



European Training Foundation

MOLDOVA

**EDUCATION, TRAINING AND EMPLOYMENT
DEVELOPMENTS 2019**



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KEY POLICY DEVELOPMENTS IN EDUCATION, TRAINING AND EMPLOYMENT (SEPTEMBER 2018-AUGUST 2019)

Moldova's National Development Strategy for 2020¹ (2012) is currently under revision and a new strategy up to 2030 is being developed. The main objectives of the government remain unchanged – poverty reduction through macroeconomic stability and sustainable growth – though the indicators used will be more precise.

Elections in February 2019 resulted in a fragmented parliament with no party holding a clear majority. Only in June 2019 did the Socialist and ACUM (pro-EU alliance) parties agree to create a coalition government. The government faced immediate challenges. The constitutional court argued that the coalition had missed the deadline to form a government, while the previous government, which was formally still in office, issued a decree to dissolve parliament and called early elections on 6 September 2019. For a short time Moldova had two parallel governments. Combined pressure from EU and the Russian Federation forced the previous Democratic Party government to accept the new government.

The effects of the administrative reform are still felt in the public sector. Cutting the number of public employees by 44% and significantly increasing the responsibilities of remaining staff are putting some departments under strong pressure. For example, the Vocational Education and Training (VET) Department, with its five members of staff, is in charge of policy development as well as monitoring the implementation of national strategies, normative policy framework and coordination of the activities of VET institutions.

The implementation of the VET Strategy 2013–2020 and its Action Plan has entered its final phase. Several reforms have been brought forward, including approval of key legislative/administrative decisions, among them the government decision on the National Register of Qualifications and its technical concept, methodology for the development of qualifications and the Framework Regulation on validation of non-formal and informal education.

The new Employment Promotion Law entered into force in February 2019, impacting the structure of the local employment offices in the direction of increased centralisation. The Labour Market Observatory (LMO) is now operational, though mainly through donor support. The limited technical capacities of existing staff and difficulties in recruiting the necessary professionals are the main challenges in terms of the LMO becoming fully autonomous and reliable.

The EU is currently supporting Moldova through a twinning programme. Structured support to VET was frozen owing to the political situation, but the EU has expressed interest in unfreezing the final instalment of the budget support following the establishment of the new government and improvements in political relations. The ETF is supporting human capital policy developments in two main areas: strengthening the role of sector committees to represent the private sector in skills development issues; and developing a skills intelligence system by cooperating with the LMO and supporting its capacity building.

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

1. KEY DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS

The main factors shaping the structure of the population and demographic change in Moldova are ageing and migration. More than half of the population is in rural areas, making Moldova a country with one of the lowest levels of urbanisation in Europe. The official population figure from the National Bureau of Statistics of 3.54 million in 2018 shows a decrease of 3 000 people from the figure for 2017, and confirms the trend. However, alternative sources indicate that official statistics over-estimate the actual size of the population. The same National Bureau of Statistics provides a different estimation based on the usual residence of the population. In this case, too, there is a clear negative trend (2.87 million people in 2014 and 2.73 million in 2018)². This 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 out of the country for more than a year.

According to the UN Department of Economic and Social Affairs, 973 618 Moldovan citizens – or 25% of the total population – lived outside Moldova in 2017 (migrant stock)³. Almost 54% of these emigrants were female. Outward migration plays an important socioeconomic role in the country and remittances contribute substantially to consumption, accounting for an estimated 23.4% of gross domestic product (GDP)⁴.

Demographic ageing is clearly visible in the population structure. The share of young people (aged 15–24) in the active population declined from 19.3% in 2013 to 14.8% in 2018. The increasing dependency ratios – youth (21.3%) and old age (14%) – have important economic and social implications, threatening sustainable growth and the future sustainability of social protection, including pensions. Moreover, in the coming decades, population decline will continue at a rapid pace. According to the demographic forecast (2015–2035), the annual decrease in population will fluctuate between 1.1% and 2.0%⁵. The National Strategic Programme on Demographic Security (2011–2025) aims to implement demographic stabilisation policies in order to increase labour market supply, and also to improve safety and welfare to discourage outward migration.

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

Following the 2015 recession (which was due, not least, to large-scale banking fraud), Moldova's economy recovered in 2017 with GDP growth of 4.7%, which decreased slightly in 2018 but remained a positive 4.0%. This was bolstered by a solid performance in agriculture, with a good harvest resulting in a 12.7% growth in exports. Private consumption also contributed to GDP growth,

² European Training Foundation, *Torino Process 2018*, National Reporting Framework.

