences, with the activity rate among the male population standing at 46.3% in 2022, compared to 37.8% for the female population. Although employment among the female population has grown by 1.2 percentage points, a substantial gender gap of 7.9 percentage points remains within the employed population, with the employment rate among men reaching 44.7% in 2022, compared to only 36.8% for women. Educational attainment plays a crucial role in employment prospects, with the employment rate of persons with tertiary education reaching 62% in 2022. Although the employment rate among the low-skilled population has increased since 2019, reaching 25.5% in 2022, it remains low, also when compared with the outcomes of medium-skilled workers (41.3%).

The service sector employs the largest share of the labour force (56.7% in 2022) with a sizeable role played by trade, hotels and restaurants, employing 18.8% of the labour force. The industry sector has been expanding gradually in recent years, reaching an employment share of 22.5% in 2022, and has overtaken the agricultural sector, which accounted for 21.5% of the total employed population. As a reference, in 2015 the agricultural sector employed 34.2% of the population, representing a 17 percentage point gap over the industrial sector.

Informality remains a serious challenge in the Moldovan labour market. In 2021, 16.9% of the employed population remained in the informal sector, including 23.8% being employees. In the non-agricultural sector, the share of informal employment was 11.3% in 2021. The highest share of informally employed persons was registered in construction. In 2021, 65.1% of all people employed in construction were in the informal sector⁹.

The impact of the Ukraine war is not yet evident, but it will be inevitable considering the 14% fall in GDP growth caused by the war and the incoming potential energy crisis (Moldova is 100% dependent on Russia for gas).

There are substantial imbalances between supply and demand in the labour market. Public employment services register a growing number of vacancies that cannot be filled by available jobseekers. This suggests a high incidence of skills mismatch, and the occupational mismatch indicator points to over-qualification in the labour market (European Training Foundation, Youth transition to work in Moldova, 2018). For example, the share of the active population having completed tertiary education working in semi-skilled occupations increased from 20.4% in 2012 to 23% in 2017. There could be a number of reasons for this increase, such as a problem with labour demand for highly skilled workers (a lower demand or an uneven territorial distribution of employment opportunities for university graduates); inadequate university education outcomes in terms of skills and abilities for high-skilled jobs; or a lack of practical experience (individuals take jobs not matched to their education level as a strategy to gain work experience and open up new avenues to potential jobs) (skills mismatch measurement Moldova, ETF, 2019).

⁹ <https://statistica.gov.md/newsview.php?l=ro&idc=168&id=7347>

Another factor severely affecting the labour market is the very high level of inactivity (58.2% in 2022, which has remained constant over the last 10 years), which is due to a combination of factors, including low salaries and dependence on remittances—.

Labour market and employment statistics

Moldova's institutional system in the employment field includes:

1. institutions involved in elaborating, coordinating, approving and controlling the implementation of the labour market policy: the government and the Ministry of Health, Labour and Social Protection (MHLSP);
2. the National Employment Agency (NEA) – the institution involved in implementing employment policy;
3. local public authorities, social partners, non-profit organisations and employers.

The Moldovan government promotes employment at a national level, integrates the needs of the labour market into the country's socioeconomic development policy, and provides the funding required to implement employment policies. The MHLSP carries out several activities: developing and promoting normative acts and policies in the employment field; coordinating, analysing and evaluating employment policies; planning and distributing financial resources for employment; and coordinating, monitoring and controlling the NEA's activities. All employment-related activities within the MHLSP are coordinated by the Minister of State and the Directorate for Employment Policy and Migration Regulation. The NEA is a public institution under the MHLSP, and is responsible for implementing employment policies. The NEA's mission is to increase employment opportunities for jobseekers and to support employers in identifying skilled workers and creating new jobs.

