# **Youth Partnership**

Partnership between the European Commission and the Council of Europe in the field of Youth





# CONTRIBUTION OF PARTNER COUNTRIES TO EU YOUTH WIKI CHAPTER III: REPUBLIC OF MOLDOVA EMPLOYMENT AND ENTREPRENEURSHIP

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**Published: 7 December 2023** 

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#### 3.1 General context

# Labour market situation in the country

For the Republic of Moldova, human capital is the primary resource for long-term development. The ability to transform young people into vital participants in the state's socio-economic development largely depends on the quality of the national educational system and the infrastructure that ensures significant youth participation, thus turning them into active players in community development.

According to the national legal framework, the definition of "young person" refers to individuals aged between 14 and 35 years. The population residing permanently as of 1 January 2023 was 2 512 800. Out of these, 615 272 or 24.49% are young people aged 14 to 35 with 49.91% men and 50.09% women.<sup>1</sup>

The Law "On entrepreneurship and enterprises" (1992) defines entrepreneurship as an activity involving manufacturing production, execution of works and provision of services, carried out by citizens and their associations independently, on their own initiative, on their behalf, at their own risk and under their patrimonial liability in order to ensure a permanent source of income. National legislation does not have a specific definition for employment.

The Republic of Moldova faces unique labour market dynamics and youth employment and entrepreneurship challenges. The labour market has undergone significant changes in recent years. According to the data provided by the National Bureau of Statistics, the overall employment rate in the country was 40.5% in 2022.<sup>2</sup> The youth unemployment rate, which represents the percentage of unemployed individuals aged 15 to 24, stood at 10.5% in the same year.<sup>3</sup>

#### **Demographics and employment statistics**

The youth population in the Republic of Moldova is decreasing rapidly. While in 2019, young people aged 14 to 35 constituted 27.7% of the total population in the Republic of Moldova, their rate in 2022 was already 25.8%. It is predicted to decrease to 21.7% by 2035. Results from the Labour Force Survey show that, among those aged 15 to 34, 37.3% were employed, 2.0% were unemployed and 61.0% were economically inactive, with over 42.0% enrolled in the national education system. In 2021, 17.2% of those aged 15 to 24, 26.4% aged 15 to 29 and 30.4% aged 15 to 34 were not in education, employment or training (NEET), a pronounced phenomenon in the Republic of Moldova. According to data from the National Bureau of Statistics, the rate of NEETs increased by 3% compared to 2020, making it one of the highest in Europe.<sup>4</sup>

Long-term and medium-term trends in the labour market indicate several crucial factors affecting employment in the country. The Republic of Moldova has transitioned from a predominantly agricultural-based economy to a more diversified one, with growing emphasis on the service and industry sectors. However, this transition has posed challenges related to skill gaps and the need for a qualified workforce to meet the demands of these emerging sectors.

Also, in terms of job quality, the Republic of Moldova continues to face challenges. According to reports from the Organisation for Economic Co-operation and Development (OECD), the country's labour market exhibits a high proportion of informal employment, low wages and limited social protection

<sup>1.</sup> Data from the National Bureau of Statistics of the Republic of Moldova (last accessed 24 May 2023).

<sup>2.</sup> Data from the National Bureau of Statistics of the Republic of Moldova (last accessed 5 June 2023).

<sup>3.</sup> Data from the National Bureau of Statistics of the Republic of Moldova (last accessed 5 June 2023).

<sup>4.</sup> The strategy for the development of the youth sector "Youth 2030", was approved by the Government of the Republic of Moldova on 29 March 2023.

coverage. These factors contribute to the vulnerability and precariousness of work for many workers, including young people.

# Main concepts

# **Employment system and priorities**

The Republic of Moldova's employment system operates on a tripartite social partnership approach, defined and regulated by the Labour Code. This partnership is a relationship between employees, employers and respective public authorities, which aims to establish and execute rights and socio-economic interests. Fundamental principles of this partnership include adherence to laws, equal treatment, trust cultivation and conciliation prioritisation. Additionally, it enforces collective contracts and agreements and promotes the advancement of social partnerships at the state level.

The current Government of the Republic of Moldova prioritises economic development, state security and public institutional discipline. Economic development strategies include promoting investment attraction policies, enhancing access to financing for entrepreneurs, simplifying the tax and customs system and making labour relations more flexible. Furthermore, a major focus is on deregulation to eliminate bureaucratic barriers for businesses and accelerate public investments to stimulate economic growth. The goal is to boost productivity, encourage business development and increase the Republic of Moldova's investment attractiveness.

# Impact of Covid-19 and Russian aggression against Ukraine on employment and entrepreneurship

It is important to note that the Covid-19 pandemic and the Russian aggression against Ukraine have significantly impacted the Republic of Moldova's labour market, resulting in job losses and disruptions to economic activities. The government has implemented various measures to mitigate theses effects on employment. In 2020 the Parliament of the Republic of Moldova approved the law on the establishment of support measures for citizens and entrepreneurial activity during the state of emergency period and the modification of some normative acts. This law includes a series of measures, including wage subsidies, job protection programmes and support for businesses affected by the crisis.

The Republic of Moldova is grappling with a severe economic crisis, with its gross domestic product (GDP) per capita at the lowest level compared to central and eastern European countries. The country's development is also being affected by climate change, which is negatively impacting the agricultural sector.

# European Union-Republic of Moldova relations and the impact on employment and business development

The Association Agreement between the European Union and the European Atomic Energy Community and their member states and the Republic of Moldova, signed in 2014, contains the following in Chapter 4:

Employment, social policy and equal opportunities, a wide range of measures and standards that offer perspectives on enhancing employment opportunities and fostering entrepreneurship in the country, including a set of obligations to align the national policies towards EU standards, including those related to employment and entrepreneurship.

The partnership between the European Union and the Republic of Moldova evolved significantly in 2022, with the granting of the EU candidate status.

#### 3.2 Administration and governance

#### Governance

The youth employment policy in the Republic of Moldova is developed and implemented through various institutions and bodies at both national and local levels.

The government has specific responsibilities for promoting employment, including the development, approval, implementation and monitoring of policies and actions related to work, integrating labour market needs into the state's socio-economic development policy, co-ordinating the activities of ministries and other public authorities related to employment promotion and ensuring funding for employment policies.

# Legal framework

The employment system in the Republic of Moldova, governed by the Labour Code, relies on a tripartite social partnership between employees, employers and public authorities. This partnership emphasises law adherence, balanced representation, shared interests, agreement compliance and promotes social advancements. It aims to realise everyone's rights and socio-economic interests while preventing unilateral agreement breaches.

The Republic of Moldova's government policies on youth employment and entrepreneurship are underpinned by the Law "On job promotion and unemployment insurance" and the National Employment Programme for 2022-2026. These policies prioritise increasing formal employment, improving the education and training system, strengthening labour market governance and utilising the potential of migration for sustainable development. The new law symbolises a shift towards proactive labour market policies by instituting a new legal framework for employment and a system for labour market analysis and forecasting, enhancing the efficiency of employment services and offering more tailored support for jobseekers, including young people.

Following the adoption of the law, specific strategies have been created to support youth employment and entrepreneurship. These include active labour market programmes like on-the-job training, internships, self-employment aid, career guidance and wage subsidies, along with Recognition of Prior Learning (RPL) and vocational rehabilitation services. Additionally, the National Employment Programme for 2022-2026 reinforces the proactive approach of the Law "On job promotion and unemployment insurance" by introducing a comprehensive set of measures to stimulate formal employment, enhance the relevance of education and training and encourage entrepreneurship.

#### Main actors at national level

According to the Law "On job promotion and unemployment insurance", the central institutions involved in employment policy making are the Government of the Republic of Moldova and the Ministry of Labour and Social Protection (MLSP).

The MLSP is key to developing, implementing and monitoring the country's youth employment policies and programmes, including adjusting legislation to meet international standards. Besides drafting and promoting laws on youth employment and occupational safety, it provides legal expertise and ensures compliance with these regulations.