³ European Training Foundation, *Youth transition to work in Moldova*, 2018: <https://www.etf.europa.eu/sites/default/files/2018-12/Youth%20transition%20Moldova.pdf>

⁴ World Bank, *Migration and remittances factbook*, 2016.

⁵ https://moldova.unfpa.org/sites/default/files/pub-pdf/PSA_engleza.pdf

increasing by 4.9% in 2017, fuelled by remittances, strong growth in wages and the indexation of public transfers in 2016.

The medium-term outlook looks less positive. Against a background of lower remittances and projected weaker foreign and domestic demand, economic growth is expected to decelerate to below historical levels in 2019–2021. Expansionary fiscal policy measures adopted in 2018 – tax cuts, an increase in wages and public transfers – and constantly increasing financial intermediation activity will underpin growth in 2019. At the same time, lower growth in remittances and higher inflation, which erode disposable income, will reduce growth to 3.4%⁶. With the economic outlook in the baseline scenario subject to considerable external and internal risks, further structural reforms are needed for private sector growth and job creation.

In recent years the government has taken steps to improve the business climate and Moldova has moved up a few places in the World Economic Forum's Global Competitiveness Report 2018⁷ (88th out of 137 participating countries). The government has intensified implementation of its reforms, in particular upgrading public services; liberalising the economy; developing the financial system to create a favourable investment climate; fostering the development of small and medium-sized enterprises (SMEs); reforming the judiciary and eradicating corruption; improving transport and other physical infrastructure; and diversifying and promoting exports. Although income inequality, reflected in the Gini coefficient, improved from 29.2% in 2012 to 26.3% in 2016, Moldova remains one of the poorest countries in Europe, with a GDP per capita of only USD 5 343 in purchasing power parity terms.

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

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

2. EDUCATION AND TRAINING

2.1 Trends and challenges

Over the past decade Moldova has been spending a high percentage of its GDP on education (around 7%), although this started to decline in 2015, reaching 5.4% in 2018. The relatively high levels of

⁶ <http://www.worldbank.org/en/country/moldova/brief/moldova-economic-update>

⁷ World Economic Forum, *Insight Report: The Global Competitiveness Report 2018*: **Error! Hyperlink reference not valid.** <http://www3.weforum.org/docs/GCR2018/05FullReport/TheGlobalCompetitivenessReport2018.pdf>

educational expenditure have paid off, judging by the relatively high educational attainment levels among the active population (age 15+). In 2018, 54.5% of the population had a medium level of education, 24.2% a high level and 21.2% a low level. However, there is a negative trend in the increasing share of the population with a low level of education (18.5% in 2013) and a decreasing share of the population with medium (56.2% in 2013) and high (25.3% in 2013) levels.

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%⁸. 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 school dropouts. Although the number of early leavers has decreased slightly, it remains very high, at one in five of those aged 18–24, one of the highest rates in Europe⁹.

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

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 almost 53%, while the infrastructure has remained almost unchanged. Therefore, the network of educational institutions no longer reflects the underlying demographic reality, with the greatest divergence in rural areas.

Quality of education is also a concern. Although the Programme for International Student Assessment (PISA) results have improved compared with the previous round, they remained below the Organisation for Economic Co-operation and Development (OECD) average. Moldova was ranked 50th out of 70 participating countries in the 2015 PISA, which shows an improvement in educational outcomes for science, reading and mathematics compared with the 2009 PISA. Nevertheless, the share of the lowest-level achievers among 15-year-old students in Moldova was still quite high, at 41.9% for reading, 42.3% for science and 50.3% for mathematics. Furthermore, almost one-third had insufficient basic skills to integrate fully into professional and social life. Low performance can indicate a lack of efficiency and quality in education, inadequate curricula, outdated learning materials and poorly trained teachers, which are some of the main barriers to education quality¹⁰.

