

MOLDOVA

**EDUCATION, TRAINING AND EMPLOYMENT
DEVELOPMENTS 2021**

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KEY POLICY DEVELOPMENTS IN EDUCATION, TRAINING AND EMPLOYMENT

Following a period of political instability, the pro-European Party of Action and Solidarity (PAS) won the 2021 parliamentary elections, obtaining 52.8% of the vote with a solid parliamentary majority. The new government, supported by President Sandu from the same party, is expected to set out a reform agenda and build strong liaisons with Europe. The new government has restructured the Ministry of Education, Culture and Research, creating two different Ministries (the Ministry of Education and Research and the Ministry of Culture). The same has been done for the Ministry of Labour, Health and Social Protection (the Ministry of Labour and Social Protection and the Ministry of Health).

In June 2020 the Moldovan parliament approved the National Development Strategy 2030, known as Moldova 2030. The goal of the strategy is to significantly improve the quality of life in Moldova, reduce the flow of young people leaving the country, increase the attractiveness of Moldova to investors, and create jobs across the country and personal development opportunities for young professionals. Moldova 2030 includes four basic elements of sustainable development: a sustainable and inclusive economy; reliable human and social capital; transparent and efficient institutions; and a healthy environment. To develop these areas by 2030, ten long-term goals for sustainable development have been set at national level.

The new Education strategy 2020-2030 and its action plan are being finalised. The new strategy is no longer structured by sub-sector (primary, secondary, VET) but it has a number of transversal objectives for the whole sector.

Similarly to other former Soviet Union countries, Moldova has faced difficulties in achieving high COVID-19 vaccination rates (38% on 3 November 2021) and is now facing a new wave of cases. The Ministry of Education has provided a rapid, structured response to the challenges of the COVID-19 pandemic. Framework regulations on the organisation of technical vocational education during the period of restricted access to institutions were approved on 19 March 2020 through a Ministerial Order that was amended three times. The ministry gave clear instructions on how to adapt the organisation and implementation of education through distance learning, including guidelines for the development of digital content and training for dedicated staff in all schools. On 11 June, Parliament approved a law cancelling technical vocational training programme final exams for the academic year 2019–2020. The academic year 2021-2022 started as normal with in-class lessons but a spike in cases in November forced most schools to return to distance learning.

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

1. KEY DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS

■ Political developments and the health situation

Following a period of political instability, the pro-European Party of Action and Solidarity (PAS) won the 2021 parliamentary elections, obtaining 52.8% of the vote with a solid parliamentary majority. The new government, supported by President Sandu from the same party, is expected to set out a reform agenda and build strong liaisons with Europe.

Similarly to other countries in the region, cases of Covid-19 spiked again in the autumn with a steep epidemiological curve. New cases increased from 50 per day in mid-June to 790 per day in mid-September and up to 1600 per day in mid-October. The vaccination rate is still below 40% (37.0% on 25 October), and the vaccination rate has not increased with the rapid rise in COVID-19 cases. In the months of September/October it only increased by 6%. The reasons behind the low rate are due to people's mistrust in the vaccine and not due to lack of availability of the vaccine.

The government is trying to find ways to reach out to people and convince them to get vaccinated. On 24 September 2021 the Ministry of Health and the Association of Pharmacists, supported by the WHO/Europe and the European Union (EU), launched a new COVID-19 vaccination awareness-raising campaign in the Republic of Moldova in cooperation with 300 pharmacists and 110 pharmacies. Around 150 000 people visit pharmacies in the Republic of Moldova every day, making them the most visited medical points in the country. Pharmacists, especially in rural areas, are trusted and visible sources of medical information for their customers.

■ 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 National Bureau of Statistics, the official population total in 2018 was 3.54 million; a decrease of 3 000 people from 2017. However, alternative sources indicate that official statistics overestimate the actual population size. The National Bureau of Statistics has also provided a different estimation based on the usual residences of the population. In this case, there is also a clear negative trend (down from 2.87 million people in 2014 to 2.73 million in 2018). The difference can be attributed to the official definition of migration and the corresponding records, which include migrants no longer residing in Moldova even if they have been away from the country for more than 1 year (*European Training Foundation, Torino Process 2018, National Reporting Framework*).

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 out of a population of slightly over 4 million people – 28.7% of the total population.[1] Taking into account the parallel depopulation linked to low fertility rates, the share of international migrants increased by 2–3% every 5 years (and 6.3% in the past five years), and 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 1 million Moldovans have Romanian nationality, which allows them to work in other EU countries without restrictions, despite the fact that 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, with the attempt to set 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) (a total of USD 1.9 million), 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 Annex I). However, a quarter of Moldovan households still receive remittances, and for half of these households, remittances constitute more than 50% of their disposable income. 23.4% of households would fall below the poverty line if they did not receive remittances (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 2014 Moldova has experienced a demographic regression, with mortality rates exceeding birth rates. But even more damaging is the impact of migration on the availability of people in specific occupations, specifically in the health and education sectors.