The Ministry of Economic Development and Digitalisation (MEDD) is the leading institution responsible for developing and implementing youth entrepreneurship policies. Its role includes the creation of favourable conditions for the development of small and medium-sized enterprises (SMEs), the

promotion of entrepreneurship among young people and the implementation of various measures to support the development of youth entrepreneurship.

The National Employment Agency (NEA) and other administrative authorities under the ministries are responsible for implementing the policies. The NEA is central to youth employment policy implementation, handling responsibilities from policy development to data management and trend monitoring under the Law "On job promotion and unemployment insurance". Additionally, it manages financial resources, ensures transparency, collaborates with local and international bodies for labour migration compliance and strategically proposes solutions for unemployment reduction.

The primary implementing public institution in youth entrepreneurship is the Organisation for the Development of Entrepreneurship (ODA). ODA provides support and assistance to young entrepreneurs, including training, consultation and access to financing. In accordance with the provisions of a government decision on the organisation and operation of the Public Institution Organisation for the Development of Entrepreneurship (2022), the ODA's roles encompass effective state programme implementation, enterprise support, administration of the credit guarantee scheme, issuing financial guarantees, managing allocated financial resources, performing impact assessments, supporting MEDD in legislation proposals and providing progress reports on state programmes and use of funding.

The National Agency for Youth Work and Programmes Development (NAYWPD) is a critical player in promoting youth policies at the national and local levels, including informing and connecting young people to employment and entrepreneurship programmes and services. The NAYWPD's role is to support the development and implementation of national and regional youth policies and programmes, focusing on enhancing young people's skills, including employability and entrepreneurship.

The NAYWPD works closely with the Ministry of Education and Research (MER) to co-ordinate efforts and ensure policy coherence. The NAYWPD collaborates with local authorities, non-governmental organisations and employers to design and implement effective youth services that foster employment and entrepreneurship among young people.

#### Other stakeholders

Local public authorities, social partners, non-profit organisations and employers contribute to the implementation of youth employment policies in Moldova, providing vital expertise and support.

According to the Law "On job promotion and unemployment insurance", local authorities have specific roles in promoting youth employment, such as devising local action plans, aiding employment measures and monitoring regional labour market trends. Their involvement is vital for successful policy implementation at a local level.

# **Cross-sectoral co-operation**

The Republic of Moldova emphasises government co-operation and tripartite collaboration, involving government, employers and workers, in formulating and implementing effective youth employment and entrepreneurship policies. This co-operation is facilitated through interministerial working groups, including the MLSP, MEDD and NEA. The inclusive and participatory approach of the tripartite co-operation takes all stakeholders' perspectives into account across national, branch, territorial and economic unit levels, thereby regulating socio-economic, labour and social relations throughout the nation.

However, the effectiveness of social dialogue in the Republic of Moldova is somewhat limited. Despite the progress made since its establishment, the National Commission for Consultations and Collective Bargaining, the national social dialogue institution, still needs to enhance its influence over policy and legislative processes. Tripartite dialogue at the local level remains modest, and although territorial consultation and collective bargaining commissions have been established, capacity building is still needed.

The establishment of dialogue and transparent procedures at the enterprise level, alongside collaboration with NGOs and private partners, are crucial for effective governance of Moldova's youth employment and entrepreneurship policies, despite challenges in collective bargaining due to the limited presence of trade unions and employers' organisations.

# Co-operation with and involvement of civil society organisations (CSOs)

Several structures for consultation with and involvement of civil society have been established at governmental, ministerial and institutional levels. A government decision led to the creation of the Economic Council in the Prime Minister's Office (2011). The Economic Council is an advisory body with a mission to facilitate dialogue between business community representatives and policy makers to develop a favourable socio-economic climate and a non-discriminatory, transparent and investment-friendly business environment.

The Law "On Small and Medium-Sized Enterprises" established an advisory council to improve the development environment for SMEs by analysing sector competitiveness and recommending improvements. Comprising representatives from public, private and associative sectors, the council identifies SME issues, proposes legislative enhancements, recommends policy changes aligned with single market requirements and monitors SMEs' access to finance. It also aims to raise public and stakeholder awareness of SME problems through media coverage and collaboration with civil society and the private sector.

# The role of local authorities

Co-operation between national and local authorities is crucial for the effective implementation of youth employment and entrepreneurship policies. Local authorities play a vital role in implementing policies and programmes at the local level, ensuring they are adapted to the needs and specificities of their communities. The local authorities co-operate with the NEA through its regional subdivisions, established in all regions (at the district level).

#### 3.3 Skills forecasting

# Forecasting system(s)

In the Republic of Moldova, established schemes and mechanisms exist for skills forecasting. These aim to identify future labour market demands and the corresponding skills needed. These systems seek to provide insights into potential imbalances or skill mismatches in future labour markets.

Under the Law "On job promotion and unemployment insurance", the NEA is tasked with analysing and forecasting the Moldovan labour market, incorporating aspects such as statistical data on jobseekers, unemployment, job vacancies and labour market surveys. It also studies the national economic condition, evaluates the impact of employment measures, forecasts workforce skill requirements and utilises data collected by the National Bureau of Statistics and scientific research results.

# Main stakeholders and distribution of responsibilities

The MLSP is primarily responsible for the skills forecasting system in the Republic of Moldova, gathering, analysing and disseminating labour market information and fostering collaborations. The Department of Employment Policies and Migration, within the MLSP, plays a key role in shaping labour market strategies and aligning skills needs, conducting annual mid-term labour market forecasting. Additionally, the MER annually drafts a government decision on enrolment planning in collaboration with the MLSP and other ministries.

The NEA annually assesses the country's employment trends and the state of the labour market, including prospective needs, in collaboration with the MLSP. Despite using survey data and vacancy information for short-term labour market predictions and training planning, the analysis has limitations as it excludes self-employed individuals, family business workers and those in informal employment, particularly in agriculture.

The country's forecasting system crucially includes data collection on and analysis of labour market trends and skill requirements, primarily managed by the National Bureau of Statistics and the NEA. The frequency of forecasting varies based on sector-specific analyses, generating comprehensive reports outlining anticipated skill needs across different sectors. These insights are disseminated via various channels, such as publications, websites and stakeholders' workshops, to effectively reach policy makers, educators, employers and young people.

Despite limited resources hindering entities like the Ministry of Economic Development and Digitalisation (MEDD) and business associations in skills anticipation, a Labour Market Observatory (LMO) was established in 2018 within the NEA, with assistance from the European Training Foundation (ETF) and the United Nations Development Programme in the Republic of Moldova (UNDP), to support policy making through labour market analysis, but it faces operational challenges because of staff shortages and the need for improved capacity building and financial support.

# Cross-sectoral co-operation on labour market forecasting

Cross-sectoral co-operation takes place through orchestration with other ministries, such as the Ministry of Economy and Digitalisation, and active interaction with employers' associations, trade unions and trade organisations. These partnerships guarantee a thorough comprehension of the labour market and enable the harmonisation of skills development with emerging demands.

#### Skills development

The insights obtained from skills forecasting are consistently utilised to foster the development of pertinent skills among young people in the Republic of Moldova. Attempts are made to synchronise skills development strategies across a range of educational pathways and learning contexts.

# **Formal education**

In contrast to many other countries, technical and vocational education and training (TVET) holds a relatively high social prestige in the Republic of Moldova.

TVET is offered by Centres of Excellence (CEx), colleges and professional schools, encompassing secondary, post-secondary and post-secondary non-tertiary TVET. Dual TVET is implemented via collaborations between institutions and private companies, with training durations varying based on the complexity of the trade. CEx are expected to innovate and ensure quality in TVET, although resource constraints often limit their effectiveness.

Formal education establishments align curriculums with labour market needs, aiding youth skills development. The National Agency for Quality Assurance in Education and Research (NAQAER) is pivotal in maintaining educational standards and mechanisms exist for allocating publicly funded study places based on projected skills demand.