2.2 Education and training policy and institutional setting

The 'Moldova 2020' National Development Strategy represents the government's overall strategic vision for 2012–2020. Its main policy objective is to promote sustainable economic development and poverty reduction. One of its priorities is to align the education system to labour market needs in order to

⁸ <http://uis.unesco.org/country/MD>

⁹ European Training Foundation, *Youth transition to work in Moldova*, 2018: <https://www.etf.europa.eu/sites/default/files/2018-12/Youth%20transition%20Moldova.pdf>

¹⁰ https://www.oecd.org/countries/moldova/Youth_Well-being_Policy_Review_Moldova.pdf

enhance labour productivity and increase employment. The 2014–2020 Education Development Strategy, or ‘Education 2020’, stresses the importance of high-quality education and lifelong learning, and in particular the relevance of the labour market. It aims to increase access to education and lifelong learning, ensuring that studies are relevant for life, for active citizenship and for career success. It also aims to develop effective monitoring, evaluation and quality assurance in education. In 2019 the reform in the agricultural sector was launched; the Action Plan¹¹ enforced by Government Decision No. 1283/2018 includes an objective to reorganise research and innovation, VET education and rural extension, accelerating and improving knowledge transfer to the real environment and contributing 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 with two paths: secondary VET (VET schools and centres of excellence) and post-secondary VET (colleges and centres of excellence).

VET policy reform is guided by the VET Development Strategy 2013–2020, which aims to modernise and optimise VET to enhance the competitiveness of the national economy. The main objective is to increase the attractiveness, quality, affordability and flexibility of VET and its relevance to labour market needs. A master plan to restructure the VET system was approved in 2015 following a detailed VET network mapping exercise. Over the past three years several legislative and normative acts have been approved to enforce the reform of the VET system, including Government Decision No. 1199/2018 on the National Register of Qualifications; Government Decision No. 1016/2017 on the approval of the National Qualifications Framework (NQF); Framework Regulation No 65/2019 on validation of non-formal and informal education; Regulation No. 1127/2018 on the organisation of the qualification examination; and the technical concept of the National Register of Qualifications and methodology for the development of qualifications. The ETF has accompanied all these developments and is still working closely with the NQF unit in finalising secondary legislation for NQF implementation.

The adoption of the Regulation on the organisation of VET programmes for dual VET (2018) and the Regulation on framework curriculum for dual secondary VET (2018) completed the process of the formal establishment of dual education, which started in 2014. The number of enrolled apprentices doubled in 2017/18 from the 2016/17 figure, reaching a share of 8.5% of the total number of enrolled students in secondary VET. However, the teaching and learning environment, as well as the degree of satisfaction of apprentices, differs widely from one case to another. Dual VET requires investments and shared responsibilities between companies and VET institutions. It also depends on the companies’ desire and readiness to assume a high level of responsibility, and on their technical and human capacity. Thus, regardless of the strong recognition of the importance of work-based learning (WBL), VET institutions still face difficulties in establishing long-term relations with companies, while companies do not have appropriate mechanisms for ensuring the quality of WBL. In particular, WBL remains under-developed in the agro-food area owing to the shortage of big companies, as small businesses and individual farms are neither motivated nor fully prepared to provide WBL.

¹¹ <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=379129>

Developing human capital by promoting entrepreneurial skills and culture is a priority for the SME Development Strategy 2012–2020. Entrepreneurship is a compulsory subject in all training programmes and educational curricula in vocational schools and colleges. The duration of the Basics of Entrepreneurship course in VET institutions is 120 hours (96 hours of theory and practice, and 24 hours of consultations). The ETF has contributed to the policy dialogue on SME development by facilitating the Small Business Act for Europe (SBA) assessment process.

The VET system is currently being optimised to make it more efficient. Some VET schools have been closed and 12 new centres of excellence have been created as multi-functional training providers. The centres of excellence are providing initial VET, but have not yet developed into lifelong learning centres serving the local social and economic context. The provision of adult education and services for the private sector is still at an embryonic stage. In this regard, three important legal acts were adopted in 2018: the Regulation on the continuous training of adults; the Regulation on the organisation of admission/enrolment in VET institutions at secondary VET programmes; and the Regulation on the organisation of admission to post-secondary and post-secondary non-tertiary VET programmes.

In the context of the VET reform, a great deal of effort has been made to improve the efficiency and effectiveness of the financial management of VET institutions. As of 1 October 2018, VET institutions operate under financial and economic self-management. They receive allocations from the state budget for execution of the state order, their financing is based on a service contract and they can generate additional funds. It is too early to assess the impact of this historic reform. Schools have raised concerns about their readiness to manage this degree of autonomy and to cope with the necessity of creating additional income to cope with possibly insufficient funds.