■ Economic developments, informal economy, remittances

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 GDP. The main economic activities that generate revenue for the GDP are manufacturing (food products make up 37%), trade, agriculture, construction, transportation, information and communication technology, and services.

Over the last 5 years Moldova has had many fluctuations in economic performance. Following the 2015 recession (which was due, not least, to large-scale banking fraud), the country's economy recovered in 2017, with growth in the GDP 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 (-6%) as the country's economy was hit hard by the effects of the pandemic. COVID-19 hit hard due to the country's high dependency on migrant remittances. Unlike the situation in other countries, the steep fall in the flow of remittances experienced in Moldova in the second quarter of 2020 (a decrease of over 20%) was only very partially offset in the third and fourth quarters.

In recent years the government has taken steps to improve the business climate. Moldova climbed a few places in the World Economic Forum's Global Competitiveness Report 2018 (it ranked 88th out of 137 participating countries), and it climbed even higher in 2019 (rising to 86th out of 141). The government has intensified the 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 small and medium-sized enterprises (SMEs); reforming the legal system and eradicating corruption; improving transport and other physical infrastructure; and diversifying and promoting exports. Although income inequality, reflected by the Gini coefficient, improved from 29.2% in 2012 to 25.7% in 2018, Moldova remains one of the poorest countries in Europe, with a per capita GDP of only USD 5 343 in purchasing power parity terms (*World Economic Forum, Insight Report: The Global Competitiveness Report 2018*)

In recent years Moldova's development path has been guided by the EU–Moldova Association Agreement (signed in 2014 and fully in force since July 2016). The Deep and Comprehensive Free Trade Area, 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.

2. EDUCATION AND TRAINING

2.1 Trends and challenges

■ Education expenditure, access, participation and early leaving

Over the past decade Moldova has spent a high percentage of its GDP on education (around 7%), although this figure started to decline in 2015 and fell to 6.1% in 2019. The relatively high levels of educational expenditure have paid off, judging by the relatively high levels of educational attainment among the active population (aged 15+). In 2020, 5.5% of the adult population had a medium level of education, 27.9% a high level and 17.7% a low level. There is also a positive trend, with a decreasing proportion of the population with a low level of education (20.3% in 2015), a decreasing proportion with a medium level (56.3% in 2015) and an increasing proportion with a high level (23.4% in 2015). The rate of early leavers (% aged 18-24) from education is also decreasing and it is now at 16.9%; almost 5 points less than in 2015. However, efforts to raise the population's educational attainment level and to reduce the number of early leavers from education might have negatively affected the quality of education as demonstrated by 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 ratio in higher education was relatively high at 39.82%. VET is well represented at the upper secondary level and enrolment in vocational programmes is increasing, reaching 46.6% in 2018, up from 37.1% in 2013. Moldova has a significant problem with early leavers from education. (*European Training Foundation, Torino Process 2018, National Reporting Framework*). Although the number of early leavers has decreased slightly, it remains very high. One in five 18–24 year olds leave education early, one of the highest rates in Europe.

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, that is, 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.

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

■ PISA results

As noted earlier, the quality of education is a concern. Although the country's PISA results have improved since the previous report, they remain below the Organisation for Economic Co-operation and Development (OECD) average. Moldova ranked 51st out of 77 countries in 2018. This is in line with its 2015 ranking but shows a steady improvement in educational outcomes for science, reading and mathematics compared with PISA 2009. Nevertheless, the proportion of lowest-level achievers is still quite high for 15-year-old students in Moldova, standing at 41.9% for reading, 42.3% for science and 50.3% for mathematics. Furthermore, almost one third demonstrated insufficient basic skills to be able to fully integrate 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 quality.