# Non-formal and informal learning

The Republic of Moldova acknowledges the significance of non-formal and informal learning in skills development. Projects and initiatives target non-formal education providers to offer training programmes and skill-building opportunities outside traditional educational settings. These initiatives provide flexible learning pathways and support the development of practical skills and entrepreneurial competences. The government endorses such programmes through various schemes, including the MER's annual grant programme for youth organisations.

# **Awareness-raising initiatives**

Public authorities in Moldova use initiatives like campaigns and online resources to inform potential students and jobseekers about in-demand skills and training opportunities. Utilising a comprehensive skills forecasting system, they aim to align young people's skill sets with the evolving labour market needs. This synergy among authorities, educational institutions and stakeholders fosters an adaptable, skilled workforce, meeting anticipated skills requirements.

#### 3.4 Career guidance and counselling

# Career guidance and counselling services

Career guidance and counselling services are vital in assisting young people to make knowledgeable decisions about their education, training and career trajectories. These services strive to offer guidance, information and support to help individuals explore their interests, talents and aspirations and align them with accessible educational and employment opportunities. In Moldova, two significant networks provide career guidance services: the network of educational services and the network of employment services. The development of career guidance services is jointly co-ordinated by the MER and the MLSP.

# Main service providers

The Education Code explicitly mandates the state with responsibility for establishing and funding career guidance centres and services. In line with the Education Code, these centres aim to assist pupils and students with career planning and the pursuit of career education. Local public administration authorities, the NEA, educational institutions, non-governmental organisations and other private service providers may establish career guidance and counselling centres.

The institutional network for career guidance encompasses institutions within the educational sphere (such as educational establishments, inclusive education centres, psycho-pedagogical assistance services and career guidance centres), employment (such as the NEA) and the associative sector. Despite its diversity, there exists limited co-operation within the institutional network, leading to fragmented intervention in career guidance, particularly for individuals with disabilities and other vulnerable groups.

# Guidance and counselling services within the educational system

In the Republic of Moldova, career guidance is a key element in education, but there is room for more detailed rules on service structure and personnel involvement. Career education is infused into various subjects and includes components such as personal development, civic education, decision-making skills and job-searching skills. Schools often employ psychologists to aid students' academic, social and emotional progress and to conduct career counselling, though the lack of qualified personnel in many sectors remains a problem as a result of poor referral systems and promotion.

Career guidance centres at universities work from a national methodological guide provided by the MER, setting out the centres' regulations, aims and services. They offer high school students career advice, career design support and facilitate career management. The centres also cater to students with special needs, assist teachers with career development teaching and work with businesses and NGOs to maximise volunteer training opportunities.

The services benefit high school and university students, graduates, teachers, parents of candidates and employers. These centres also help businesses with recruitment, track graduate employment and organise meetings with graduates and company leaders.

# Guidance and counselling services for jobseekers

The Law "On Job Promotion and Unemployment Insurance" outlines that career guidance helps jobseekers identify educational and vocational prospects. It involves providing information on occupations and the labour market, promoting self-awareness, offering advice on career decisions and consulting on personal marketing tools.

Information about careers and the labour market aims to align people's professional interests with market demand. Self-awareness encourages individuals to evaluate their skills, qualifications and

experience in relation to their professional goals. The NEA's in-person services are complemented by an online platform, supporting various groups, including young people and the unemployed, to uncover educational and career opportunities. Personal marketing consultations assist with creating a CV, writing a letter of intent and job interview preparation.

# Inclusion and access of young people from disadvantaged groups to guidance and counselling services

The "Education 2030" Strategy has a specific objective of developing the career guidance system from the perspective of harmonising demand and supply. The expected outcomes for this objective include:

- the development of the career guidance system for students;
- increasing the number of career guidance centres at the university level by approximately 50%, as well as the career guidance services within the district directorates/municipal education.

Career guidance for at-risk youth and disadvantaged groups in Moldova involves preventive and remedial actions to deter early school leaving or to aid NEET individuals. The services, focusing on early intervention, identify potential drop-outs and assist with either retaining them in school or formulating effective exit strategies for future development. Additionally, the guidance is tailored to meet the unique needs of individuals such as migrants and refugees, aiding their integration into learning and work environments.

# **Funding**

In the Republic of Moldova, career guidance services are funded through various channels, including the state budget, educational institutions, universities, employment services, NEA services, non-governmental organisations and through partnerships and collaborations.

The government allocates financial resources to support the establishment and operation of career guidance and counselling services within educational institutions and services offered by NEA. This funding ensures the availability and sustainability of these services across the country. It covers staffing, career counsellor training, infrastructure development and the procurement of necessary resources and materials.

Career guidance and counselling services may receive financial support through partnerships and collaborations with local and international organisations, non-governmental organisations (NGOs) and private-sector entities. These partnerships enhance and expand career guidance services, allowing for the integration of innovative approaches and technologies. For instance, a cross-border partnership for inclusive career guidance between Keystone and the "Close to You" Romania Foundation (2020-2022) was implemented with funding from the European Union through the Joint Operational Programme Romania − Republic of Moldova 2014-2020, with a budget of €370 326. The project aimed to offer better access for Moldovan and Romanian youth with disabilities from lasi (Romania) and Moldova to labour markets by 2020 by strengthening the capacities of 470 institutions and CSOs in the field of education and employment to provide quality and inclusive career guidance services.

# **Quality assurance**

A focus on quality ensures the comparability of career development support for individuals within and across sectors with a lifelong learning approach, irrespective of their geographical, social and economic circumstances. It also ensures that funding for career development activities is well spent.

While national competence frameworks for career practitioners in Moldova are not explicitly defined, the NEA has established minimum quality standards for career guidance services. Developed with Keystone Moldova's technical support in 2021, these standards cover access to career development services, service organisation and delivery and service results, although there are no explicit references to practitioner qualifications. Divided into 17 standards spanning three themes – accessibility; organisation and provision; and outcomes of career guidance services – each standard features specific outcomes and performance indicators. These cover a range of aspects from the promotion and accessibility of services to consultation for career decisions and maintaining anonymity, confidentiality and non-discrimination.

The 15th standard refers to monitoring and evaluating the quality of services, carried out by the NEA staff through telephone contact, online meetings or visits. They also monitor service quality based on data from the LMI System (Jobless). The impact of services and beneficiaries' satisfaction is evaluated following a procedure approved by the NEA, with the aim of aligning the services with the beneficiaries' needs and interests. Indicators of achievement include the staff's knowledge of effective methods of working with beneficiaries and measuring and evaluating beneficiary satisfaction. Quality assurance mechanisms are vital for ensuring high standards and enhancing overall service provision, particularly for supporting young people's career development.

# 3.5 Traineeships and apprenticeships

# Official guidelines on traineeships and apprenticeships

Apprenticeships play a crucial role in the Republic of Moldova's efforts to bridge the gap between education and the labour market, providing young people with practical skills and work experience. The Republic of Moldova has set forth official guidelines and regulations to steer the implementation of apprenticeships. These guidelines delineate the rights and responsibilities of apprentices and host organisations, assuring a fair and supportive learning environment.

# The regulatory framework

In 2022, the Republic of Moldova ratified the Law "On dual education", establishing a fresh framework for the development of its apprenticeship training, now known as the "dual vocational training system" or simply the "dual system". The law, aligning with the Education Code, aims to regulate dual education to ensure a qualified labour force, promote economic growth, enable post-graduation employment and facilitate lifelong learning. The law also encourages value-oriented and creative education, developing practical skills, promoting individual development, social inclusion, employment and nurturing entrepreneurial spirit.

This framework defines clear responsibilities for all parties involved, such as students, educational institutions, employers, the government and the Chamber of Commerce and Industry. It sets rules around working conditions, the requirement of a written apprenticeship contract, the right to proper training, a regular wage, holiday allowances, time for vocational school attendance and full social security coverage. A public website details these rules on apprentices' working conditions and other relevant information.

#### **Dual education system**

In Moldova, apprenticeship training consists of company-based training (at least 70% of the time) and part-time vocational school attendance (up to 30%). The effectiveness of this dual education system, underscored by a high graduate employment rate (over 70% securing immediate employment post-studies), is the result of the strong collaboration between governmental entities (the Government of the Republic of Moldova, the MER, the Ministry of Economic Development and Digitalisation), the Chamber of Commerce and Industry and economic agents.