As a result of public administration reform, in September 2017 the Ministry of Education was merged with the Ministry of Culture and Research, becoming the Ministry of Education, Culture and Research (MoECR). The new ministry has four departments: (i) Higher Education and Research; (ii) General Education, VET, National Qualifications and Lifelong Learning; (iii) Culture; and (iv) Youth. While initial VET in Moldova is the responsibility of the MoECR, responsibility for continuing VET is shared with other ministries, such as the Ministry of Agriculture. The Republican Centre for VET Development, which was set up as the MoECR's executive VET body, is not yet operational, hampering effective implementation of the VET Strategy. Following the administrative reform, staff numbers have been reduced by 44%, with a contextual increase of salaries to make the system more efficient. While it is too early to assess the positive impact of the public administration reform, in the short term the human resources shortage is creating some challenges in the implementation of the public function.

The National Agency for Quality Assurance in Professional Education was restructured in 2018 to become the National Agency for Quality Assurance in Education and Research (ANACEC). It has the task of implementing public quality assurance policy at all levels of education, including continuing education and research. It is responsible for developing evaluation methodologies, and for periodically reviewing accreditation standards, national reference standards and performance indicators used in quality assurance and evaluation. Any public or private legal entity interested in offering training programmes is subject to mandatory external evaluation, and both the institution and the curricula are subject to formal accreditation procedures.

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-economic self-management regime. The approval of the Law on Sector Skills Committees created a high level of optimism for a stronger role of the private sector in VET and human capital development. Reality has demonstrated over the past two years that defining a broad legislative framework was a necessary step, though not a sufficient one to ensure an effective operationalisation of sector committees. These are currently active, but are facing several challenges in the implementation of their ambitious mandate. The ETF is supporting the development of sector committees, in particular their capacity to implement new functions, including the development of occupational standards for their respective sectors.

The MoECR has started effective cooperation with other relevant ministries, sector committees, VET institutions, businesses and other social partners. Sector skills committees and working groups have contributed to the development of 33 occupational standards and 43 qualifications so far (out of 200). A total of MDL 300 000 was allocated for occupational standards in 2018. Despite all these achievements in terms of regulatory framework, the National Qualification Department of the MoECR has difficulty keeping up with an 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 disbursement of the third and final instalment of the EU Sector Reform Contract on VET is currently frozen for reasons linked to poor democratic standards. However, the EU has expressed interest in unfreezing the final instalment of the budget support following the improvements in the political climate. Furthermore, in 2019 implementation began of a new EU intervention, a twinning project (2019–2021). This aims to ensure effective implementation of the VET strategy and support structural and institutional reform, while securing high-quality VET services in terms of knowledge, skills, competences and physical assets.

3. LABOUR MARKET AND EMPLOYMENT

3.1 Trends and challenges

Moldova is facing a complex and challenging employment context, with insufficient and poor-quality jobs, low productivity, and persistent informal arrangements and inequalities. The country's labour market is characterised by low activity and employment rates (43.3% and 42.0%, respectively, in 2018, although a small positive trend has been evident in the past 4 years), with no significant gender disparities.

Moldova has a low aggregated unemployment rate, at 3.0% in 2018. This is attributable to both a very low activity rate and significant outward migration, as well as the specific definition of inactivity in the Moldovan Labour Force Survey (LFS), which may distort the overall picture. More specifically, if a household member is absent at the time of the survey because they are abroad, that person is recorded as 'inactive'. Moldovan emigrants currently working abroad are therefore considered to be 'residents' for the purposes of the LFS and counted in both the inactive and reference population aged 15+. When the LFS results are recalculated, excluding this category from the sample, the 2016 activity

rate for the 15+ population increases from 42.6% to 47.7%, and the employment rate from 40.8% to 45.7%¹².

The youth unemployment rate (aged 15–24) is consistently decreasing (from 12.2% in 2013, to 11.8% in 2017 and to 7.4% in 2018). However, this decline might reflect not improved employment prospects, but a shrinking young population, limited readiness to work or a reliance on remittances. The persistently high rate of young people not in employment, education or training (NEETs) – 17.3% of 15–24-year-olds in 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 education¹³.

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

Vulnerable employment has been increasing over the years and currently affects more than one-third of workers (37.6% in 2018). This is the result of poor working conditions and persisting informal arrangements.