■ Young people not in employment, education or training (NEETs)

The youth unemployment rate (15 to 24-year-olds) fell consistently from 12.2% in 2013 to 11.8% in 2017 and 7.4% in 2018, before it spiked again to 10.4% in 2019. The initial decline may have reflected not only improved employment prospects, but also a shrinking young population, limited readiness to work or a reliance on remittances. The high rate of young people not in employment, education or training (NEETs), has fluctuated over the years and was still high, concerning 17.6% of 15 to 24-year-olds in 2020. The rate was almost 2 points lower in 2019, but it is difficult to determine the impact of the improved employment prospects, as the shrinking young population affects the indicator. As in many countries, unemployment indicators have been affected by a decrease in the activity rate (-2% in MD)

■ Education during the COVID-19 pandemic

All schools and training providers closed on 23 March 2020 following the declaration of a state of emergency due to COVID-19. Dual education, including company training placements were specifically prohibited and sector ministries tried to arrange practical training at home supported by online advice from teachers. Following the reform of vocational school autonomy, all distance and online teaching was organised by individual institutions, while the government provided advice on platforms and developing digital content. Parents were encouraged to play an active role in motivating their children to attend online lessons and communicate with teachers. Initial plans for online graduation exams and assessment were modified to hold exams in the summer as usual. The Ministry of Education believed that online exams could undermine confidence in diplomas both in Moldova and abroad, where many Moldovans work.

The MoER issued Order No 350 of March 2020, promoting the Framework Regulation for the organization of technical vocational education during the period when access to institutions was restricted [1] and distance learning was officially approved. In March-April 2020, the Regulation was supplemented with the following components:

- Instructions for organizing and delivering technical vocational education throughout the period when access to institutions was restricted.
- Guide for the creation/use of digital teaching materials.
- Plans for the implementation of a National Digital Education Program for teachers in technical vocational education.
- Recommendations on the design of learning activities based on the use of digital media and materials. Recommendations were focused on the selection of digital materials.

Schools successfully restarted on 2 September 2020. As it did for the organisation of distance and blended learning, the Ministry of Education provided the overall policy framework for the beginning of the academic year, while leaving individual schools to choose their own intervention strategies. The ministry provided for three scenarios (fully in-person, fully online and blended) and made broad recommendations on how to choose. The final decision on which model to adopt for the new academic year was taken by the individual schools. The same degree of autonomy applied to the organisation of work-based learning. The same approach was adopted for the 2021-2022 academic year. Lessons started in class for all school levels, but following the very rapid increase in COVID-19 cases and the low vaccination rate, most schools have already started distance learning from October 2021.

In light of regional differences, the ministry considered regulating all aspects of the beginning of the school year, but has instead set up a strong monitoring system that includes ongoing daily dialogue with school directors.

The ministry has continued work on the creation of the preconditions for a successful online learning environment. Teacher training, which continued throughout the summer, has focused on distance learning pedagogies. In September, efforts were made to provide the necessary equipment for distant learning in schools. The rapid spread of the virus has already forced the closure of several classes and in a few cases, entire schools.

2.2 Education and training policy and institutional setting

■ Strategic and legal framework for VET and adult learning

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

Within the new government established in 2021, the former Ministry of Education, Culture and research has been split in two. The new Ministry of Education and Research remains responsible for the education portfolio, retaining almost entirely the staff of the previous Ministry.

The education strategic framework, defined until 2020 by the Education strategy 2014-2020 is under review. The new "Education 2030" strategy has not been approved yet. The pandemic and the unstable political environment have caused some delays, but with the nomination of a new government with a solid parliamentary majority the strategy is expected to be finalised by the end of the year. The draft strategy is not structured around education sub-sectors but defines nine transversal strategic objectives:

- 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: Digitalization 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 education.

An action plan is also under development parallel to the strategy. Several specific objectives have been formulated for each strategic objective and these have been split into a number of different action points. The action plan is set out in detail, and includes a medium-term budgetary framework.

In 2019 a reform of the agricultural sector was launched; the action plan enacted by Government Decision No 1283/2018 includes objectives to reorganise research and innovation, VET education and rural extension; accelerate and improve knowledge transfer to the real environment; and contribute to economic development.

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

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

■ VET governance and financing arrangements

A number of 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, reality has demonstrated that defining a broad legislative framework is a necessary step, but that it is not sufficient to ensure the effective operationalisation of the sector 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 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 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 was allocated for occupational standards. Despite all of these achievements in terms of the regulatory framework, however, 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 own complementary expertise.

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. Discussions are ongoing and Moldova may be invited to join the EQF expansion pilot phase in 2023.

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, 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. It is too early to assess the impact of this historic reform. Schools have initially faced some difficulties in managing this degree of autonomy and to cope with the necessity of generating additional income. The new education financing law also allows the Ministry of Education a discretionary amount equal to the 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.

■ Quality and quality assurance

Quality assurance is the responsibility of the MoER and the ANACEC, established in 2014. 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.

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

The low quality of education is partially a consequence of the political choice to make secondary education compulsory for all children. This commendable aim which will most likely bring in results in the long term, has had the short term impact of inserting a large number of unmotivated students with below average skills and competences into secondary education. The pressure to push these students through the system (the dropout rate is particularly low) has led to a lowering of standards.