Many institutions in Moldova are involved in producing information on labour market skills needs, and a significant amount of data has been gathered. However, the analysis, management, and access to the information for the relevant stakeholders were reported to be challenging. Therefore, the Labour Market Observatory (LMO) was established in 2018. The LMO operates on the basis of a partnership signed between the MHLSP and the NEA on the one hand, and the Ministry of Economy and Infrastructure, the Ministry of Finance, the MoER, the Ministry of Agriculture, Regional Development and Environment, the National Bureau of Statistics, the National Institute for Economic Research, the National Confederation of Employers, the National Trade Union Confederation, the Chamber of Commerce and Industry, and the Migration and Asylum Bureau on the other hand. The LMO is responsible for collecting, systematising and analysing the statistical data produced by the NEA and other public institutions, developing analytical studies, forecasting labour supply and demand, and disseminating labour market information to different actors in the labour market. However, the LMO would require further investments in the analytical capacity in order to perform more complex tasks leading to comprehensive studies and medium-term forecasts on the supply and demand of labour and professional skills.

3.2 Employment policy and institutional settings

Strategy and legal framework in the employment policy field

Within the new government established in 2021, the former Ministry of Health, Labour and Social Protection was split in two. The new Ministry of Labour and Social Protection is responsible for the following: human resource development and employment policies (including professional orientation and training for adults); the identification of the labour market's skills requirements; and improvement or upgrading of the skills of the labour force in accordance with those requirements. The National Employment Strategy 2017-2021 has been followed by the National Employment Programme 2022-2026 (NEP), approved in November 2022.

The Employment Promotion Law, which was approved in June 2018 and entered into force from February 2019, seeks to make 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 targeted groups mentioned in the law include unskilled young people, women over 50, people with disabilities, and individuals from the Roma minority.

The National Employment Agency (ANOFM) is a key institution in the provision of both active and passive labour market measures for jobseekers. The agency has a tripartite management board of nine members, with three representatives appointed by the government, employers and trade unions. As part of the public administration reform, the NEA has been restructured. This includes centralising the system, cutting staff and optimising business operations. There is now a central office with 50 staff in Chisinau and 35 branches at local level, which now have 200 staff members rather than 289. The branches are not independent legal entities, but do have the right to sign agreements with local companies on the provision of ALMPs. The NEA's mission is to increase employment opportunities for jobseekers and to support employers in identifying skilled workers and creating new jobs. Starting from that mission, the NEA carries out several activities:

- contributing to drawing up employment policies;
- monitoring the labour market and forecasting its changes at national level;
- ensuring that employment measures are implemented;
- assessing the impact of employment measures;
- formulating proposals for measures aimed at reducing unemployment and increasing employment;
- developing and managing the information system of the labour market, etc.

Recently the NEA launched a new online portal entitled 'angajat.md'¹⁰ for employers and jobseekers, which is set to provide information and free services.

There are advanced discussions about a new restructuring of NEA (presented in the paper: 'REFORM on improving NEA services for 2023-2026') but as of 2023 no changes have been implemented.

Initiatives to boost employment

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, preselecting 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), while keeping up their motivation to work and helping them to acquire skills to work. The NEA runs annual employer surveys to identify workforce requirements and labour shortages and publishes the results in a 'labour market barometer'.

The ILO supported the creation of Local Employment Partnerships. These are based on the cooperation between public and private partners to try and find solutions for labour market challenges in their communities. In the case of Cahul, there are 20 partners, including educational institutions, microfinance banks, the employment service, and businesses.

Significant action has been taken by the government to address the consequences of the pandemic. In relation to employment support measures in particular, the Government of the Republic of Moldova approved the National Action Plan for 2020. The action plan also has implications for mitigating the consequences of the pandemic (Legis.md). The action plan provides for several measures, which are set out below:

¹⁰ <https://www.angajat.md/>

Priority 1: Creating opportunities for formal, non-discriminatory and productive employment

1.1. Develop and implement incentive policies for job creation at central and local levels

Increasing the involvement of SMEs in the value chain.

Implementation of the 'Start for young people' programme.

Increasing the number of SMEs involved in business development on priority value chains.

Implementation of new instruments to support women in business in agriculture.

- Facilitating young people's access to financial resources, including through agricultural entrepreneurship programmes.

1.2. Job creation in rural areas and small towns

Job creation in rural areas by implementing the subsidy policy.

- Awarding grants in advance for start-up projects from the National Fund for the Development of Agriculture and Rural Environment.