The duration of studies in Moldova's vocational-technical education varies according to each programme's complexity. It takes:

- one to two years to secure a job in secondary technical vocational education;
- two years to specialise in post-secondary and non-tertiary technical vocational education;
- three years to specialise in post-secondary technical vocational and non-tertiary medical education.

# **Educational internships**

National legislation governs short-term internships, which are part of the educational process in professional and university education. The Education Code establishes the conditions for internships and relations with the labour market. Students and pupils undergoing internships through vocational-technical education institutions conduct their practical training in various settings. These include

workshops, laboratories, and training facilities within the educational institutions themselves, as well as external sites such as enterprises, institutions, and other organisations that serve as practice bases.

Educational institutions organise internships, which are carried out within institutions, organisations, companies, societies and other structures according to a framework regulation approved by the MER.

Internships are based on the contract concluded by the higher education institution and/or students with the structures offering internships. Non-educational internships and long-term internships are not regulated.

# Promoting traineeships and apprenticeships

The Republic of Moldova employs strategies to boost uptake of internships and apprenticeships among young people and employers, aiming to raise awareness, highlight benefits and foster education—business partnerships. Key measures include engaging stakeholders through workshops, conferences and networking events organised by the MER and the Chamber of Commerce and Industry, which foster dialogue and collaboration while sharing benefits for each stakeholder and best practices.

The government also runs awareness campaigns In partnership with stakeholders like the European Business Association, emphasising the practical skills, work experience and career opportunities offered by these programmes. Last, online portals such as the national Vocational Technical Education and Dual Quest offer detailed information about the benefits and enrolment procedures of dual education programmes.

Several internship programmes have been initiated in partnership with or financially supported by a variety of international partners. In 2023, the Delegation of the European Union to the Republic of Moldova launched a traineeship programme spanning several departments for up to six months. In May, a new edition of the Internship Programme was introduced within state institutions, which seeks to strengthen the capabilities of young graduates and increase their chances of starting a career in public administration. The 2023 edition aims to offer motivated final-year students, master's students and recent graduates the opportunity to spend two months in paid internships in state institutions, receiving mentorship from high-level EU advisers and working alongside civil servants. The European Union fully finances the programme.

# **Recognition of learning outcomes**

The Republic of Moldova has legislated a National Qualifications Framework (NQF) that was approved by a government decision in 2017.

The Ministry of Education and Research, through the NQF department, is investing considerable effort in the operationalisation of the network. The Moldovan Register of Qualifications is currently in development. The decision to grant Moldova EU candidate status has opened up substantial opportunities for networking and peer learning for the NQF department, which aims to join the EQF by the end of 2022.

# Legal framework

Moldova has developed and introduced legislation for a robust system for the validation of non-formal and informal learning (VNFIL). Several cEx have been accredited as VNFIL learning providers and, with

the financial support of international projects, have enabled a significant number of people to receive a qualification through VNFIL.

However, the financing model remains a weak point of the system. The requirement for potential applicants to cover the costs of the process reduces both the attractiveness and potential added value of the system.

The first steps towards implementing a formal RPL process were taken in January 2019, when the MER approved the regulations on the validation of non-formal and informal education to be provided by TVET institutions and cEx. This represented an important advance, considering many young individuals and adults, chiefly migrants, acquire skills in non-formal and informal settings without formal recognition. The regulations institute a normative framework concerning the operation of the national system for the validation of non-formal and informal education. This system facilitates the identification, documentation, evaluation and certification of knowledge and skills acquired in non-formal and informal education contexts, in line with European recommendations on lifelong learning.

#### Main stakeholders

Efforts to acknowledge learning outcomes from traineeships and apprenticeships in formal and non-formal contexts are made in Moldova through validation centres, set up by educational institutions or the MER for strategic fields. These centres, evaluated and accredited by the NAQAER, assess and recognise the knowledge and skills gained in non-formal and informal contexts according to the occupational standards and in alignment with the European Qualifications Framework and NQF.

Following the recognition stage of non-formal and informal education, the institution issues a certificate of validation of prior education to the candidate deemed competent for one or more skills associated with a qualification/occupation, as per the national occupational standard. An annexe, termed the "descriptive supplement of the certificate", accompanies the validation certificate. The certificates issued by the Validation Centre have the same effects as the evaluation and certification forms within the formal education and professional training system for securing a job and continuing education and professional training in formal systems.

# National validation system and the European standards

In the Republic of Moldova, a Study Credit System is used in both VET and higher education, mirroring the principles of the European Credit Transfer System (ECTS). This system was designed to promote interinstitutional co-operation, facilitating academic mobility and recognising the periods of study completed by individuals in different VET institutions or throughout lifelong learning. Its primary aims are to increase trust among VET programme providers, enhance the appeal of VET and ensure the transparency and transferability of learning outcomes.

The VET Study Credit System is harmonised with the European VET Credit System (ECVET). ECVET sets out the methodology for applying study credits and encompasses a range of definitions, agreements, operational tools and approaches for institutionalising credits, all of which are adopted and implemented at the institutional level. ECVET serves to facilitate the transfer, recognition and accumulation of assessed learning outcomes, increasing both vertical and horizontal permeability, particularly between post-secondary vocational/technical education and higher education, for individuals aiming to obtain a qualification.

# **Funding**

In the Republic of Moldova, multiple funding mechanisms ensure the availability and sustainability of traineeships and apprenticeships. These mechanisms assist both trainees/apprentices and host organisations. Key funding considerations include government subsidies, financial incentives and public-private partnerships (PPPs).

The government offers financial aid to incentivise employers' participation in providing traineeships and apprenticeships. These subsidies may encompass stipends for trainees/apprentices, training expenses and mentorship programmes.

The Republic of Moldova provides incentives to motivate employers to offer traineeships and apprenticeships. These benefits include tax credits, grants or subsidies to help defray the costs associated with hosting trainees and apprentices.

The Republic of Moldova encourages PPPs to aid the funding of traineeships and apprenticeships. By forming alliances with private companies, educational establishments and industry associations, the government leverages additional resources and expertise to improve the quality and accessibility of these programmes.

In 2018, total education expenditure accounted for 5.5% of the country's GDP, including 0.6% for TVET. This figure surpasses that of any EU country. Despite budget constraints, allocations for TVET have increased since 2014.

The Ministry of Finance, in collaboration with line ministries, drafts the budget for TVET institutions and submits it to parliament for approval. TVET institutions, while primarily funded by state budget allocations, can also generate revenue through sales, projects funded by external sources and services provided to private entities through PPPs. Though the Education Code allows TVET institutions to operate as financially self-managed entities, they often lack the capacity to generate and effectively manage income from economic activities. Furthermore, funding based on previous costs and student enrolment rather than current needs or performance may discourage the efficient use of resources and hinder performance improvement.

# **Quality assurance**

In the Republic of Moldova, the MER manages national quality assurance, with the NAQAER responsible for the accreditation of both private and public TVET institutions and programmes. The quality assessment comprises a thorough set of self-assessments, internal evaluations and external quality evaluations based on approved accreditation standards.

The NQF, developed by the MER in co-operation with stakeholders and approved by the government, assigns levels to qualifications to enhance their comparability with EU qualifications. However, it currently lacks a functional register and urgently requires the development of new occupational standards (OS), qualifications and corresponding curriculums, necessitating the active involvement of social partners, sectoral committees for professional training and the use of pertinent labour market information.

The Moldovan NQF comprises eight levels in line with the European Quality Framework, with TVET qualifications developed based on OS and reflecting labour market needs. At the conclusion of secondary TVET programmes, students are issued with a certificate, in accordance with Europass requirements, and a descriptive supplement following a qualification examination, facilitating further studies or entry into the labour market.