■ 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) has 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 the state order envisages that the 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 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 apprentices' degree of satisfaction, differs widely from one case to the next. 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 a strong 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 submitted a formal request to join the European Alliance for Apprenticeship in 2021.

■ Digital education and skills

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

The Organic Law: The Education Code. In accordance with the provisions of the Education Code, key competencies include digital competencies.

The Strategic Framework: Moldova Education 2020[1] provides a strategic directorate exclusively for the Integration of ICT in education at all levels. Another strategy specifically for VET sector, called the Strategy for the Development of Technical Vocational Education for the Years 2013-2020 (VET Strategy[2]) stipulates the need for activities related to the continuous promotion of modern teaching technologies using ICT. In this context, some standards were developed to support the strategic initiatives. New approaches are in development now that the Strategy implementation period has ended.

Under Objective No 4, "Guaranteeing quality education for all and promoting lifelong learning opportunities", the Draft 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 digitalization 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 for the general disciplines studied in TVET. At the same time, there is no way to verify and to ensure 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 are implementing SELFIE self-assessment in 2021. Results should become available February 2022 and could inform both schools digital action plans and national policy in relation to digital education reforms.

■ Donor support to education and VET for young people and adults

The EU is cooperating with Moldova in the framework of the European Neighbourhood Policy and its eastern regional dimension, the Eastern Partnership. The key goal is to bring Moldova closer to the EU.

EU assistance to Moldova supports the 20 Deliverables for 2020 agreed at the 2017 Eastern Partnership Summit in Brussels and is linked to the country's reform commitments under the Association Agreement. It aims to improve the quality of life of ordinary Moldovans in a tangible and visible manner, strengthening the rule of law, as well as improving the business climate, with a view to reaping the benefits from the DCFTA (Deep and Comprehensive Free Trade Area), and supporting greater connectivity between Moldova and the EU in the areas of energy and transport. The European Neighbourhood Instrument (ENI) is the EU financial instrument dedicated to the Neighbourhood for the period 2014-2020.

Donor support is strong in Moldova. The Swiss Development Cooperation (SDC) in partnership with the Liechtenstein Development Service (LED) and GIZ actively support the strengthening of dual education. The SDC and the LED are also active in supporting VET schools in more private sector and business oriented areas.

GIZ has been implementing dual education in the context of "Support to VET in the Field of Green Economy".

The Austrian Development Agency has also set VET as one of their priorities. For the next period (2022-2024) the ADA aims to continue the projects that have already delivered good results for the system such as the career guidance project in cooperation with partners from Centre for Entrepreneurial Education and Business Support (CEDA).

The Austrian Agency for International Cooperation in Education & Research is working in three different areas. These are Social Inclusion, VET school management and strengthening Centres of Excellences coordination of affiliated VET schools.

3. LABOUR MARKET AND EMPLOYMENT

3.1 Trends and challenges

■ The labour market and employment challenges in general

Employment in Moldova is complex and challenging, with insufficient, poor-quality jobs, low productivity, and persistent informal arrangements and inequalities. 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 the increase, such as a problem with the 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).

Another factor severely affecting the labour market is the very high level of inactivity (59.7%), which is due to a combination of factors, including low salaries, and dependence on remittances.

■ Employment

Until 2019 there was a stabilization of the activity rate at around 42% and employment was around 40%. The initial impact of the pandemic lowered both in 2020 (40.3% and 38.8%). There are no significant gender disparities. However, significant disparities exist in urban/rural differentiation. Similarly to other Eastern European countries, Moldova has seen a strong increase in online platform work. As illustrated in several studies, online freelancing is being gradually acknowledged by researchers as one of the ways for Moldovans to generate income or find new employment opportunities (*Garbuz V. 2018*). It is also being acknowledged by the Moldovan authorities. However, policy discussions are just starting, and neither platform work nor freelancing activities in general are regulated separately (*New forms of employment in the eastern partnership countries: Platform work – Moldova, ETF 2021*)

Levels of employment by educational attainment have not changed over the last years and remain very unbalanced. The employment rate is over 60% for people with high educational attainment levels, 40% for those with medium levels and 23.3% for those with low educational attainment levels. The employment structure by sector also remains unchanged, with a strong predominance for the service sector (57.1%) over industry and agriculture (21% each).

From a combined GDP–employment perspective, Moldova is emerging as a service-focused economy, with almost half of the labour force employed in services, which generate 53.3% of the GDP. This is followed by industry, which employs 16.5% of the labour force and contributes to 23.0% of the GDP, while roughly one-third are employed in agriculture, which only makes up 10.2% of the GDP (2018 data). The gap between employment and contribution to the GDP in agriculture suggests that the activity is mainly made up of subsistence farming.

