



COUNTRY ANALYSIS 2005
MOLDOVA

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Summary

After Romania's accession to the EU, foreseen for the year 2007, Moldova will become an immediate neighbour of the EU.

During the period 2001–2003 a sizable improvement in economic and social indicators was registered, but despite significant efforts made to establish the basic institutions of a market economy and to promote democratic values, Moldovan society was unable to achieve the strategic objectives defined in 1990; thus, in 2002, over 40% of the population still lived below the absolute poverty line. Poverty has in turn generated a range of social problems, including an exodus of 35–40% of the economically active population abroad.

With limited natural and human resources, in the context of an ageing population and a decreasing trend of labour force participation rates and the number of employed people, as well as increasing migration and economic recovery, developing the education and training system in Moldova is increasingly recognised as a priority across political boundaries.

In the first years of transition, reform mainly concentrated on general and higher education, with quite active support from the EU and other international donors. However, recent initiatives addressing the field of vocational education and training (VET) started by the Moldovan government, the Ministries of Education and Labour and other relevant ministries, show that there is a lot of concern and reflection on how to go about reforming the system but there is no systematic approach at the national level, and no systematic involvement of social partners.



At the same time, the potential for VET to increase entrepreneurial skills in the country is very high and many of the trades taught in the VET system could serve as a good basis for starting and developing SMEs and promoting local development, as vocational training remains a valid means by which to enter the labour market (LM). In this context, the ETF recommends that one of the future assistance priorities should be support for reforming the VET system to make it flexible and qualitative, responsive to the needs of the labour market and well integrated with primary, general secondary and higher education. It should be a system based on the principles of lifelong learning and social partnership. Reforms should be undertaken in a holistic manner ensuring also a cross-sectoral view that links education with poverty reduction, good governance and economic growth.

As regards the movement of workers, the main priority from an education and training perspective is the recognition of professional qualifications at the national level, within the regional area of ENP Eastern European countries and within the EU. Moreover, in relation to the possibilities for gradual opening of or reinforced participation in certain community programmes, focus should be placed on reducing the gap between the Moldova education and training system's performance and the benchmarks and indicators established for the Bologna and Copenhagen processes.

Assistance should also be given to strengthening the good results achieved so far in the ongoing reforms in the labour market system, keeping them in line with European standards in order to extend and better promote active labour market policies through active social partnership.

1. Current situation and trends in human resources and labour market development in Moldova

Demographic trends

The population of Moldova, 3.3 million in 2004 (excluding Transdnistria), registered a slight decrease between 1990 and 2002 due to a negative natural growth rate of -1.7% and an ageing factor¹ of 13.9, which reflects a demographically ageing population. Compared to 1998, the population by rural/urban, gender and age group distribution in 2002 registered the following trends²:

- A significant decrease in urban and an increase in rural populations. The country's de-urbanisation was even more pronounced than had been estimated; first data from the 2004 census show that only 38.6% of inhabitants reside in an urban area, with the remaining 61.4% living in rural areas.
- No significant change in the population structure by gender; males still represent around 47 % and females 53% of the total population³.
- A decrease in the 5–14 and 30–39 age groups, while the 15–19, 20–29 and 40–49 age groups registered slightly increasing trends.
- Some projections indicate that the 16–18 age group, potential clients for VET schools, will register a radical decline of 22% until 2009 and then an additional 25% until 2014, meaning that generally there will be considerably less children of school age than at present⁴.

The main nationalities living in the country are Moldovans, making up 64.5% of the total population, Ukrainians (13.8%) and Russians (13%); these are in addition to minorities such as Gagauzians (3.5%), Bulgarians (2%) and Jews (1.5%). This composition has influenced migration phenomena (destination, work possibilities, and language similarities) and Moldovan citizens applying for other citizenships. According to initial data from the 2004 census⁵, 259,600 people were declared as being abroad – the Moldovan Intelligence and Security Service, however, estimates that the real figure could be between 600,000 and one million. Active labour migrants tend to be from areas where the income level is low and there are few job opportunities, while the population from large cities is less active in the labour migration process.