Priority 2: Developing human capital for increased employment opportunities

Implement training programmes for the unemployed, including among those who have lost their jobs as a result of the crisis caused by the pandemic (COVID-19).

On-the-job training for the unemployed, including those who have lost their jobs as a result of the crisis caused by the pandemic (COVID-19), in collaboration with educational institutions and employers.

Increasing employment opportunities for the unemployed without work experience through their involvement in professional internships.

Subsidising the employment of the unemployed who need additional support in the labour market.

Subsidising employers to create or adapt jobs for the unemployed with disabilities to reduce the effects of the pandemic crisis (COVID-19).

- Granting measures to stimulate labour mobility.

Moldova has not yet developed youth guarantee schemes, but key stakeholders are part of the intensive discussions within the Eastern Partnership. Considering the success of this flagship initiative in Europe and candidate countries (North Macedonia has similar socio-economic characteristics and yielded great results from their experimentation with youth guarantee), it is expected that pilot initiatives could be implemented within the EU4Youth Employment and Entrepreneurship Project¹¹.

The NEA is also piloting an impact assessment methodology to determine the effectiveness of its ALMPs. This is a two-year (2022-23) initiative supported by the ETF, which should be fully integrated into the NEA's working processes at the end of the pilot.

Initiatives to increase the capacity of the public employment services

The Modernisation of Government Services Project (MGSP), launched in June 2018 to increase the efficiency, quality and accessibility of public services in the Republic of Moldova, has reached the middle of its implementation period. A re-organisation of the public employment services is ongoing.

Inevitably, the pandemic has had a massive impact on the work of the NEA, as the workload has increased, especially for territorial subdivision employees. At the same time, the service is underfinanced. In 2021, the share of ALMP expenditures in GDP was only 0.01%, which is far below the EU standards.

Through its subdivisions, the NEA provides additional support to certain categories of jobseekers considered most vulnerable in the labour market. NEA customers who need a special or individualised

¹¹ <https://euneighbourseast.eu/projects/eu-project-page/?id=1641>

approach and treatment include: young people aged between 16 and 24; people without a profession; people with disabilities; the long-term unemployed; people aged 50 and over; people released from prison; victims of human trafficking; people using narcotic drugs or psychotropic substances and victims of domestic violence.

To provide quality services and efficient implementation of active measures on the labour market, the NEA has concluded several partnerships both at national and local levels. At national level, partnerships have been concluded with educational institutions for the vocational training of the unemployed; the public association 'Concordia Social Projects' on the professional integration of young people; the National Council for Determining Disability and Work Capacity regarding online data exchange for persons with disabilities, the public association 'YOU ARE NOT ALONE'; and the National Administration of Penitentiaries regarding the integration of persons to be released from prison, etc. (Anofm.md).

However, in view of the new labour market challenges and expanding requirements, including the inflow of refugees from neighbouring Ukraine, NEA employees would require further upskilling and capacity building. However, no training centre has been established yet where staff could regularly attend vocational training courses and upgrade their skills.

To strengthen its capacities, the NEA benefited from consulting and support services provided by: the World Bank (WB), the European Training Foundation (ETF), the United Nations Development Program (UNDP), the International Labour Organization (ILO), etc. The Local Employment Partnership, an initiative of the ILO, is a social dialogue platform that brings together representatives of the NEA local public authorities, trade unions and employers at a local level. The ILO provided financial support for the initiation of a programme to identify existing labour market opportunities and provide outreach for young people not in employment, education or training (NEET).

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MOLDOVA: Statistical Annex

The Annex includes annual data from 2010, 2015, 2019, 2020, 2021, and 2022 or the latest available year.