Vulnerable employment has been increasing over the years and currently affects more than one-third of workers (37.2% in 2020). This is the result of poor working conditions and persistent informal arrangements.

It should be noted that the specific definition of inactivity in the Moldovan Labour Force Survey (LFS) may distort the overall picture. More specifically, if a household member is absent at the time of the survey because they are abroad, he or she is recorded as 'inactive'. Moldovan emigrants currently working abroad are therefore considered to be 'residents' for the purposes of the LFS and counted in both the inactive and reference population aged 15+. When the LFS results are recalculated and this category is excluded from the sample, the 2016 activity rate for the population aged 15+ increases from 42.6% to 47.7%, and the employment rate rises from 40.8% to 45.7%.

■ Unemployment

Moldova has a historically low aggregate unemployment rate, which stood at 3.0% in 2018 but has spiked to 5.1%. In 2019 the low unemployment rate is attributable to both a very low activity rate and significant outward migration. The youth unemployment rate (15–24-year-olds) fell consistently from 12.2% in 2013, to 11.8% in 2017 and 7.4% in 2018, before it spiked again to 10.4% in 2019. The initial decline may have reflected not only improved employment prospects, but also 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 (NEETs), which affected 19.5% of 15 to 24 year-olds in 2019 (again increasing from 2018), may confirm this. The NEET rate increases among young people of a higher age, women, rural residents and those with a lower level of education.

■ Statistical data collection and labour market information

Basic statistics on the number of education providers and the number of students and graduates is collected by the National Bureau of Statistics (NBS). The NBS, together with the National Employment Agency (NEA) are also responsible for the collection of evidence and the monitoring of the labour market situation and trends. The latter gathers administrative data on the registered unemployed, vacancies and data on skills needs, collected through a regular employers' survey. Within the NEA, the Labour Market Observatory was set up in 2018 with the aim of implementing analyses of the labour market situation and trends. It is responsible for the analysis of data collected by the NEA, the NBS and other public institutions to provide an in-depth analysis of labour market trends, skills supply and demand, as well as labour market forecasts. The LMO has had some difficulties in fully taking on its responsibilities due to a shortage in human resources. In particular, the LMO faced difficulties in asserting itself among the other stakeholders. The development of stronger technical competences over the years and strong support from the NEA management are helping the LMO to become a stronger player in the evidence-based policy making cycle.

The NBS also collects information on the mobility of employees and jobs as well as earnings and labour costs from enterprises through the LFS.

■ Poverty

It is difficult to evaluate Moldova's struggle to free itself from poverty. If we analyse data from 2000, the changes have been impressive; the per capita GDP rose from USD 1 439 in 2000 to USD 3 715 in 2019, doubling the nation's economic growth. Other indicators often used to assess poverty are equally positive; the secondary education enrolment rate, for example, was 48% in 1999 and grew to an 86% enrolment rate by 2019, following the decision to make secondary education mandatory for all children. The positive trend is less spectacular if we look at the last decade but it still remains solid; according to World Bank data, the national poverty rate halved from 25% in 2011 to 12.80% in 2018. Nonetheless, Moldova remains one of the poorest countries in Europe. It requires very strong remittance flows to maintain part of the population above the poverty line and its growth potential is limited by the brain drain effects of migration. Additional problems can be expected in the future due to the aging population and the challenges this presents for a viable pension system.

3.2 Employment policy and institutional setting

■ Strategy and legal framework in the employment policy field

- Initiatives to increase the capacity of the public employment services
- Donor support to the employment policy field

Within the new government established in 2021, the former Ministry of Health, Labour and Social Protection has been split in two. The new Ministry of Labour and Social Protection is responsible for 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 is coming to an end. The employment strategy 2022-2025 should be finalised by December 2021.

The recent Employment Promotion Law, approved in June 2018 and which entered into force in 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. As the COVID-19 pandemic continues, the National Employment Agency is now considering how to reform ALMPs to address the new challenges, but no systematic plan has been prepared as yet.

The National Employment Agency (NEA) 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 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.

■ 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), 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 of public and private partners trying to 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.

Many institutions in Moldova are involved in producing information on labour market skills needs, and a significant amount of data has been gathered. However, there is a lack of analysis, management, and access to the information for the relevant stakeholders. As a result of the NEA's reorganisation, the Labour Market Observatory (LMO) was established in 2018. The LMO operates on the basis of a partnership signed between the MoLHSP and the NEA on 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. In 2018 the LMO prepared two analytical notes entitled 'The Analysis of Vacancies Registered in the NEA Database' and 'Labour Migration and the Impact on the Labour Market of the Republic of Moldova', and it also produced infographics on a variety of subjects. In 2018 the LMO also received support from the ETF to strengthen its capacity to fulfil its ambitious mandate.