Economy

Moldova has had a difficult transition, with a cumulative decrease in GDP of around 65% between 1990 and 2000. Some of these difficulties arose from the fact that Moldova was the “garden” of the former Soviet Union, exporting agricultural products – mainly vegetables and wine – to the rest of the union in exchange for energy and manufactured goods. A few major industrial plants were placed in the republic; all of these are now in the Transdnistria region and outside the control of the Moldovan government. Since 2000, GDP has increased by one-third, (US\$766 per capita in 2004), but despite stable economic growth the volume of production remains quite low. The gross value added rates went substantially down in industry, wholesale and retail, and the transport and communication sectors, while they

¹ “Ageing factor” refers to the number of people aged 60 and over per 100 inhabitants; according to the G. Bojio-Garnier scale, when the value is 12 or higher the population qualifies as “demographically ageing”.

² *Statistical yearbook of the Republic of Moldova*, Department of Statistics and Sociology, 2004 (data concerning distribution of population do not include the Transdnistrian population).

³ *Moldova economic trends*, March 2005, <http://www.met.dnt.md/>.

⁴ OECD, p. 13. Based on population projections by the CEPS, Ljubljana, and Institute for Public Policy, Chisinau.

⁵ *Moldova economic trends*, March 2005, <http://www.met.dnt.md/>.

increased in agriculture and construction⁶. Still, the existing structure of production and employment restricts the socioeconomic development of Moldova. Labour productivity and its economic impact on agriculture is much lower than in other sectors, including industry. In 2002 the gross value added produced by an employee was on average 50% lower in agriculture than in the economy, and 72% lower than in industry; this impeded the reduction of poverty, especially in rural areas.

Poverty

As a result of economic crisis, poverty rose drastically in 1998–1999 and then fell in 2001–2002 due to the growing economy and to a considerable rise in labour migration and associated private money transfer from abroad. The highest poverty level is in small towns (53.2%); the level is a little lower in rural areas (45.1%) and lowest in big cities (16.5%). Poverty is also closely related to levels of education. The poverty level among households headed by people with incomplete secondary education is 49.4%, and in those with no education 59.2%, these households accounting for 36.1% of the total number of households. In comparison, only 13.3% of households headed by university graduates are poor; thus it seems that developing the system and increasing levels of education will cause poverty incidence to decrease⁷. Poverty has generated a range of social problems, including an exodus of 35–40% of the economically active population abroad, and despite some improvements during the last three years, Moldova continues to be one of the poorest ex-Soviet countries, and one of the poorest Central and South-Eastern European countries⁸.

Labour force

Moldova had a working-age (15–64) population of 2.47 million in 2002⁹. The overall labour force participation rate registered a decrease to 62.1% in 2002 compared with 67.2% in 1999, 63.6% for men and 60.8% for women. This implies a labour force of slightly over 1.5 million. More than half of the labour force is found in rural areas.

Employment and unemployment

Moldova has had a difficult transition but the economic recession has not been followed by an equal decline in employment. Analysis of employment flows between 1995 and 2002 shows that total employment declined by 10% cumulatively. The result is that there are less employed, and employment flows into agriculture instead of out of it. The employed population in agriculture represented 49.9% (46.1% in 1995) of the total number of employed people; in industry the figure was 11.2%, while in services it was 38.9% (42% in 1995). In 2002 slightly over 70% of employed people were in the private sector, 23% were in the public sector, 5% were in businesses with mixed private–public ownership and 1.1% were in companies with foreign involvement.

The total employment rate of over 57% registered in 2002 was near the EU average with no substantial gender gap. In a decreasing trend, employment was characterised by the following:

- The employment rate for the rural population was higher on average for all age groups.
- Female employment rates were higher than male for all age groups in the 20–49 age range, and it is only in the 55+ age groups that male employment rates became considerably higher. A change in the pension law in 2003 means that the present retirement age is 60 for women and 65 for men.
- The highest percentage of employed people have a VET background (27.1%). VET is the dominant educational background for employed men in the 15–64 age group, while for women of the same age group the dominant educational background is general secondary school.

⁶ Moldova economic trends, March 2005, <http://www.met.dnt.md/>.

⁷ *World Bank economic growth and poverty reduction strategy paper (2004–2006)*.

⁸ Moldova economic trends, March 2005, <http://www.met.dnt.md/>.

⁹ *A study of the Moldovan vocational education and training system and its relevance to labour market needs*, ETF, 2003, pp. 33–36, <http://www.etf.eu.int/>.

- In urban areas, people with no education or only primary or incomplete secondary education make up only 6% of the urban employed. In rural areas people have an equal chance of being employed whatever their educational background.