	Indicator	2010	2015	2019	2020	2021	2022	
1	Total Population (in thousands) ⁽¹⁾	2862.4	2836.0	2664.2	2635.1	2615.2	2592.5	
2	Relative size of youth population (age group 15-24 and denominator age 15-64, %) ^{(1) C}	24.4	19.8	16.9	16.6	16.4	18.2	
3	GDP growth rate (%)	7.1	-0.3	3.6	-8.3	13.9	-5.9	
4	Gross value added by sector (%)	Agriculture	11.2	12.8	10.2	9.4	10.6	7.9
		Industry	20.4	21.1	21.9	23.1	20.6	20.0
		Services	54.5	53.3	54.7	54.1	54.6	58.0
5	Public expenditure on education (as % of GDP)	7.6	5.8	6.1	6.4	M.D.	M.D.	
6	Public expenditure on education (as % of total public expenditure)	22.3	18.2	19.5	18.0	M.D.	M.D.	
7	Adult Literacy (%) ^C	M.D.	99.1 ⁽⁶⁾	M.D.	M.D.	99.6	M.D.	
8	Educational attainment of total population (aged 15+) (%) ^{(7) (8) (9)}	Low ⁽²⁾	31.1	30.6	28.9	28.9	29.1	29.5
		Medium ⁽³⁾	54.3	52.7	52.9	53.0	52.5	52.1
		High ⁽⁴⁾	14.6	16.7	18.1	18.2	18.4	18.5
		VET ⁽⁵⁾	18.9	19.0	20.3	20.5	20.6	21.0
9	Early leavers from education and training (aged 18-24) (%) ^{(7) (8) (9)}	Total	22.1	21.3	19.0	16.9	19.6	21.5
		Male	27.0	25.6	22.6	20.6	23.1	24.5
		Female	16.9	16.7	15.3	13.1	16.1	18.7
10	NET enrolment rates in secondary education (ISCED levels 2-3) (%)	M.D.	93.2	98.2	98.4	99.2	M.D.	
11	Share of VET students in upper secondary education (ISCED level 3) (%)	35.5	43.4	45.7	45.3	44.8	M.D.	
12	Low achievement in reading, mathematics and science – PISA (%)	Reading	57.2 ⁽¹⁰⁾	45.8	43.0 ⁽¹¹⁾	N.A.	N.A.	N.A.
		Mathematics	60.7 ⁽¹⁰⁾	50.3	50.3 ⁽¹¹⁾	N.A.	N.A.	N.A.
		Science	47.3 ⁽¹⁰⁾	42.2	42.6 ⁽¹¹⁾	N.A.	N.A.	N.A.
13	Activity rate (aged 15+) (%) ^{(7) (8) (9)}	Total	41.6	44.5	42.3	40.3	41.1	41.8
		Male	45.0	48.2	47.0	45.1	46.5	46.3

	Indicator		2010	2015	2019	2020	2021	2022
		Female	38.6	41.2	38.2	36.1	36.4	37.8
14	Inactivity rate (aged 15+) (%) ^{(7) (8) (9)}	Total	58.4	55.5	57.7	59.7	58.9	58.2
		Male	55.0	51.8	53.0	54.9	53.5	53.7
		Female	61.4	58.8	61.8	63.9	63.6	62.2
15	Employment rate (aged 15+) (%) ^{(7) (8) (9)}	Total	38.5	42.4	40.1	38.8	39.8	40.5
		Male	40.9	45.3	44.2	43.1	44.7	44.7
		Female	36.4	39.8	36.5	35.0	35.4	36.8
16	Employment rate by educational attainment (aged 15+) (%) ^{(7) (8) (9)}	Low ⁽²⁾	20.2	27.7	23.6	23.2	25.6	25.5
		Medium ⁽³⁾	43.1	45.5	41.7	39.9	40.4	41.3
		High ⁽⁴⁾	60.6	59.3	61.6	60.4	60.4	62.0
17	Employment by sector (%) ^{(7) (8) (9)}	Agriculture	27.5	34.2	21.0	21.1	21.5	20.8
		Industry	18.7	17.1	21.7	21.8	22.1	22.5
		Services	53.8	48.7	57.3	57.1	56.4	56.7
18	Incidence of self-employment (%) ^{(7) (8) (9)}		29.3	36.3	22.2	21.9	21.8	20.6
19	Incidence of vulnerable employment (%) ^{(7) (8) (9)}		28.6	35.7	21.8	21.5	21.3	20.2
20	Unemployment rate (aged 15+) (%) ^{(7) (8) (9)}	Total	7.4	4.7	5.1	3.8	3.2	3.1
		Male	9.1	5.9	5.8	4.3	3.8	3.5
		Female	5.7	3.4	4.4	3.2	2.5	2.6
21	Unemployment rate by educational attainment (aged 15+) (%) ^{(7) (8) (9)}	Low ⁽²⁾	8.3	6.1	8.4	5.8	4.2	4.6
		Medium ⁽³⁾	7.6	4.2	5.1	3.9	3.6	3.2
		High ⁽⁴⁾	6.5	4.6	2.8	2.3	1.8	1.9
22	Unemployment rate (aged 15-24) (%) ^{(7) (8) (9)}	Total	17.8	12.3	10.4	10.9	9.2	10.7
		Male	20.0	12.0	11.1	9.9	9.0	9.4
		Female	15.0	12.8	9.4	12.3	9.6	12.6
23	Proportion of people aged 15–24 not in employment, education or training (NEETs) (%) ^{(7) (8) (9)}	Total	19.6	27.7	19.5	17.6	17.2	17.2
		Male	20.0	29.6	16.5	15.6	14.1	13.5
		Female	19.3	25.6	22.8	19.7	20.4	20.8
24	Participation in training/lifelong learning (% aged 25-64) ^{(7) (8) (9)}	Total	M.D.	0.9	1.3	1.1	1.1	1.3
		Male	M.D.	0.7	1.2	0.8	0.9	1.1