Post-secondary TVET programmes culminate in a professional baccalaureate exam, a qualification examination and/or a diploma thesis, with successful students receiving a professional diploma granting access to employment or higher education. TVET institutions and educational programmes are subject to an external quality assessment by NAQAER every five years as part of the school-level internal quality assurance mechanism.

#### 3.6 Integration of young people into the labour market

# Youth employment measures

The MLSP develops policies and strategies that aim to enhance employment in the Republic of Moldova. Its role includes the co-ordination of the National Programme for Employment for 2022-2026, which aims to boost formal employment. This programme focuses on economic competitiveness, appropriate skills and qualifications, and operates under conditions of sustainable and inclusive development. The MLSP also works with the MER and the MEDD, both of which actively develop policies and services for employment and self-employment.

# The main stakeholders and key responsibilities

The MLSP and the NEA drive employment measures in the Republic of Moldova, offering interventions such as jobseeker mediation, counselling and job search assistance. According to the Law "On youth", youth centres, established by various public or private entities, supplement these services by providing non-formal education, vocational guidance, entrepreneurial initiatives and youth exchange programmes. However, these centres face limitations in funding, staff training and remuneration, impacting the quality of services.

Despite the clear strategies for youth inclusion and employment, substantial deficiencies persist in policy co-ordination at both operational and strategic levels, particularly in fostering youth employment. Implementing these policies at the local level is challenging, mainly due to poor institutional frameworks, disparities in understanding policy goals and a lack of youth-related expertise among local civil servants.

# Top-level measures for encouraging youth employment

In 2023, the government introduced the National Strategy for Youth Sector Development "Youth 2030" to foster civic engagement and strengthen regulatory mechanisms for youth activities. Although not specifically targeting youth employment, it connects young people to existing employment aid services.

Concurrently, the Law "On job promotion and unemployment insurance", introduced in 2018, enhances labour market inclusivity through a variety of active labour market programmes (ALMPs), addressing challenges such as skill shortages and low productivity. It prioritises a wide range of groups, including unskilled young people, those with disabilities, the long-term unemployed, young NEETs and orphans aged 16 to 18, among others. Additionally, the law encourages the development of outreach employment services for young NEETs, setting out accreditation processes for NEET identification service providers contracted by the NEA.

In 2018, the government established procedures for accessing assisted employment services and programmes, encompassing areas such as registration, vocational training and professional internships for the unemployed. This also includes job subsidies and workplace adaptations, advice for starting businesses and incentives for labour force mobility. Moreover, it includes support for people with disabilities, like transport subsidies and professional rehabilitation, as well as procedures for overseas employment and associated unemployment benefits for Moldovan citizens.

While data from the LMI are now regularly collected, disseminated and used by the NEA to adjust service delivery, their availability still needs to be expanded. The LMO is responsible for improving the analysis, management and dissemination of LMI.

# Flexicurity measures focusing on young people

The flexibility of the job market is a crucial goal. Both employees' and employers' needs warrant consideration and balance, facilitated by social partnership. A successful flexicurity strategy hinges on a well-balanced relationship between flexibility and protection against social risks.

Employment contracts and national laws provide the same degree of flexibility and security for young people as for other employees. However, youth-specific protection provisions are few and far between, primarily concerning restrictive working hours for minors and additional annual leave days for young people.

# Security provisions for young employees and young jobseekers

The Labour Code includes several provisions to protect minors, including mandatory preventive medical examinations for employees under 18, with subsequent annual check-ups until they turn 18. The employer bears the cost of these medical examinations. Furthermore, employees under 18 work under a reduced-time work norm.

For employees under the age of 18 employed after graduating from gymnasiums, high schools and secondary schools of general education, the employer establishes reduced-work norms in line with existing legislation, collective agreements and the collective labour contract. It is illegal to employ individuals under 18 in harmful or dangerous work conditions or in jobs that could harm their health or moral integrity. Furthermore, minors cannot manually lift and transport weights exceeding the maximum established standards. Dismissal of employees under 18, except in the case of unit liquidation, requires the written consent of the territorial employment agency.

# Flexible employment schemes for young people

In the Republic of Moldova, flexitime agreements and remote work can be included in employment contracts, but only a quarter of the workforce employs these arrangements, with men more likely than women to engage in such flexible working schemes. Employee security is highly valued, as evidenced by strong protective legislation; however, there are still gaps in employment regulations aimed at facilitating work options tailored to employees' needs, thus limiting the use of flexible work.

To address these gaps, the authorities amended the Labour Code in 2020, adding a new chapter on remote working, which regulates various aspects of teleworking and encourages employers to implement such arrangements. Despite these provisions, the Labour Code lacks explicit, flexible working schemes that align with job specifics and employees' needs, leading to inequities, particularly among women. For equal participation in the labour market and efficient reconciliation of work and family life, it is essential to supplement the labour law with provisions promoting professional growth opportunities and equitable remuneration.

# Reconciliation of private and working life for young people

There is no top-level policy specifically intended to assist young individuals in balancing their personal and working lives. Nevertheless, several existing policies benefit all employees, including:

- the provision to request 14 days of paternity leave within 12 months of the birth of a child;
- flexible childcare leave, enabling both fathers and mothers to take care leave for a minimum of four months until the child reaches three years old;
- flexible working arrangements that include variations in working hours, the volume of working hours (like part-time and work quotas) and workplace flexibility, empowering employees to work from home or a location separate from the employer's worksite.

Although these policies do not specifically target young people, they offer support and flexibility for all employees to manage their personal and professional obligations.

# Security provisions for young women

A significant gender pay gap endures in the Republic of Moldova, with women's wages averaging 25% lower than men's. The gender pay gaps become more evident for young women and women with children. Vertical occupational segregation contributes to the pay gap, especially in specific economic sectors such as education, health and the clothing industry, where women account for over 70% of employees. In these sectors, it is crucial for women to be represented in all hierarchical structures, including executive and management positions, with equitable remuneration throughout.

To address these disparities, the government has approved the Programme for Promoting and Ensuring Equality between Women and Men in the Republic of Moldova for 2023-2027. The programme's goal is to significantly enhance the level of gender equality in areas like health, education, the labour market, entrepreneurial activity, social protection and local development. It ensures a level of ambition and sustainability correlated with the needs, expectations and obstacles of the Republic of Moldova in the context of genuine equality and equity between women and men, and girls and boys.

This public policy document comprises an action plan for the programme's implementation, which clearly describes the general objectives, specific objectives, actions, indicators and time frame. Gender equality emphasises the equal opportunities available to every man and woman to fully realise their rights and potential.

# **Funding of schemes/initiatives**

The primary sources of funding for employment activities are the approved budgets of the institutions implementing these activities. Additional funding is provided through projects financed by foreign loans and donations, as well as funds from the budgets of both entity governments and the Government of the Republic of Moldova, all supporting the implementation of active labour market programmes.

#### **Quality assurance**

Various mechanisms and indicators are used to measure the quality of employment programmes, considering beneficiaries' attributes such as age, gender, profession and more, which inform monthly and annual statistics via NEA reports. Adjustments are made to implemented programmes as needed based on collected data.

On a national and territorial scale, a statistical indicator system is in place to monitor labour market situations, considering factors from the working-age population to unemployment rates. These

indicators target the working-age population, labour force, employed population, jobseekers, unemployed individuals, vacant jobs, unemployment benefits recipients, those exiting unemployment through employment or leaving the labour market, and the overall unemployment rate.

The National Bureau of Statistics, alongside the MLSP, establishes these indicators and their calculation methods while the NEA manages labour market information, including primary documents, databases and participant details.

# 3.7 Cross-border mobility in employment, entrepreneurship and vocational opportunities

# Programmes and schemes for cross-border mobility

Restricted resources and limited access to EU-funded programmes, which foster and encourage cross-border mobility in employment, entrepreneurship and vocational opportunities, negatively impact the existing cross-border mobility programmes in the Republic of Moldova.

In recent years, the Republic of Moldova has participated in several cross-border programmes. This includes the Moldova-Romania cross-border programme, which also encompasses components on cross-border mobility in employment, entrepreneurship and training opportunities. The programme's total budget allocates €77 million for cross-border co-operation between Romania and the Republic of Moldova.