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 planned action also has implications for mitigating the consequences of the pandemic (*Legis.md*). The action plan provides for several measures, which are set out below:

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 level

- 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.

■ Initiatives to increase the capacity of the public employment services

The Modernization 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 has been organised in the context of this initiative and is still ongoing.

Inevitably, the pandemic has had a massive impact on the work of the PES, as the workload has increased, especially for territorial subdivision employees. April was the most demanding month for NEA employees. In April, 9 127 unemployed people were registered in the territorial subdivisions for employment, 6 times more than the previous month (March). Taking into account the staff of the territorial subdivisions, in April, each employee registered an average of 45 unemployed people. In March 2020, the average number of registered unemployed per NEA territorial subdivision employee was 7.5. In April 2019, this indicator was 9.2 on average. In the following months, the number of registered unemployed decreased as a result of the cancellation of the state of emergency and the cessation of the increased payment of unemployment benefits. Thus, in May and June (2020) this ratio decreased to an average of 31 and 19.4 registered unemployed per NEA territorial subdivision employee respectively. An unemployment benefit of MDL 2 775 was granted during the state of emergency. After the end of the state of emergency, the unemployment benefit was calculated according to the legislation in force, which means that not all applicants were entitled to unemployment benefit. This included migrants.

The introduction of the state of emergency restricted the presence of employees in the territorial employment agencies. To avoid an increase in cases of COVID-19, direct contact with customers was considerably reduced both in the territorial employment agencies and at the headquarters. Employees came into the agencies according to a rota and at other times they worked from home. Reducing "face-to-face" activity with customers created several obstacles, including more time spent on dealing with clients. Work with customers carried out at home was mostly made through telephone calls. This was due to the fact that most customers do not have the necessary digital skills and access to the internet, especially in rural areas, to use the NEA information system. Outreach activities for customers regarding the services offered by the NEA are carried out through the information system for people with access to the internet network, as well as through the local public authorities, including through social workers. In the first 9 months of 2020, 201 800 visits from unemployed individuals were registered at the headquarters of the territorial employment agencies, which was much higher than the same period in 2019. Thus, the ratio between the number of visits made by unemployed individuals and the number of employees was 1:1000 for the first 9 months of 2020.

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 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 level. 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"; the National Administration of Penitentiaries regarding the integration of persons to be released from prison, etc. (*Anofm.md*)

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 local level. The ILO provided financial support for the initiation of a programme to identify existing labour market opportunities and provide outreach for the NEET group.

STATISTICAL ANNEX - MOLDOVA

Annex includes annual data from 2010, 2015, 2019 and 2020 or the last available year.

	Indicator	2010	2015	2019	2020	
1	Total population ('000) ⁽¹⁾	2,861.5	2,834.5	2,663.3	2,617.8	
2	Relative size of youth population (age group 15–24 and age in the denominator 15–64, %) ^{(2) (1)}	24.8	19.1	15.8	15.4	
3	GDP growth rate (%)	7.1	-0.3	3.6	-7.0	
4	GDP by sector (%)	Agriculture added value	11.2	11.5	10.1	9.5
		Industry added value	20.4	22.7	22.8	23.3
		Services added value	54.5	53.0	54.1	54.2
5	Public expenditure on education (as % of GDP)	7.6	6.3 (2014)	6.1	M.D.	
6	Public expenditure on education (as % of total public expenditure)	22.3	18.8 (2014)	19.5	M.D.	
7	Adult literacy (%)	99.0	99.4 (2014)	M.D.	M.D.	
8	Educational attainment of adult population (aged 25–64 or 15+) (%)	Low	16.5 ⁽³⁾	20.3 ⁽⁴⁾	17.7 ⁽⁵⁾	17.6
		Medium	60.8 ⁽³⁾	56.3 ⁽⁴⁾	55.1 ⁽⁵⁾	54.5
		High	22.8 ⁽³⁾	23.4 ⁽⁴⁾	27.2 ⁽⁵⁾	27.9
9	Early leavers from education and training (aged 18–24) (%)	Total	22.1 ⁽³⁾	21.3 ⁽⁴⁾	19.0 ⁽⁵⁾	16.9
		Male	27.0 ⁽³⁾	25.6 ⁽⁴⁾	22.6 ⁽⁵⁾	20.6
		Female	16.9 ⁽³⁾	16.7 ⁽⁴⁾	15.3 ⁽⁵⁾	13.1
10	Gross enrolment rates in upper secondary education (ISCED level 3) (%) ^e	86.3	84.6	88.0	M.D.	
11	Share of VET students in upper secondary education (ISCED level 3) (%)	35.5	43.4	45.7	M.D.	
12	Tertiary education attainment (aged 30–34) (%)	19.9	27.6 ⁽⁴⁾	30.1 ⁽⁴⁾ (2018)	M.D.	
13	Participation in training/lifelong learning (age group 25–64) by sex (%)	Total	M.D.	0.9 ⁽⁴⁾	1.5 ⁽⁵⁾	1.2
		Male	M.D.	0.7 ⁽⁴⁾	1.3 ⁽⁵⁾	0.9
		Female	M.D.	1.2 ⁽⁴⁾	1.7 ⁽⁵⁾	1.4
14	Low achievement in reading, mathematics and science – PISA (%)	Reading	57.3 (2009)	45.8	43 (2018)	N.A.
		Mathematics	60.7 (2009)	50.3	50.3 (2018)	N.A.
		Science	47.3 (2009)	42.2	42.6 (2018)	N.A.
15	Activity rate (aged	Total	41.6 ⁽³⁾	44.5	42.3 ⁽⁵⁾	40.3
		Male	45.0 ⁽³⁾	48.2 ⁽⁴⁾	47.0 ⁽⁵⁾	45.1