The unemployment rate continued to fall after 1999, reaching 7.1% in 2002, with the following main characteristics:

- Unemployment was higher among men (8.5%) than women (5.8%) and considerably higher in urban (12.3%) compared to rural areas (3.2%).
- The highest unemployment rate was found among the younger age group of 15–24-year-olds. Unemployment was also higher in the 40–49 age group compared to people a few years younger and a few years older.
- By level of education, unemployed people with incomplete secondary education are worst off, representing 35% of the total number of unemployed in 2002 (50% if added to those with only general secondary education). The correlation between education level and unemployment rates is high; those with VET make up 25% of the unemployed and those with higher education only 6–7%.

Human resources development (HRD)

Following the decline in birth rates since 1990, the number of students enrolled in education at all levels decreased by 18,600 students (2.5%) in 2001 compared to 1995. While the number of students in higher education greatly increased and in general education slightly decreased, the number in VET institutions has decreased by over 50% since 1990. This dramatic fall has been only partially offset by an increase in the number of individuals in other types of education. In the last 15 years, moreover, many of the working population have been absorbed by the agricultural sector, but as the economy develops more and more, it is expected that the services sector as well as the agro-food industry will develop and these sectors will require more and different types of VET skills. In a period of uncertainty about the evolution of the Moldovan economy, families have given priority to increasing the education of the youngest; however, the present distribution of students across the different education levels does not match the competence requirements of the economy. As a consequence, the highest unemployment rates are found among the younger age groups of 15–24-year-olds.

During the period 2001–2003 a sizeable improvement in economic and social indicators was registered, but despite a clear economic recovery in recent years, along with Ukraine, Moldova is one of only two countries in the Eastern Europe and Central Asia region that has not yet reached the GDP level of 1995.

Summary

While there has been an increase in the number of people employed in the agricultural sector, it is expected that services and the agro-food industry will develop as the economy improves, requiring more and different types of VET skills. In relation to this aspect and in the context of a decreased and ageing population, a decrease in labour force participation rates and the number of employed, increasing migration, and economic recovery, the number of students in secondary and higher education is high; the number of students in VET is quite low and the present distribution of students across the different education levels does not match with the competence requirements of the economy. On the one hand, vocational training is still a valid means for entering the labour market, but on the other, the proportion of unemployed with a VET background is still quite high, which indicates a gap between the core and technical skills provided by the system and those demanded by the new employers. The planning of VET supply also needs improvement, and this can be done by appropriately analysing labour market and employers' requirements as well as demographic trends, at both the central and school levels.

2. Contribution of HRD to socioeconomic development, with particular attention to employment and social inclusion

Despite significant efforts made to establish the basic institutions of a market economy and to promote democratic values, Moldovan society has been unable to achieve the strategic objectives defined in 1990. According to these objectives, the creation of a market economy and improvement in the population's living standards were the main priorities of the state policy. In 2002, however, over 40% of the population still lived below the absolute poverty line.

As stipulated in the World Bank Economic Growth and Poverty Reduction Strategy Paper 2004–2006 (EGPRSP), in order for the country to move energetically and effectively towards the achievement of its long-term development objectives, the focus in the medium-term will be on (i) sustainable and inclusive economic growth, (ii) poverty and inequality reduction and increased participation of the poor in economic development, and (iii) human resource development.

In the field of human resource development, "healthcare and education" has been identified as one of the priority policy areas. Related to the education system, the general objective is to ensure access to quality education and the efficient and sustainable functioning of the education system, in a way that facilitates its role in developing human resources and the economy. Another important aspect of the strategy's implementation will be evaluation of the outcomes of employment policies in order to improve their content and impact. The results of such evaluation will be used to improve the selection of policy measures and their content and objectives. One of the current priority areas is related to improving services and training for the unemployed, especially those in socially vulnerable groups.

After 1990, Moldova suffered severely from the transition from Soviet rule, the Russian economic crisis in 1998, a large number of governmental changes and the subsequent inefficient use of public funds. As with many other domains, the reform of the education and training system has suffered from the unstable political situation. The Ministry of Education has been restructured several times and a series of ministers have been dismissed. Reforms have started and then been cancelled; experimental and pilot initiatives have been attempted, but their outcomes never properly evaluated. This has strongly weakened the institutional capacities of the Ministry of Education, especially the VET department, and affected the continuity of the reform efforts. Inter-ministerial cooperation is still very weak in Moldova, particularly as regards cooperation between the Ministry of Education and Ministry of Labour. Cooperation between ministries, social partners and local authorities is also lacking. At the same time, the Ministry of Labour has demonstrated a better capacity, even at the central level, in terms of continuity and understanding the requirements of the reform.