The 2021 Migration Data Study by the Global Migration Data Analysis Centre of the International Labour Organisation reports that the number of emigrants from the Republic of Moldova was 1 159 400, which equates to roughly one third of the country's total population. This has necessitated measures and policies to monitor and investigate this phenomenon. Many policy responses to the Republic of Moldova's migration challenge are facilitated through projects funded under the EU–Republic of Moldova Mobility Partnership framework. Some of these measures strive to establish decent living and working conditions to stem the outflow of highly qualified individuals or those escaping poverty. Another set of measures views migration as an opportunity, aiming to take advantage of the potential and resources of Moldovans abroad who may wish to return. Both measures have already shown results, some relying on education and training, but there is also room for improvement.

However, the ETF assessment found no evidence of proactive policies supporting circular migration. Instead, the authorities generally prefer reactive, remedial actions in the post-migration phase, while measures addressing the pre-departure phase remain somewhat limited. Education and training rarely feature in the suite of policy responses to aid migrants, despite the proven potential of such policies to aid reintegration and prevent the wastage of human capital. Last, all activities targeting migration rely heavily on donor support, which raises questions about the sustainability of achievements and creates co-ordination issues between donors and national authorities.

Research indicates that the appropriate policy conditions are vital for the operation of circular migration schemes. These include the establishment of mechanisms for the mutual recognition of qualifications and other educational credentials and the promotion of cross-border educational mobility. The Republic of Moldova has already entered into bilateral agreements with a number of host countries to achieve these objectives.

# **Legal framework**

In the Republic of Moldova, no specific legal framework exists for the cross-border mobility of young workers, trainees/apprentices and young professionals/entrepreneurs, nor are there any national regulations in place for cross-border mobility. However, the Law "On Job Promotion and Unemployment Insurance" does contain specific provisions on internal labour mobility, including measures to support this type of mobility. The government establishes the procedures for stimulating internal labour force mobility.

#### 3.8 Development of entrepreneurship competence

# **Policy framework**

The Republic of Moldova offers a diverse selection of programmes that foster entrepreneurship at both national and regional levels. These initiatives cater to various sectors of education, including students, teachers and educational institutions themselves. The entrepreneurship educational programmes target mainly young people and students involved in various levels of education. Governmental bodies and civil society partners play crucial roles in enhancing entrepreneurial skills, which are integrated across all school subjects.

# National policy framework for the development of entrepreneurship competence

The national programme for promoting entrepreneurship and increasing competitiveness in the years 2023-2027 (PACC Programme 2027), the "Moldova 2030" National Development Strategy, and the Law "On entrepreneurship and enterprises" provide the mid to long-term policy framework for entrepreneurship development in the Republic of Moldova. They encompass measures such as improving entrepreneurial education and culture, cultivating mentoring and business guidance, encouraging investment of remittances into the economy to mitigate the effects of migration, and promoting the digitisation and internationalisation of SMEs. The goal is to create a more inclusive entrepreneurial environment in the Republic of Moldova, with specific actions directed towards women, young people and migrant entrepreneurs and encouragement for the establishment of start-ups.

The central policy document directing the development of entrepreneurial skills and culture among Moldova's young population is the "Education 2030" Development Strategy. It sets out specific objectives, including the promotion of entrepreneurial, economic and financial education across all education levels and increasing the percentage of technical and professional education graduates with relevant employment and entrepreneurial skills to 90%.

The Education Code of the Republic of Moldova addresses aspects of youth entrepreneurial education by declaring entrepreneurial competences and initiative spirit as critical educational outcomes. Furthermore, the Law "On small and medium-sized enterprises" mandates the inclusion of entrepreneurial education in study and vocational training programmes at all levels, with the aim of nurturing an entrepreneurial spirit.

Education authorities promote entrepreneurship by implementing it across all education levels, ensuring teacher training and integrating it within career guidance and professional training programmes. They also facilitate practical training aligned with entrepreneurial objectives, provide expert guidance and conduct impact studies to identify new skill development requirements. In partnership with public administration, the business sector, employers' associations and training institutions, they develop policy documents, evaluate study effectiveness, identify labour market skills needs, ensure professional training quality and create opportunities for entrepreneurial education.

# Main training and capacity-building public stakeholders

The ODA oversees the Programme of Entrepreneurial Education aimed at fostering human capital through entrepreneurial skills development, potentially stimulating job creation, enhancing SME competitiveness and increasing resilience within Moldova's economy. Specific objectives include promoting entrepreneurial skills, improving the managerial abilities of entrepreneurs and SME employees, and encouraging the expansion and internationalisation of Moldovan SMEs through

strategic and financial planning. The programme is divided into several modules targeting different groups.

Module 1, "Start in Business", is designed for individuals with business ideas they wish to validate and potentially turn into a business plan. Module 2, "Business Efficiency", covers areas such as green initiatives for SMEs, marketing, sales, human resources and legal framework understanding, aiming to expand participant knowledge. Finally, Module 3, "Business Expansion/Internationalisation", caters to those seeking to broaden and internationalise their businesses, covering topics like export-import operations, strategic management and advanced financial management.

The European Union provides financial and technical support to the Network of Business Incubators from Moldova (RIAM). Functioning as a co-operation platform, RIAM owes its establishment to the voluntary understanding of its members. The network's main goal is to expand the role of business incubators in economic development and earn recognition at both national and international levels. RIAM is vital for advocating the principles of start-up business incubation and strengthening capacities for the efficient use of public donor funds.

The key services offered by the incubators include business consultancy and guidance, access to financing and mentoring, low-cost workspace, administrative and technical services, and an ideas accelerator in FabLab.

RIAM also organises a variety of activities. These include training courses designed to enhance the entrepreneurial skills of incubated company managers, B2B sessions, which are meetings between supplier companies to develop regional partnerships, and an "ideas marathon". This business ideas competition stimulates young entrepreneurs to launch sustainable businesses and gain access to national funding sources.

Over the past few years, Moldova has taken substantial strides to bolster its support infrastructure and the various components of the entrepreneurship ecosystem. These include:

- key governmental bodies such as the ODA and Moldova IT Park;
- a host of incubators and accelerators such as Dreamups, Technovator, XY Partners, Yep Moldova and RIAM, along with business incubators based within universities;
- business centres and co-working spaces like iHUB Chisinau and Generator Hub;
- tech and creative hubs including Mediacor, Artcor, FabLab, Tekwill, Fintech Hub, Zip House, Simpals Factory and many more;
- business associations like the National Association of ICT Companies (ATIC), Association for the
  Development of Electronic Communications and Innovative Technologies (ACETI) and the
  Association of Creative Industries COR of Moldova (ARTCOR);
- investor communities such as Business Angels Moldova, Investiti.md.

All these components work together to nurture entrepreneurial spirit and innovation in the region.

#### **Formal learning**

The Education Code of the Republic of Moldova sets out in Article 6 the educational ideal of the school, which centres on shaping personalities with initiative, capable of self-development. These individuals

are not only equipped with a wealth of knowledge and skills needed for job market success but also exhibit independent thinking and action. They are open to intercultural dialogue, aligned with both national and universal values.

The spirit of enterprise and entrepreneurial skills, along with eight other critical skills – Romanian communication skills; mother tongue communication skills; foreign language skills; mathematics, science and technology skills; digital skills; the ability to learn how to learn; social and civic skills; cultural expression skills and cultural value awareness; – form the heart of the educational objectives outlined in the Education Code. Schools, technical vocational education institutions and higher education institutions play crucial roles in fostering these skills in students.

# Incorporation of the entrepreneurship into curriculums

The Republic of Moldova has explored various means of fostering entrepreneurial learning. These include studying specialised entrepreneurship education subjects (such as the "Fundamentals of Entrepreneurship" course in technical vocational education institutions), introducing stand-alone modules (like the "Personal career design and the development of the entrepreneurial spirit" module in the "Personal Development" course), integrating entrepreneurial skills into the teaching process of various study subjects through a cross-disciplinary approach, and running extracurricular activities centred on developing entrepreneurial skills.