	15+) (%)	Female				
			38.6 ⁽³⁾	41.2 ⁽⁴⁾	38.2 ⁽⁵⁾	36.1
16	Inactivity rate (aged 15+) (%)	Total	58.4 ⁽³⁾	55.5 ⁽⁴⁾	57.7 ⁽⁵⁾	59.7
		Male	55.0 ⁽³⁾	51.8 ⁽⁴⁾	53.0 ⁽⁵⁾	54.9
		Female	61.4 ⁽³⁾	58.8 ⁽⁴⁾	61.8 ⁽⁵⁾	63.9
17	Employment rate (aged 15+) (%)	Total	38.5 ⁽³⁾	42.4 ⁽⁴⁾	40.1 ⁽⁵⁾	38.8
		Male	40.9 ⁽³⁾	45.3 ⁽⁴⁾	44.2 ⁽⁵⁾	43.1
		Female	36.4 ⁽³⁾	39.8 ⁽⁴⁾	36.5 ⁽⁵⁾	35.0
18	Employment rate by educational attainment (% aged 15+) ⁽⁴⁾	Low	20.2 ⁽³⁾	27.7 ⁽⁴⁾	23.6 ⁽⁵⁾	23.2
		Medium	43.1 ⁽³⁾	45.5 ⁽⁴⁾	41.7 ⁽⁵⁾	39.9
		High	60.6 ⁽³⁾	59.3 ⁽⁴⁾	61.6 ⁽⁵⁾	60.4
19	Employment by sector (%)	Agriculture	27.5 ⁽³⁾	34.2 ⁽⁴⁾	21.0 ⁽⁵⁾	21.1
		Industry	18.7 ⁽³⁾	17.1 ⁽⁴⁾	21.7 ⁽⁵⁾	21.8
		Services	53.8 ⁽³⁾	48.7 ⁽⁴⁾	57.3 ⁽⁵⁾	57.1
20	Incidence of self-employment (%)		29.3 ⁽³⁾	36.3 ⁽⁴⁾	22.2 ⁽⁵⁾	21.9
21	Incidence of vulnerable employment (%)		28.6 ⁽³⁾	35.7 ⁽⁴⁾	21.8 ⁽⁵⁾	21.5
22	Unemployment rate (aged 15+) (%)	Total	7.4 ⁽³⁾	4.7 ⁽⁴⁾	5.1 ⁽⁵⁾	3.8
		Male	9.1 ⁽³⁾	5.9 ⁽⁴⁾	5.8 ⁽⁵⁾	4.3
		Female	5.7 ⁽³⁾	3.4 ⁽⁴⁾	4.4 ⁽⁵⁾	3.2
23	Unemployment rate by educational attainment (aged 15+) (%) ⁽⁴⁾	Low	8.3 ⁽³⁾	6.1 ⁽⁴⁾	8.4 ⁽⁵⁾	5.8
		Medium	7.6 ⁽³⁾	4.2 ⁽⁴⁾	5.1 ⁽⁵⁾	3.9
		High	6.5 ⁽³⁾	4.6 ⁽⁴⁾	2.8 ⁽⁵⁾	2.3
24	Long-term unemployment rate (aged 15+) (%)		2.3	1.4 ⁽⁴⁾	0.8 ⁽⁴⁾ (2018)	M.D.
25	Youth unemployment rate (aged 15–24) (%)	Total	17.8 ⁽³⁾	12.3 ⁽⁴⁾	10.4 ⁽⁵⁾	10.9
		Male	20.0 ⁽³⁾	12.0 ⁽⁴⁾	11.1 ⁽⁵⁾	9.9
		Female	15.0 ⁽³⁾	12.8 ⁽⁴⁾	9.4 ⁽⁵⁾	12.3
26	Proportion of people aged 15–24 not in employment, education or training (NEETs) (%)	Total	19.6 ⁽³⁾	27.7 ⁽⁴⁾	19.5 ⁽⁵⁾	17.6
		Male	20.0 ⁽³⁾	29.6 ⁽⁴⁾	16.5 ⁽⁵⁾	15.6
		Female	19.3 ⁽³⁾	25.6 ⁽⁴⁾	22.8 ⁽⁵⁾	19.7