Moldova inherited an education system that was tailored to support a planned economy, in which a relatively high level of funding reflected the importance given to education. The years of negative economic growth seriously affected the financing of education and training, and in particular the vocational education system (more expensive in itself than general secondary).

The old VET system is today unable to maintain its previous quality levels and needs radical modernisation and systemic transformation. It is rapidly deteriorating and is not able to meet the requirements of the present economic and social situation in Moldova. The traditional links between schools and state-owned enterprises, typical of the former Soviet era, have collapsed, and the system has not yet been able to realign its training supply with the emerging labour market demand. Most schools have to cope with obsolete equipment, inadequate resources and teachers who have not undergone retraining for years. VET schools also have difficulties in establishing links with enterprises willing to offer students practical training placements. Despite some limited developments in establishing cooperation between VET schools, employers, employment offices and local authorities, the Ministry of Education sets standards and approves the curricula of VET schools without any institutionalised involvement by social partners. The Ministry of Economy, on the other hand, defines the number of places that will be financed each year by the state budget in the public VET schools, without appropriate analysis of labour market needs or any consideration of the needs of social partners. The subjects and curricula taught are very old and not up to the standards required in the workplace – functional skills such as communication, teamwork, problem solving, decision making and learning skills, all key competences, receive very little attention.

With limited natural and human resources, developing the education and training system in Moldova is recognised more and more as a priority across political boundaries. The Government Activity Programme for 2001–2005 prioritises education and aims to widen opportunities for access to VET, improve standards and staff evaluation and ensure increasing budget allocations for education.

In the first years of transition, reform was concentrated on general and higher education where, with the support of EU and other international donors, some good results have been obtained.

The basic structure of VET was established by the Law on Education of 1995; the implementation of the new structure of versatile (polyvalent) vocational and professional schools started in 1997, with the assistance of a Tacis project. New amendments to the Law on Education were approved in 2003, aimed at improving the VET component of the programmes and graduates' possibilities either to continue their education or to become active on the labour market. The legislative framework governing VET is still under review and new concepts on VET have been developed, including issues such as the strengthening of VET links with other levels of education and the labour market, the promotion of social partnership, and the improvement of links between VET and actual labour market needs. The development of these concepts is in itself a very positive signal of an increasing awareness that topics such as vocational guidance, training and upgrading (continuing training) need to be addressed.

The president of Moldova declared 2004 "the year of VET" and in June an international donors' conference on "Developments in the education sector in Moldova – future steps" was organised by the Ministry of Education in cooperation with a number of international donors. A number of future priorities were identified for reforming the VET delivery system, including: development of subjects and curricula in line with labour market needs; new teaching materials, manuals and equipment for practical training; upgrading teachers' skills and teaching methods; and adjustment of the school management of VET to the new environment and requests. In November, the government approved Decision 1424 on continuing vocational training (CVT) and the establishment of a National Council for CVT, as a tripartite consultation board. This decision is aimed at establishing a general framework for CVT and institutionalised social partnership in VET.

Rural development is considered among the priorities for reform; thus, the government approved the national programme "Moldovan Village 2005–2015". Some VET schools at the local level are already adjusting very well to the difficult conditions of transition by changing their profile radically, starting cooperation with employers and employment services and offering shorter courses to adults for retraining and skills upgrading. At the local level some communities have shown a good understanding of issues related to human resources and local development, and initiatives have started in this line, but there is not a systematic approach at the national level and the VET system needs substantial support in restructuring to become a system that can meet the demands of the local/national labour market and promote and support local development.

Moldova applied for accession to the Bologna process in 2004, prior to the Bergen ministerial conference in May 2005, and ratified the Lisbon Convention. Higher education is undergoing change towards Bologna process criteria, concepts and mechanisms and the European Credit Transfer System (ECTS). A "Strategy on higher education in the Republic of Moldova within the framework of the Bologna process" has also been developed.

With the new Employment Law (adopted in 2003) and National Employment Strategy/Action Plans, Moldova wants to pursue reform in the field of labour market and related management institutions, including: establishment of an institutionalised social dialogue; extension of active labour market measures that promote mobility, entrepreneurship and SME development; and prevention of unemployment. Another priority area is modernisation of the labour market information, monitoring and analysis system. The National Agency for Employment and the Chamber of Commerce and Industry are involved in the design of a comprehensive training system on entrepreneurial skills for adults with a view to the future adoption of a state programme. New amendments to the Employment Law are also under discussion, aimed at improving the CVT system, expanding the target beneficiaries of active labour market measures and better promoting employment in rural areas. In fact, a study is planned for 2005 to make recommendations for special measures to increase employment in rural areas. All the objectives/measures in reforming the labour market system are planned in line with the EGPRSP and are meant to accompany the economic growth policies.