The 2017 National Curriculum Reference Framework, approved by the MER, led to the creation of the "Basic Curriculum: competences system for general education" (2018) and the Curriculum of school subjects (2019). These documents profile graduates as self-assured individuals with a clear understanding of their potential, lifelong learners who can adapt to change, proactive and creative team players and civically engaged, responsible citizens committed to societal development and prosperity.

According to the Framework Plan for Primary, Secondary and Upper Education, economic and entrepreneurial education includes the following courses: Applied Economics, Entrepreneurship, Business Ethics, Key to Success, My Finances, School Ministries, School Company, Economic and Managerial Simulation Exercises (TITAN). These courses are recommended for optional classes and compulsory for the classes of economic disciplines. Students study the market economy system, discover business operations, study the current world economy and acquire knowledge and skills, and develop the skills needed to act as competent citizens, as employees in the labour market and as consumers (Optional Curriculum).

While entrepreneurship education has become a staple in post-secondary technical education and higher, its presence is primarily seen in fields like economics, business and administration, marketing, accounting and more. These courses exist either as compulsory disciplines or optional subjects. Over the past decade, several universities have launched projects to increase entrepreneurial skills, aided by European Union funding. The efficiency of this education within technical secondary institutions, however, hinges on the teachers' ability to cultivate entrepreneurial abilities in their students.

Despite the array of optional courses, it became necessary to include entrepreneurial education in students' programmes, leading to its introduction across all vocational-technical institutions. These courses initiate students into basic entrepreneurial concepts, providing knowledge about business initiation and management, legal frameworks, strategic planning and financing options.

# Non-formal and informal learning

Alongside school and social partners, out-of-school youth work plays an essential role in fostering young people's entrepreneurial competences and the development of entrepreneurial skills and attitudes through youth work and volunteering. Local public authorities, with the financial and technical backing of the MER, have set up an extensive network of youth centres.

# A multi-level approach to broadening youth services

The programme for developing youth centres for the years 2017-2022 was initiated in the administrative-territorial units of the Republic of Moldova, where regional public authorities had demonstrated interest and committed to develop and broaden the geographical scope of services for young people. The programme caters for youth centres and public institutions set up by first and second-level local public authorities. This also includes non-commercial private institutions, public associations and foundations. Together with the second-level local public authorities, these groups will offer youth services (also related to youth employment and entrepreneurship) at a district/municipal level or for community groups.

The programme comprises the following parts:

- component I professional development of human resources within youth centres;
- component II support for developing the technical-material base of the youth centres;
- component III support for developing the district/municipal grant programme for competitive financing of youth initiatives/projects of youth organisations and youth initiative groups.

# Programmes developed and implemented by public stakeholders

Numerous non-governmental organisations provide a range of capacity-building and training opportunities, as well as events for sharing experiences with young entrepreneurs. A few of these organisations and programmes are listed below.

Dreamclass and Startup Grind provide extensive resources for entrepreneurs, including masterclasses and global networking opportunities.

Blueprint and Fintech Moldova offer resources and initiatives aimed at advancing technological entrepreneurship and financial literacy in Moldova.

GEN Moldova, part of the Global Entrepreneurship Network, nurtures an entrepreneurial spirit with a focus on youth and collaboration. Their project, LOCAL BOND "Inclusive Sustainable Communities for Local Progress", aims to develop entrepreneurial skills and local entrepreneurial communities through national and international collaborations.

Creative Business Cup is a competition aimed at bolstering the business skills of creative industry entrepreneurs.

The youth-targeted YOUiACT initiative encourages entrepreneurship and problem-solving through the planning and testing of community projects.

XY Partners offers start-up incubation services and helps businesses access funds and connect with potential investors.

XY Academy offers an online programme curated by industry-leading experts, specifically designed for aspiring women entrepreneurs.

Yep!Moldova, an NGO, aims to inspire a new generation of entrepreneurs through various programmes, one of which is the Yeah! Start-up Pre-Accelerator that provides aspiring entrepreneurs with grants, expert guidance and a global network.

Dreamups is a tech business accelerator that caters for start-ups, IT firms and anyone interested in innovation and technology, offering programmes like Start-up School for high school students and Upcelerator, a remote accelerator for tech start-ups at the idea stage.

Hackathon events, fostering the development of business ideas across various sectors, are regularly organised.

# **Educators support entrepreneurship education**

In the Republic of Moldova, no national public policy or unified standard exists for the initial or continuing development of entrepreneurship educators. However, several key avenues support the growth of trainers in this field. The ODA bolsters a network of trainers and service providers in entrepreneurial education through its programmes, aiding entrepreneurs and young individuals seeking participation in entrepreneurship training schemes.

Several NGOs, aside from public institutions, conduct entrepreneurship training programmes and many of these programmes are financed by Moldova's development partners, implemented in collaboration with the MER and other public bodies.

A noteworthy example is the Centre for Entrepreneurial Education and Business Support (CEDA). In cooperation with the MER and the NEA, CEDA initiates training for entrepreneurship teachers under projects like "Training in the field of Entrepreneurship and Employment" (MEEETA IV) and "Rethinking of Professional Orientation and Career Counselling, Phase II (REVOCC II)", funded by the Liechtenstein Development Services Foundation. Activities span the development of methodological support for teachers, organising internships, masterclasses, business visits, forums, round tables, summer schools and more.

A wealth of resources promoting entrepreneurial skills exists, including websites and handbooks. Examples include the teaching material set on the "Basics of Entrepreneurship", tools and materials for the "Basics of Entrepreneurship" discipline and the "Dreamclass" online platform. This digital learning space offers pre-recorded masterclasses in Romanian and Russian by leading experts for Moldovan entrepreneurs and doubles as a content creation platform.

# 3.9 Start-up funding for young entrepreneurs

#### **Access to information**

Numerous essential entities in the Republic of Moldova finance aspiring, and particularly young, entrepreneurs.

The ODA runs financing programmes for different youth target groups, including young girls and vulnerable groups.

The Agency for Intervention and Payments for Agriculture (AIPA) is the central entity financing entrepreneurial programmes tied to rural development, local tourism and agricultural business.

UNDP offers several funding programmes supporting businesses bolstering economic co-operation along both Dniester River banks and facilitating local businesses' access, including those from Transnistria, to the EU market.

The Moldova Future Technologies Activity, funded by the United States Agency for International Development and Sweden, enhances small and medium-sized enterprises' competitiveness, exports, workforce skills, access to finance and climate resilience.

The NEA provides subsidies for the unemployed to initiate a business. These subsidies can offset enterprise registration costs and the purchase of equipment, raw materials and furniture.

The East European Foundation promotes the launch and development of social businesses through numerous programmes.

These entities recognise the importance of well-informed young entrepreneurs, providing detailed information on their websites about accessing public funding. Public institutions like ODA and AIPA dedicate sections on their websites to presenting their primary funding programmes, application methods and conditions. Development partners and NGOs use their websites and platforms, such as Civic, Finantare Moldova and Youth Moldova, to disseminate information.

Numerous funding programmes, often accompanied by promotional campaigns and informative sessions, target young and potentially disadvantaged entrepreneurs, with a focus on high-potential domains such as IT and creative industries. Additionally, commercial banks offer preferential financing and access to most funding schemes require recipients to partake in business management training to boost their likelihood of success.

# Access to capital

The ODA serves as a pivotal institution, offering a series of funding opportunities for young entrepreneurs. Notably, it operates several distinct programmes. Most of these programmes benefit from financial support from the state budget and from EU grants.

In 2023, the "EU for SMEs" project supplemented the state budget of seven non-reimbursable financing programmes with €8 million. These included the "Start for Young People", designed to stimulate entrepreneurship among young Moldovans, including retaining young people in the country, particularly in rural areas, enhancing the entrepreneurial skills of young people and increasing the number of innovative businesses with a strategic vision in line with sustainable development. It includes two

financing stages – the first offers non-refundable financing up to 200 000 Moldovan lei (MDL) (€10 000), and the second provides credit access up to MDL 1 760 000 (€88 000) with a grant portion.