There are substantial imbalances between supply and demand in the labour market. Public employment services are registering a growing number of vacancies that cannot be filled by the jobseekers available¹⁴. This suggests a high incidence of skills mismatch, and the occupational mismatch indicator points to over-qualification in the labour market. The share of the active population with a tertiary education working in semi-skilled occupations increased from 20.4% in 2012 to 23% in 2017. There could be a number of reasons for this, such as a problem with the labour demand for highly skilled workers (lower demand or uneven territorial distribution of employment opportunities for university graduates); inadequate university education outcomes in terms of skills and abilities for high-skilled jobs; or a lack of practical experience (an individual taking a job not matched to their level of education is often a strategy for gaining work experience and opening up new avenues for job search)¹⁵.

3.2 Employment policy and institutional setting

Important steps have been taken to improve the legal and institutional framework governing the labour market in Moldova. A new National Employment Strategy 2017–2021 establishes four objectives: creating formal, non-discriminatory and productive employment opportunities; developing human capital for increased employment opportunities; improving labour market governance; and capitalising on the potential of migration to support sustainable development. The National Action Plan for 2017 also sets out a series of measures to increase the level of employment, particularly by developing the SME sector and extending the industrial park network and free economic zones to provide more jobs,

¹² European Training Foundation, *Youth transition to work in Moldova*, 2018:

<https://www.etf.europa.eu/sites/default/files/2018-12/Youth%20transition%20Moldova.pdf>

¹³ European Training Foundation, *Skills mismatch measurement in Moldova*, 2018:

https://www.etf.europa.eu/sites/default/files/2019-07/Skills%20mismatch%20measurement_Moldova.pdf

¹⁴ In 2018 there were 49 200 vacancies and 35 544 individuals registered as unemployed (at the end of the year), according to public employment service data.

¹⁵ European Training Foundation, *Skills mismatch measurement in Moldova*, 2018:

https://www.etf.europa.eu/sites/default/files/2019-07/Skills%20mismatch%20measurement_Moldova.pdf

especially in rural areas. Active school–enterprise partnerships will be developed to strengthen the link between the labour market and the VET system, along with career guidance services and voluntary activities.

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

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

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 each appointed by the government, employers and trade unions. As part of the public administration reform, the NEA has been restructured, including 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, with 200 staff rather than 289. The branches are not independent legal entities but have the right to sign agreements with local companies on the provision of ALMPs.

The NEA currently provides intermediary services, career guidance and counselling; organises job fairs and public works; and provides training to increase the employability of jobseekers and priority groups of people with special needs. Services for individual jobseekers include registration, counselling and guidance, client profiling, individual employment planning and job placement. Services for employers include registering vacancies, pre-selecting job candidates and intermediation. Employers are obliged to inform the NEA about job vacancies. The NEA's public works programme aims to improve the situation of temporarily unemployed people in vulnerable groups (particularly those in rural areas), keeping up their motivation to work and helping them acquire skills for work. The NEA runs annual employer surveys to identify workforce requirements and labour shortages, and publishes the results in a 'labour market barometer'.

Many institutions in Moldova are involved in producing information on labour market skills needs, and a significant amount of data is gathered, but there is a lack of analysis, management and access to information for the relevant stakeholders. As a result of the reorganisation of the NEA, the LMO was established in 2018. It operates on the basis of a partnership signed between, on the one hand, the MoLHSP and the NEA and, on the other, the Ministry of Economy and Infrastructure, the Ministry of Finance, the MoECR, 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. The purpose of the LMO is to collect, systematise and analyse the statistical data produced by the NEA and other public institutions, to develop analytical studies, to forecast labour supply and demand, and to disseminate labour market information to

different actors on the labour market. During 2018 the LMO developed the analytical notes 'The analysis of vacancies registered in the NEA database' and 'Labour migration and the impact on the labour market of the Republic of Moldova', as well as infographics on various themes. Also in 2018 the LMO received capacity-building support from various organisations, including the ETF that strengthened its capacity to fulfil the ambitious mandate.

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

MOLDOVA STATISTICAL ANNEX

Annex includes annual data from 2013, 2017 and 2018 or the last available year.