Recent developments in the field of VET/LM, initiated by the Moldovan government, Ministry of Education, Ministry of Labour and other relevant ministries, show that there is a lot of concern about how to reform the system so that it can both play a role in the training and education of the future labour force and provide opportunities for the existing labour force.

Moreover, rising poverty levels have led Moldova to critically re-examine its policies and to embrace more efficient poverty reduction strategies to revive social and economic development. In the long term, poverty reduction is dependent on investment in the country's human capital and an increase in the possibilities for people to obtain employment. This is why reform of the education system, especially its VET component, is also considered in other reform policies such as the Economic Growth and Poverty Reduction Strategy and the implementation of the European Charter for Small Businesses.

Summary

With the assistance of the EU and other international donors, reform of the education and training system has begun, focusing initially on compulsory general and higher education, especially in the first 10 years of transition. Still, reduction of the current distance from the benchmarks established for the EU in the Bologna and Copenhagen processes requires a sustained and comprehensive approach, which is also necessary to ensure steady progress towards the priorities established in the proposed EU/Moldova Action Plan under the ENP related to HRD. Initiatives are also under way to reform the VET system, but there is not yet a systematic approach at the national level. VET needs substantial support in order to become a flexible and qualitative system, responsive to the needs of the labour market and well integrated with primary, general secondary and higher education. It should become a system based on the principles of lifelong learning and social partnership that can promote economic development especially at the local/rural level. Although ongoing reforms in the labour market are better in terms of continuity and results, they should be continued and supported to ensure that they are in line with European standards, in order to extend and better promote active labour market policies through active social partnership.

3. Current situation with regard to EU HRD-related programmes – achievements and lessons learned

In 2000, after an evaluation of Tacis assistance, several changes in priorities were recommended. Agriculture was no longer seen as a key area, and the development of rural areas instead became a priority. The evaluation suggested that priorities should be made more relevant to SMEs and that Tacis presence in the higher education sector should be reduced.

In general, with only a few notable exceptions, reform of vocational education and training has not been a high priority for policy makers in the partner countries, certainly not in the first years of transition. So far, the only Tacis-funded measure in the field of VET has been the project "Reform of the Moldovan system of vocational education and training", with duration of 20 months (June 1998 to February 2000). The overall objective of this project was to provide the Department of Secondary Vocational Education at the Ministry of Education with the institutional capacity to develop and implement VET reform within the framework of the Law on Education. By improving the quality of vocational education and training, the project intended to contribute to the improvement of the human capital base, the labour market and the economy as a whole. One of the main achievements of the project was the green paper "Policy and strategy for VET", containing specific recommendations on all aspects of formulating policy and funding strategy.

Tacis also supports higher education through the Tempus programme. For the near future, Tempus priorities for curriculum development include international relations, engineering of alternative energy resources, and medicine. In the field of university management the reinforcement of information technology will be addressed, as regards the establishment of e-libraries, the marketing of universities and the modernisation and improvement of student services. Finally, short-term responses to national reform needs are to be provided through the pursuance of Bologna objectives such as the introduction of university evaluation systems.

The potential for VET to increase entrepreneurial skills in the country is very high. Many of the trades taught in the VET system could serve as a good basis for starting and developing small businesses, thus promoting local development. In order to better use this potential, and as part of its wider foreign policy commitment to closer integration with the European Union, in 2004 the Moldovan government expressed its intention to align its small business policy with the principles and "best practice" embodied

in the European Charter for Small Enterprises (ECSE). Future EU support in the frame of the ENP Strategy for Moldova includes endorsement and implementation of the ECSE and participation in the monitoring cycles from 2004 in order to develop a dialogue on enterprise policy aimed at improving the environment for small enterprises¹⁰. According to chapters 1 and 4 of the Charter, each country participating in the process should consider measures aimed at promoting and developing entrepreneurial skills from an early age and throughout the education system and ensuring that training institutions, complemented by in-house training schemes, deliver appropriate lifelong training and consultancy adapted to the needs of small businesses.