"Women in Business" aims to address gender inequality in the business sector by supporting female entrepreneurs. Another initiative, the "PARE 1+2 Economy Remittance Attraction Programme", is targeted at migrant workers and their families wishing to start or expand a business.

The Greening Programme for SMEs is implemented by the ODA. Approved by a government decision in 2019, this initiative seeks to establish favourable conditions and bolster the business environment for transitioning from a consumption-based economic development model to one that applies greening principles. This model integrates "green" economy measures into the production processes of various branches of the national economy.

The Digital Transformation Programme for SMEs aims to bolster digital skills among entrepreneurs, provide financial support for digital transformation plans and increase SMEs' competitive advantage and customer portfolios. The programme also aims to encourage electronic commerce, decrease physical currency usage and enhance courier services for beneficiary companies.

Other notable programmes include the Programme for Supporting Digital Innovations and Technological Start-ups, the Programme for the Re-technology and Energy Efficiency of Small and Medium-sized Enterprises, and the Programme for Increasing the Competitiveness of Small and Medium-sized Enterprises and their Internationalisation.

The NEA's "Consultancy, Assistance and Support for Starting a Business" programme offers seed funding to unemployed individuals keen on starting their own business, creating self-employment opportunities. Eligible applicants are those over 18, registered as unemployed, with the subsidy provided covering costs associated with company registration, equipment procurement and setting up of workspaces.

#### 3.10 Promotion of entrepreneurship culture

# Special events and activities

The Ministry of Economic Development and Digitalisation, in collaboration with the ODA and bolstered by development partners and non-governmental organisations, frequently arranges events promoting entrepreneurial culture and current funding programmes. These public events lack a predetermined calendar, arising sporadically and in response to particular contexts.

Entrepreneurial events in the Republic of Moldova encompass conferences and forums that unite young and established entrepreneurs, industry experts, policy makers and investors, fostering learning and networking opportunities. Start-up competitions further stimulate innovation, allowing young entrepreneurs to present business ideas, gain feedback and compete for start-up funding. Additionally, workshops and training sessions equip participants with essential skills like business planning, marketing strategies, financial management and pitching.

# **Networks and partnerships**

The Republic of Moldova nurtures an entrepreneurial culture by establishing networks and partnerships, providing young entrepreneurs with resources, mentorship and a supportive ecosystem. Key networks include business incubators and accelerators offering mentorship, infrastructure and guidance, entrepreneurship associations that facilitate collaboration, knowledge exchange and advocacy, and PPPs promoting entrepreneurship through combined sector resources and expertise. These networks receive financing from national authorities and international development programmes, including the Network of Business Incubators from Moldova (financed by ODA and local authorities), Junior Achievement and Junior Chamber International.

Through various events, activities, networks and partnerships, Moldova inspires and empowers young people towards entrepreneurship, fostering economic growth and job creation. Ongoing support and investment to promote an entrepreneurial culture are vital to developing a sustainable and dynamic entrepreneurial ecosystem in the Republic of Moldova.

#### 3.11 Current debates and reforms

# Forthcoming policy developments

The Republic of Moldova actively engages in formulating and executing upcoming policy developments aimed at addressing the evolving requirements and aspirations of young people in the context of employment and entrepreneurship. These policy developments might encompass the following initiatives.

On youth empowerment programmes: the Republic of Moldova recognises the importance of empowering young people through targeted initiatives. Future policy developments could focus on bolstering youth participation in decision-making processes, encouraging active involvement in community development and providing platforms for their voices to be heard. Presently, NAYWPD and the MER are drafting several new programmes to support the development of local youth centres, underscoring the commitment to creating accessible and inclusive platforms for youth engagement. By establishing these centres, the Republic of Moldova aims to provide young people with a space to access information, resources and services related to various topics, including employment and entrepreneurship. The objective is to ensure that all youth, irrespective of location, have equal opportunities to access the support and guidance needed to succeed in the labour market.

On strengthening skills development: there may be a sustained emphasis on enhancing skills development programmes that align with the current and future needs of the labour market. Policy developments aim to bridge the gap between education and employment by promoting vocational training, apprenticeship programmes and partnerships between educational institutions and employers. Dual education is a high priority for the Ministry of Education, which is trying to involve as many stakeholders as possible in ensuring the quality and promoting the advantages of this form of training. In 2023, crucial documents targeting young people received approval and will be implemented soon, including the National Strategy for Youth Sector Development "Youth 2030" and the National Development Strategy "Education 2030".

On supporting start-ups and innovation: policy reforms might aim to create an enabling environment for start-ups and innovation. This could involve simplifying administrative procedures, providing financial incentives and support, fostering collaboration between start-ups and established businesses and promoting access to funding and resources for young entrepreneurs. In the past year, ODA has launched several programmes to support young entrepreneurs and develop entrepreneurship competences. Concurrently, the Ministry of Economic and Digital Development launched several initiatives to reduce the number of permissive documents and ensure explicit legal provisions in some areas. The status of candidate member to the EU of the Republic of Moldova has accelerated the harmonisation of the national legislation to EU standards.

The Law "On crowdfunding services" (Parliament of the Republic of Moldova, 2023): the Parliament of the Republic of Moldova recently passed a law that regulates fundraising, including business funding. This law creates a conducive environment for accessing capital by simplifying fundraising procedures, facilitating crowdfunding platforms and promoting investment in entrepreneurial ventures.

The Parliament of the Republic of Moldova recently approved the Law "On paid internships in the public sector". The law provides for the introduction into national legislation of the mechanism for organising and running the internship programme in the public sector for young people aged 18 to 29, in order to facilitate their transition from the education system to the labour market. The internship programmes will take place within the parliament, the presidency, the State Chancellery, the ministries and their subordinate authorities.

# **Ongoing debate**

The Republic of Moldova actively participates in ongoing debates on youth employment and entrepreneurship. These debates play a crucial role in shaping policies and initiatives that tackle the challenges and opportunities young people encounter. Some of the key ongoing debates include the following.

Reformation of the NEA: the MLSP is currently publicly consulting on the concept of reformation of the NEA. This reform strives to enhance the effectiveness and efficiency of employment services provided to young people, thereby ensuring more robust support in their transition to the labour market.

The Draft Law "On internships": a draft law on internships is currently under discussion in the parliament. This law aims to establish a framework for internships, outlining the rights and responsibilities of both interns and employers and promoting quality internships that contribute to young people's skills development and employability. The government is piloting a programme for internships in public institutions.

Improvement of entrepreneurship education: there is extensive discussion among the MER, MEDD, ODA and NGOs regarding the need to enhance entrepreneurship education in schools. Stakeholders are examining ways to integrate practical entrepreneurial skills and knowledge into the curriculum, equip young people with the necessary entrepreneurial mindsets and nurture innovation and creativity among students.

Support for young NEETs: the International Labour Organisation supports the MLSP and the NEA in enhancing their programmes to identify and involve young NEETs in employment initiatives. Efforts focus on providing targeted support, mentorship and training opportunities to help NEETs overcome employment and entrepreneurship barriers. With support from several youth NGOs, including the National Youth Council of Moldova, the NEA is piloting outreach and identification of NEET services.

Prioritising entrepreneurship environment: one of the current government's main priorities is developing the entrepreneurship environment. Efforts focus on creating favourable conditions for startups, including streamlining regulations, improving access to financing, promoting innovation and fostering a supportive ecosystem for entrepreneurial ventures. The development of entrepreneurship is one of the three primary priorities included in the Government Activity Programme.

These ongoing debates and upcoming policy developments illustrate the Republic of Moldova's dedication to continually assessing and adapting its policies and strategies to address the evolving needs and challenges young people face in the labour market. Through participation in these discussions and the implementation of suitable reforms, the Republic of Moldova aims to create an enabling environment that empowers young people, nurtures their entrepreneurial spirit and provides them with the necessary support and resources to succeed in the labour market and as entrepreneurs.

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