	Indicator	2013	2017	2018	
1	Total Population (,000) ⁽²⁾	3,559.5	3,550.9 ⁽¹⁾	3,547.5 ⁽¹⁾	
2	Relative size of youth population (age group 15-24, %) ⁽²⁾	19.3	15.5 ⁽¹⁾	14.8 ⁽¹⁾	
3	GDP growth rate (%)	9.0	4.7	4.0	
4	GDP by sector (%)	Agriculture added value	11.6	11.5	10.2
		Industry added value	21.6	21.9	23.0
		Services added value	52.8	53.2	53.3
5	Public expenditure on education (as % of GDP)	7.0	5.4 ⁽³⁾	5.4 ⁽³⁾	
6	Public expenditure on education (as % of total public expenditure)	18.3	17.8 ⁽³⁾	17.6 ⁽³⁾	
7	Adult literacy (%)	99.1 (2012)	M.D.	M.D.	
8	Educational attainment of adult population (aged 25-64 or 15+) (%) ⁽⁴⁾	Low	18.5	19.9 ⁽¹⁾	21.2 ⁽¹⁾
		Medium	56.2	55.6 ⁽¹⁾	54.5 ⁽¹⁾
		High	25.3	24.5 ⁽¹⁾	24.2 ⁽¹⁾
9	Early leavers from education and training (aged 18-24) (%)	Total	21.1	19.4 ⁽¹⁾	21.2 ⁽¹⁾
		Male	25.9	21.0 ⁽¹⁾	23.1 ⁽¹⁾
		Female	15.6	17.6 ⁽¹⁾	19.0 ⁽¹⁾
10	Gross enrolment rates in upper secondary education (ISCED level 3) (%)	91.8 ⁽²⁾	87.5	M.D.	
11	Share of VET students in upper secondary education (ISCED level 3) (%)	37.1	48.7	46.6	
12	Tertiary education attainment (aged 30-34) (%)	25.5	29.7 ⁽¹⁾	30.1 ⁽¹⁾	
13	Participation in training/lifelong learning (age group 25-64) by sex (%)	Total	M.D.	M.D.	M.D.
		Male	M.D.	M.D.	M.D.
		Female	M.D.	M.D.	M.D.
14	Low achievement in reading, mathematics and science – PISA (%)	Reading	57.3 (2009)	41.9 (2015)	N.A.
		Mathematics	60.7 (2009)	50.3 (2015)	N.A.
		Science	47.3 (2009)	42.2 (2015)	N.A.

	Indicator		2013	2017	2018
15	Activity rate (aged 15+) (%)	Total	41.4	42.2 ⁽¹⁾	43.3 ⁽¹⁾
		Male	44.5	45.3 ⁽¹⁾	45.8 ⁽¹⁾
		Female	38.6	39.4 ⁽¹⁾	41.0 ⁽¹⁾
16	Inactivity rate (aged 15+) (%)	Total	58.6 ⁽⁵⁾	57.8 ⁽¹⁾	56.7 ⁽¹⁾
		Male	55.5 ⁽⁵⁾	54.7 ⁽¹⁾	54.2 ⁽¹⁾
		Female	61.4 ⁽⁵⁾	60.6 ⁽¹⁾	59.0 ⁽¹⁾
17	Employment rate (aged 15+) (%)	Total	39.3	40.5 ⁽¹⁾	42.0 ⁽¹⁾
		Male	41.8	43.1 ⁽¹⁾	44.2 ⁽¹⁾
		Female	37.0	38.1 ⁽¹⁾	40.0 ⁽¹⁾
18	Employment rate by educational attainment (% aged 15+) ⁽⁴⁾	Low	23.9	27.8 ⁽¹⁾	31.2 ⁽¹⁾
		Medium	41.7	42.2 ⁽¹⁾	42.9 ⁽¹⁾
		High	59.3	56.0 ⁽¹⁾	56.6 ⁽¹⁾
19	Employment by sector (%)	Agriculture	28.8	32.3 ⁽¹⁾	36.1 ⁽¹⁾
		Industry	17.7	16.6 ⁽¹⁾	16.5 ⁽¹⁾
		Services	53.5	51.0 ⁽¹⁾	47.4 ⁽¹⁾
20	Incidence of self-employment (%)		31.2	34.8 ⁽¹⁾	37.9 ⁽¹⁾
21	Incidence of vulnerable employment (%)		30.5	34.5 ⁽¹⁾	37.6 ⁽¹⁾
22	Unemployment rate (aged 15+) (%)	Total	5.1	4.1 ⁽¹⁾	3.0 ⁽¹⁾
		Male	6.0	4.8 ⁽¹⁾	3.5 ⁽¹⁾
		Female	4.1	3.3 ⁽¹⁾	2.5 ⁽¹⁾
23	Unemployment rate by educational attainment (aged 15+) (%) ⁽⁴⁾	Low	5.4	4.3 ⁽¹⁾	2.9 ⁽¹⁾
		Medium	5.2	4.2 ⁽¹⁾	3.5 ⁽¹⁾
		High	4.7	3.7 ⁽¹⁾	2.8 ⁽¹⁾
24	Long-term unemployment rate (aged 15+) (%)		1.3	1.0 ⁽¹⁾	0.8 ⁽¹⁾
25	Youth unemployment rate (aged 15-24) (%)	Total	12.2	11.8 ⁽¹⁾	7.4 ⁽¹⁾
		Male	11.9	10.9 ⁽¹⁾	7.5 ⁽¹⁾
		Female	12.7	13.0 ⁽¹⁾	7.2 ⁽¹⁾
26	Proportion of people aged 15–24 not in employment, education or training (NEETs) (%)	Total	18.9	20.2 ⁽¹⁾	17.3 ⁽¹⁾
		Male	17.8	17.7 ⁽¹⁾	16.3 ⁽¹⁾
		Female	20.0	22.7 ⁽¹⁾	18.3 ⁽¹⁾