Since 1997 ETF assistance in Moldova has focused on capacity building measures for the Ministries of Education and Labour, facilitating regional exchange of information and the transfer of European policies. All these support activities were aimed at preparing the ground and maximising the impact of future EU assistance, to increase stakeholders' ownership and commitment and their capacity to design and implement national VET/LM reform programmes. In 2003, at the request of DG Relex, the ETF carried out an in-depth study entitled A study of the Moldovan vocational education and training system and its relevance for labour market needs. This study is a comprehensive analysis of the VET and LM systems in Moldova with general recommendations for VET and specific recommendations for possible future Tacis assistance in the country.

Summary

In 2000, after an evaluation of Tacis assistance, agriculture was replaced as a priority by rural development. The evaluation also suggested that priorities should be made more relevant to SMEs and that Tacis presence in the higher education sector should be reduced. The potential for VET to increase entrepreneurial skills in the country is very high and many of the trades taught in the VET system could serve as a good basis for starting and developing SMEs and promoting local development. Therefore, with a view to better matching the training opportunities on offer with present and future local development needs, VET reform should be seen as a future assistance priority.

4. Significant investments by other donors in the field of HRD

Between 1996 and 2003, the Swedish International Development Agency (Sida) was the largest European bilateral donor to Moldova in all sectors. The recent Sida projects in the field of vocational training and the labour market were aimed at promoting the relationship between VET and the labour market, improving the effectiveness of the employment services in Moldova and increasing the use of active labour market measures.

For the period 2004–2006, Sida's development cooperation with Moldova¹¹ was aimed at building up an active labour market policy and better systems of vocational education and training, alongside ongoing initiatives to promote business management and entrepreneurship. As a follow-up to two of the main past projects in the field of VET/LM, a new three year project is planned; this will be a common project for the Ministries of Education and Labour. The proposed project, worth around €1.5–2 million, may include capacity building measures and cooperation between the Ministry of Education and Ministry of Labour at all levels, social dialogue, labour market information systems, and special services for disadvantaged groups on the labour market (youth and disabled people).

Another important donor in Moldova is the World Bank, which Moldova joined in 1992. The main objectives of World Bank assistance are poverty alleviation and sustainable economic growth. Various projects were implemented by the World Bank, among which the most relevant for HRD were the "General education project" (1998–2004), aimed at supporting the introduction of new general education standards, focused on compulsory general education; and the "Private sector development project" (1998–2003), focused on training of company managers to reinforce the competitiveness of local enterprises.

¹⁰ Proposed EU/Moldova Action Plan, p. 19.

¹¹ Sida Strategy for Development Cooperation with Moldova 2004–2006, <http://www.sweden.gov.se>.

The World Bank assisted local authorities in preparing the Economic Growth and Poverty Reduction Strategy Paper, taking into account one of the main goals of the government – to improve the efficiency of the education system so as to ensure that the knowledge gained at school properly responds to new market demands. The new Country Assistance Strategy 2005–2008 has been approved with the following main areas of World Bank support: economic growth, poverty reduction and investment projects, infrastructure development, the energy sector, private sector development, and the development of rural areas. A project for rural investment services is foreseen including counselling/assistance for developing small business in agriculture and youth entrepreneurial support. Additionally, as a follow-up to the general education project completed in 2004, a rural education project is under preparation, together with an education policy document that will include an analysis of migration and its impact on education.

Moldova receives assistance from UN organisations such as:

- UNDP, which fosters promotion of sustainable human development;
- UNICEF, which focuses on the rights of children, concentrating on the two main areas of health and education.

Other international organisations such as the Soros Foundation and the American Council for Cooperation in Education and Language Studies also offer assistance related to human resource development.

In November 2003, the Austrian Federal Ministry of Education, Science and Culture, together with Kulturkontakt, opened a “K-education office” in Chisinau which intends to support the reform of the education/VET system in areas such as recognition of qualifications and accreditation of diplomas, teacher training, and research.

Focus and gaps

International donors are active in Moldova, supporting different components of education and training and labour market systems reform, but for the time being, most donors operate in Moldova on the basis of their own respective strategy for cooperation. For this reason, mechanisms for improving coordination between donors and between donors and the government are necessary. Based on previous experience (national initiatives and international donor projects) in reforming the education and training and labour market systems, a general conclusion is that reforms should be undertaken in a holistic manner ensuring a cross-sectoral view that links education with poverty reduction, good governance and economic growth.