[Last update: September 2021](#)

Sources:

Indicators 8, 9, 12, 13, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26 – National Bureau of Statistics (NBS)

Indicator 14 - OECD

Indicators 5, 6, 7, 10, 11 – UNESCO, Institute for Statistics

Indicators 1, 2, 3, 4 – The World Bank, World Development Indicators database

Notes:

- (1) The values shown are mid-year estimates.
- (2) ETF calculations
- (3) Data estimated using the number of the resident population.
- (4) From 2015 the data are estimated using the usual residence of the population.
- (5) From 2019 the LFS is carried out on a new sampling plan and according to a revised definition of employment.

Legend:

e = estimated data

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 (74)/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	GDP 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.
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.

	Description	Definition
8	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. 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 (age group 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	Gross enrolment rates in upper secondary education (ISCED level 3) (%)	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.
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	Tertiary education attainment (aged 30–34) (%)	Tertiary attainment is calculated as the percentage of the population aged 30–34 who have successfully completed tertiary studies (e.g. university, higher technical institution). Educational attainment refers to ISCED 1997 level 5–6 up to 2013 and ISCED 2011 level 5–8 from 2014 onwards.
13	Participation in training/lifelong learning (age group 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.
14	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.
15	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.
16	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.
17	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.
18	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.

	Description	Definition
		<p>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.</p> <p>Educational levels refer to the highest educational level successfully completed. Three levels are considered: Low (ISCED level 0–2), Medium (ISCED level 3–4) and High (ISCED 1997 level 5–6, and ISCED 2011 level 5–8).</p>
19	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.
20	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.
21	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.
22	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).
23	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 level 0–2), Medium (ISCED level 3–4) and High (ISCED 1997 level 5–6, and ISCED 2011 level 5–8).
24	Long-term unemployment rate (aged 15+) (%)	The long-term unemployment rate is the share of people in the total active population who have been unemployed for 12 months or more, expressed as a percentage. The duration of unemployment is defined as the duration of a search for a job or as the period of time since the last job was held (if this period is shorter than the duration of the search for a job).
25	Youth unemployment rate (aged 15–24) (%)	The youth unemployment ratio is calculated by dividing the number of unemployed people aged 15–24 by the total population of the same age group.

	Description	Definition
26	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.

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LIST OF ACRONYMS

CVET Continuing vocational education and training
VET Vocational education and training
IVET Initial vocational education and training
NQF National qualifications framework
ANACEC (NAQAPE) National Agency for Quality Assurance
NEA National Employment Agency
NBS National Bureau of Statistics
CCI Chamber of Commerce and Industry
NCCVET National Coordination Council for Vocational Education and Training
CoE Centers of Excellence
EC European Commission
NQF National Qualification Framework
OCRM Occupational Classifier of the Republic of Moldova
RCVED Republican Centre for Vocational Education Development
SSC Sector Skills Committee
ADA Austrian Development Agency
LED Liechtenstein Development Service
GIZ Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (German Agency for International Cooperation)
SDC the Swiss Cooperation Office
GM Government of the Republic of Moldova
ISCED International Standard Classification of Education
TVET Technical Vocational Education and Training
LLL Lifelong Learning
QM Quality Management
MDL Moldovan Leu
MAREE Ministry of Agriculture, Rural Development and Environment
MECR Ministry of Education, Culture and Research
MEC Ministry of Economy
MHLSP Ministry of Health, Labour and Social Protection
MTRI Ministry of Transport and Road Infrastructure
ILO International Labour Organization
GDP Gross Domestic Product
SPSP Sector Policy Support Programme
ECTS European Credit Transfer System
OS Occupational Standard
IT Information Technologies
ICT Information and Communication Technologies

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