	Indicator	2010	2015	2019	2020	2021	2022
	Female	M.D.	1.2	1.4	1.3	1.2	1.4
25	Human Development Index	0.730	0.749	0.774	0.766	0.767	M.D.

Last update: 14/07/2023

Sources:

Indicators 1, 2, 3, 4, 5, 6, 7: The World Bank, World Development Indicators database

Indicators 7, 10, 11: UNESCO, Institute for Statistics

Indicators 8, 9, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24: NBS, Moldovan National Bureau of Statistics (data received).

Indicator 12 - OECD PISA 2018 Results (Volume I) Annex B1

Indicator 25 – UNDP

Notes:

(1) Estimation.

(2) Low - No education, ISCED levels 0-2

(3) Medium - ISCED levels 3-4

(4) High – ISCED levels 5-8

(5) VET - Vocational education

(6) applies to 2014

(7) Data estimated using the legal/registered population

(8) From 2015, the data are estimated using the usual residence of the population

(9) From 2019, the LFS is carried out on a new sampling plan and according to a revised definition of employment

(10) applies to 2009

(11) applies to 2018

Legend:

C= ETF calculations

N.A. = Not Applicable

M.D. = Missing Data

Annex: definitions of Indicators

	Description	Definition
1	Total population ('000)	The total population is estimated as the number of people having their usual residence in a country on 1 January of the respective year. When information on the usually resident population is not available, countries may report legal or registered residents.
2	Relative size of youth population (age group 15–24) (%)	This is the ratio of the youth population (aged 15–24) to the working-age population, usually aged 15–64 (or 15–74 or 15+).
3	GDP growth rate (%)	Annual percentage growth rate of GDP at market prices based on constant local currency. Aggregates are based on constant 2010 U.S. dollars. GDP is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources.
4	Gross value added by sector (%)	The share of value added from Agriculture, Industry and Services. Agriculture corresponds to ISIC divisions 1–5 and includes forestry, hunting, and fishing, as well as cultivation of crops and livestock production. Value added is the net output of a sector after adding up all outputs and subtracting intermediate inputs. It is calculated without making deductions for depreciation of fabricated assets or depletion and degradation of natural resources. The origin of value added is determined by the International Standard Industrial Classification (ISIC), revision 3 or 4. Industry corresponds to the International Standard Industrial Classification (ISIC) tabulation categories C-F (revision 3) or tabulation categories B-F (revision 4), and includes mining and quarrying (including oil production), manufacturing, construction, and public utilities (electricity, gas, and water). Services correspond to ISIC divisions 50-99 and they include value added in wholesale and retail trade (including hotels and restaurants), transport, and government, financial, professional, and personal services such as education, health care, and real estate services. Also included are imputed bank service charges, import duties, and any statistical discrepancies noted by national compilers as well as discrepancies arising from rescaling.
5	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 organisations (transfer to private households and enterprises). Both types of transactions together are reported as total public expenditure on education.
6	Public expenditure on education (as % of total public expenditure)	Public expenditure on education expressed as a percentage 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 (transfer to private households and enterprises). Both types of transactions together are reported as total public expenditure on education.
7	Adult literacy (%)	Adult literacy is the percentage of the population aged 15 years and over who can both read and write a short simple statement on his/her everyday life, and understand it. Generally, 'literacy' also encompasses 'numeracy' – the ability to make simple arithmetic calculations.
8	Educational attainment of total population (aged 15+)	Educational attainment refers to the highest educational level achieved by individuals expressed as a percentage of all persons in that age group.