5. Challenges for the HRD and LM-related reform and modernisation process in underpinning ENPI objectives

The proposed EU/Moldova Action Plan under the ENP sets out a comprehensive set of priorities in areas within the scope of the Partnership and Cooperation Agreement. Among these priorities are some relevant for human resource development in general, and others more specific to improving education and labour market systems in Moldova, such as:

- Under the heading of “Economic and social reform – improve welfare”¹²:
- Adopt and progress in implementing the Economic Growth and Poverty Reduction Strategy, identifying short-term and long-term priorities, endorsed by international donors and based on the three pillars of poverty reduction identified in the I-PRSP of 2002.
- Under the heading “Employment and social policy”:

¹² Proposed EU/Moldova Action Plan, p. 9, http://europa.eu.int/comm/world/enp/document_en.htm.

- (23) Strengthen dialogue and cooperation on social matters. Ensure a closer approximation of the country to EU standards and practices in the area of employment and social policy.
- Engage in a dialogue on employment and social policy with a view to developing an analysis and assessment of the situation and to identifying key challenges and policy responses (social and civil dialogue, health and safety at work, gender equality, labour law, employment policy, social protection and inclusion) gradually moving towards EU standards in this field.
- Under the heading “Movement of persons, including movement of workers and coordination of social security”:
- Ensure full application of the best endeavour clause by abolishing all discriminatory measures based on nationality, which affect migrant workers, as regards working conditions, remuneration or dismissal.
- Continue the process of concluding agreements with Member States on the full application of provisions for coordination of social security.
- Under the heading “People-to-people contacts, education training and youth”:
- (75) Bring education and training systems closer to EU Member State standards and the Bologna process;
- (76) Enhance cooperation in the field of education, training and youth with more specific preparation for possible extension of the Tempus programme to the areas of vocational training as well as adult education¹³.

According to the situation and initiatives taking place in the country, the main challenges for the HRD reform/modernisation process in underpinning ENP objectives could be:

To consolidate the changes in the different components of the education and training and labour market systems in a systematic, sustainable and long-term HRD strategy. Among other components of the education and training system, VET needs priority support to become modern, flexible and of high quality, responsive to the needs of the labour market and well integrated with primary, general secondary and higher education. It needs to become a system based on the principles of lifelong learning and social partnership. The reform process should include measures aimed at: (i) promoting and developing entrepreneurial skills from an earlier age and throughout the education system; (ii) ensuring that training institutions, complemented by in-house training schemes, provide lifetime training and consultancy and deliver adequate skills adapted to the needs of the labour market, and are supportive of small business, local/rural development and the country’s efforts towards economic growth and poverty alleviation; and (iii) increasing employability of the country’s workforce through improved technical key competences and entrepreneurial skills adapted to the needs of the labour market. Reform of the labour market and related management institutions should be consolidated and continued in line with European standards, with a focus on better promotion of active labour market policies and social partnership.

- In relation to the movement of people including movement of workers, and the equal treatment of migrant workers (employment and working conditions), the main challenge from an education and training perspective is the recognition of professional qualifications at the national level, within the regional area of ENP Eastern European countries and within the EU.
- Third, in relation to the possibilities of gradual opening of, or reinforced participation in, certain EU programmes promoting cultural, educational, environmental, technical and scientific links (people-to-people), the main challenge is to reduce the gap between the Moldovan education and training system’s performance and the benchmarks and indicators established for the Bologna and Copenhagen processes.

¹³ Proposed EU/Moldova Action Plan, pp. 11, 16, 29.

6. Levers in HRD and related LM policies through which sustainable system reform can be triggered

There are three main challenges to be considered. Firstly, the best strategy for triggering sustainable education and training system reform is through a systematic approach and a better coordination of international donors acting in the field. This could be done through a mixed bottom-up and top-down approach, through building up a network of VET schools, employment services, local authorities and employers that can promote and sustain reform initiatives. At the central level, cooperation between the Ministry of Education and the Ministry of Labour as well as social partner involvement should be seen as a condition for future assistance in reforming VET and labour market systems. In order to achieve and maintain the sustainability of VET/LM reform assistance, long-term, three to five-year comprehensive projects with different components should be designed. Participation in cross-border cooperation with Member States and other regional neighbouring countries (especially Romania), thereby promoting learning from the experiences of others, is also a tool for further assistance in the field of HRD.