Last update: 29/08/2019

Sources:

Indicators 1 (Year 2017 and 2018), 2, 5, 6, 8, 9, 11 (Year 2018), 12, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26 - National Bureau of Statistics (NBS)

Indicator 1 (Year 2013), - EUROSTAT

Indicator 14 - OECD

Indicators 7, 10, 11 (Year 2013 and 2017) - UNESCO, Institute for Statistics

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

Notes:

Information is presented without the data on districts from the left side of the river Nistru and municipality Bender.

(1) Data estimated using the legal/registered residents

(2) Estimates

(3) GDP elaborated according to the methodology SCN 2008

(4) LOW: ISCED 0-2; MEDIUM: ISCED 3-4; HIGH: ISCED 5-8

(5) ETF calculations

Legend:

N.A. = Not Applicable

M.D. = Missing Data

ANNEX: INDICATORS' DEFINITIONS

	Description	Definition
1	Total population (000)	The total population is estimated as the number of persons having their usual residence in a country on 1 January of the respective year. When information on the usually resident population is not available, 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 population aged 15 years and over who can both read and write with understanding a short simple statement on his/her everyday life. Generally, 'literacy' also encompasses 'numeracy', the ability to make simple arithmetic calculations.
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 with respect to the highest educational programme successfully completed which is typically certified by a recognized qualification. Recognized intermediate qualifications are classified at a lower level than the programme itself.

	Description	Definition
9	Early leavers from education and training (age group 18-24) (%)	Early leaving from education and training is 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 with duration less than 2 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 education), 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) (%)	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 consists of 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 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 persons. The inactive population consists of all persons 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 persons who are classified as neither employed nor unemployed.
17	Employment rate (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.
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. 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 level 3-4) and High (ISCED 1997 level 5–6, and ISCED 2011 level 5–8)

	Description	Definition
19	Employment by sector (%)	This indicator provides information on the relative importance of different economic activities with regard to employment. Data is presented by broad branches of economic activity (i.e. Agriculture/Industry/Services) which is 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 persons as a percentage of the labour force. The labour force is the total number of people who are employed or unemployed. Unemployed persons 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 persons as a percentage of the labour force. The labour force is the total number of people who are employed or unemployed. Unemployed persons 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 unemployed persons since 12 months or more in the total active population, 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 persons aged 15–24 by the total population of the same age group.
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 is 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.

TABLE OF ABBREVIATIONS

ANACEC	National Agency for Quality Assurance in Education and Research
DCFTA	Deep and Comprehensive Free Trade Area
GDP	Gross domestic product
ILO	International Labour Organization
ISCED	International Standard Classification of Education
ISIC	International Standard Industrial Classification
LFS	Labour Force Survey
LMO	Labour Market Observatory
MDL	Moldovan leu (currency)
MoECR	Ministry of Education, Culture and Research
MoLHSP	Ministry of Labour, Health and Social Protection
NEA	National Employment Agency
NEET	Not in employment, education or training
NQF	National Qualifications Framework
OECD	Organisation for Economic Co-operation and Development
PISA	Programme for International Student Assessment
SBA	Small Business Act for Europe
SME	Small and medium-sized enterprises
UNDP	United Nations Development Programme
VET	Vocational education and training
WBL	Work-based learning

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