	Description	Definition
		This is usually measured in terms of the highest educational programme successfully completed, which is typically certified by a recognised qualification. Recognised intermediate qualifications are classified at a lower level than the programme itself.
9	Early leavers from education and training (aged 18-24) (%)	Early leavers from education and training are defined as 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 survey. Lower secondary education refers to ISCED 1997 levels 0–2 and 3C short (i.e. programmes lasting under two years) for data up to 2013 and to ISCED 2011 levels 0–2 for data from 2014 onwards.
10	NET enrolment rates in secondary education (ISCED levels 2-3) (%)	This indicator covers the enrolments in a in a given level of education of children/youths belonging to the official age group corresponding to the given level of education.
11	Share of VET students in upper secondary education (ISCED level 3) (%)	Total number of students enrolled in vocational programmes at a given level of education (in this case, upper secondary), expressed as a percentage of the total number of students enrolled in all programmes (vocational and general) at that level.
12	Low achievement in reading, maths and science – PISA (%)	Low achievers are the 15-year-olds who are failing to reach level 2 on the PISA scale for reading, mathematics and science.
13	Activity rate (aged 15+) (%)	The activity rate is calculated by dividing the active population by the population of the same age group. The active population (also called 'labour force') is defined as the sum of employed and unemployed people. The inactive population consists of all people who are classified as neither employed nor unemployed.
14	Inactivity rate (aged 15+) (%)	The inactivity/out of the labour force rate is calculated by dividing the inactive population by the population of the same age group. The inactive population consists of all people who are classified as neither employed nor unemployed.
15	Employment rate (aged 15+) (%)	The employment rate is calculated by dividing the number of employed people by the population of the same age group. Employed people are all people who worked at least one hour for pay or profit during the reference period or were temporarily absent from such work. If a different age group is used, this should be indicated.
16	Employment rate by educational attainment (aged 15+) (%)	The employment rate is calculated by dividing the number of employed persons by the population of the same age group. Employed persons are all persons who worked at least one hour for pay or profit during the reference period or were temporarily absent from such work. If a different age group is used, this should be indicated. Educational levels refer to the highest educational level successfully completed. Three levels are considered: Low (ISCED level 0–2), Medium (ISCED levels 3–4) and High (ISCED 1997 levels 5–6, and ISCED 2011 levels 5–8).
17	Employment by sector (%)	This indicator provides information on the relative importance of different economic activities with regard to employment. Data are presented by broad branches of economic activity (i.e. Agriculture/Industry/Services) based on the International Standard Industrial Classification of All Economic Activities (ISIC). In Europe, the NACE classification is consistent with ISIC.
18	Incidence of self-employment (%)	The incidence of self-employment is expressed by the self-employed (i.e. employers + own-account workers + contributing family workers) as a proportion of the total employed.
19	Incidence of vulnerable employment (%)	The incidence of vulnerable employment is expressed by the own-account workers and contributing family workers as a proportion of the total employed.