Priority should be given to:

- capacity building programmes (at the national and local level) in order to enhance the capacity and ownership of central/local VET institutions and social partners to develop a VET reform policy and implementation strategy;
- developing a comprehensive policy, implementation strategy and regulatory framework for VET covering both secondary VET and continuing/adult training, also including financial aspects and through the consensus of social partners. This strategy should promote entrepreneurship and local development and better integration with primary, general secondary and higher education;
- increasing the capacities of VET schools to promote local development and become training centres for local development;
- introducing labour market and employers' requirements assessment at the level of VET schools as well as at the central level, where decision makers can make the best use of data and statistics in order to better plan the VET supply;
- modernising, adapting and extending the vocational guidance services to VET schools, and developing a general framework for these types of services;
- competence development programmes, including teaching and learning methods, school management, teacher and trainer training (both pre and in-service), updating and developing curricula and improving the capacity to operate in open learning environments;
- national qualification framework development, for the different occupational families as a means to follow lifelong learning principles and enhance integration of the VET sub-systems with the rest of the educational sector. This should provide more flexibility for individuals to progress through the VET system and more possibilities to switch between directions, between general and vocational education, or between levels;
- capacity building measures for the Ministry of Labour and/or national employment agencies (at the national and local level) in order to continue and develop reform in line with the above-mentioned priorities and EU standards (institutionalised social dialogue, extension of active labour market measures that promote mobility, entrepreneurship and SME development, preventing unemployment, modernising labour market information, monitoring and analysis systems, and so on).

The second challenge is connected with developing a national qualifications framework that can become a tool for ensuring equal labour conditions for lawful migrants to the other regional neighbour countries or towards the EU. Education and training actions to support such an objective aim at recognising existing qualifications among countries. To reach this objective, the following measures are proposed:

- In higher education, policy advice, technical assistance and capacity building are needed to enable the use of the ECTS and the Diploma Supplement and support the various strands of the Bologna process, in order to allow Moldovan institutions to meet the conditions and criteria to apply for the ECTS labels (institutions in all first and second cycle degree programmes).
- In VET, policy advice aimed at defining a national strategy for overall or sectoral mobility is needed, including (i) comprehensive (cross-ministerial) coordination structures which, although compatible with both decentralised and centralised national systems, could contribute to a more efficient approach to mobility issues; (ii) promotion of mobility measures for marketing the benefits of VET as well as providing adequate financial support and a good organisational framework, including language and cultural preparation; and (iii) measures aimed at reducing the administrative burden put on sending and host bodies, and the development of incentives for SMEs and their staff to participate in mobility schemes.
- Participation in cross-border cooperation projects with Member States and other regional neighbouring countries aimed at establishing the conditions to ensure the actual recognition of qualifications, non-discrimination in accessing and keeping jobs and observance of equal employment and working conditions, regardless of the nationality of the worker.

In relation to the third challenge, two types of lever are proposed: building national structures to follow the process of reaching the objectives and requirements for full participation in the European Education and Research Area; and measures for meeting the highest and most effective participation in the EU programmes and projects possibly open to participation on the part of Moldovan citizens and institutions.

National structures

The following issues are significant as regards national structures:

- The European Education and Research Area and specific issues for the further development of higher education: (i) systemic issues (legislation, governance, finance to support academic freedom and institutional diversification); (ii) quality assurance and accreditation systems introducing a shift in emphasis from inputs to outputs, by concentrating on learning outcomes and research results; (iii) cooperation with industry and development of lifelong learning strategies; (iv) introducing the ECTS for credit transfer and accumulation more widely; (v) support for cooperation between institutions, mobility of students, joint teaching programmes and practical training; (vi) readable and comparable degrees by full use of the Diploma Supplement application of the provisions for the recognition of qualifications concerning higher education in the European region; and (vii) further changes in the implemented two-tier system of academic qualifications.
- For VET, the establishment of a task force in charge of (i) following the performance of Moldova and in comparison to the EU on the set of benchmarks and indicators established by the Copenhagen process, a statistical framework for measuring progress towards the objectives of the 2010 Education and Training Programme; (ii) similarly, for the learning practice and indicators concerning the European area of lifelong learning; and (iii) proposing to policy makers actions and measures to improve performance on the indicators experiencing a higher gap in relation to the established benchmarks.

Promoting participation in EU programmes

- Increase exchange opportunities for Moldovans through participation in the Erasmus Mundus programme.
- The Leonardo Da Vinci and Socrates programmes should be opened to allow Moldavian individuals and institutions to participate.

- Reinforce Moldovan participation in the Tempus III programme.

Enhance youth exchanges and cooperation in the field of non-formal education for young people and promote intercultural dialogue through the YOUTH programme.

HOW TO CONTACT US

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