	Description	Definition
20	Unemployment rate (aged 15+) (%)	The unemployment rate represents unemployed people as a percentage of the labour force. The labour force is the total number of people who are employed or unemployed. Unemployed people comprise those aged 15–64 or 15+ who were without work during the reference week; are currently available for work (were available for paid employment or self-employment before the end of the two weeks following the reference week); are actively seeking work, i.e. had taken specific steps in the four-week period ending with the reference week to seek paid employment or self-employment, or had found a job to start later (within a period of, at most, three months).
21	Unemployment rate by educational attainment (aged 15+) (%)	The unemployment rate represents unemployed people as a percentage of the labour force. The labour force is the total number of people who are employed or unemployed. Unemployed people comprise those aged 15–64 or 15+ who were without work during the reference week; are currently available for work (were available for paid employment or self-employment before the end of the two weeks following the reference week); are actively seeking work (had taken specific steps in the four-week period ending with the reference week to seek paid employment or self-employment, or had found a job to start later (within a period of, at most, three months)). Educational levels refer to the highest educational level successfully completed. Three levels are considered: low (ISCED levels 0–2), medium (ISCED levels 3–4) and high (ISCED 1997 levels 5–6, and ISCED 2011 levels 5–8).
22	Unemployment rate (aged 15-24) (%)	The unemployment rate represents unemployed people as a percentage of the labour force. The labour force is the total number of people who are employed or unemployed. Unemployed people comprise those aged 15–24 who were without work during the reference week; are currently available for work (were available for paid employment or self-employment before the end of the two weeks following the reference week); are actively seeking work, i.e. had taken specific steps in the four-week period ending with the reference week to seek paid employment or self-employment, or had found a job to start later (within a period of, at most, three months).
23	Proportion of people aged 15–24 not in employment, education or training (NEETs) (%)	The indicator provides information on young people aged 15–24 who meet the following two conditions: first, they are not employed (i.e. unemployed or inactive according to the ILO definition); and second, they have not received any education or training in the four weeks preceding the survey. Data are expressed as a percentage of the total population of the same age group and gender, excluding the respondents who have not answered the question on participation in education and training.
24	Participation in training/lifelong learning (% aged 25-64)	Participants in lifelong learning refers to persons aged 25–64 who stated that they received education or training in the four weeks preceding the survey (numerator). The denominator is the total population of the same age group, excluding those who did not answer the question on participation in education and training. The information collected relates to all education or training, whether or not it is relevant to the respondent's current or possible future job. If a different reference period is used, this should be indicated.
25	Human Development Index	The index is a summary measure of average achievement in key dimensions of human development: a long and healthy life, being knowledgeable and have a decent standard of living.

KEY DONOR PROJECTS IN EDUCATION, TRAINING AND EMPLOYMENT

OEAD - I-VET | Inclusive Education in VET (Sep 2017 – Dec 2023)

OEAD - MFC | Management for Change (Jan 2020 – Jul 2023)

OEAD - COOP-NET | Cooperation networks of Centers of Excellence (May 2021 – Dec 2023)

GIZ-SDC - Local development project in three regions – component 4 VET and labour market development (22-25)

ABBREVIATIONS

ALMPs	Active labour market programmes
ANACEC	National Agency for Quality Assurance in Education and Research
ANOFM	National Employment Agency
EDS	Education Development Strategy
EQF	European Qualifications Framework
ETF	European Training Foundation
EU	European Union
GDP	Gross domestic product
ICT	Information Communication Technology
ILO	International Labour Organization
IMF	International Monetary Fund
IOM	International Organisation for Migration
ISCED	International Standard Classification of Education
ISIC	International Standard Industrial Classification
LGBTQI	Lesbian, Gay, Bisexual, Transgender, Queer, & Intersex Life
LMO	Labour Market Observatory
MGSP	Modernisation of Government Services Project
MHLSP	Ministry of Health, Labour and Social Protection
MoER	Ministry of Education and Research
NEA	National Employment Agency
NEET	Not in Employment, Education or Training
NEP	National Employment Programme
NGO	Non-governmental organisations
NQF	National Qualification Framework
OECD	Organization for Economic Cooperation and Development
PAS	Pro-European Party of Action and Solidarity

PhDs	Doctor of Philosophy
PISA	Programme for International Student Assessment
SME	Small and medium sized enterprises
SO	Strategic objectives
TVET	Technical and Vocational Education and Training
UNDP	United Nations Development Program
UNESCO	United Nations Educational, Scientific and Cultural Organization
VET	Vocational Education and Training
VNFIL	Validation of non-formal and informal learning
WB	World Bank

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