



Trends and challenges in youth employment

Diversity of youth typologies and their experiences in the Republic of Moldova



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14 May 2019, Chisinau

PART 1

SNAPSHOT OF THE MOLDOVAN LABOUR MARKET



Picture of the Moldovan labour market, LFS 2017

15+ working age population: 2 983 800 (~43% is urban)

Active persons aged 15+

1 259 100 people (42.2%)

- Employed: 1 207 500 (40.5%)
- Unemployed: 51 600 (4.1%)

Inactive persons aged 15+

1 724 700 people (57.8%)

- Pensioners: 35.9%
- Students: 15.0%
- Housewife: 11.5%
- Working abroad: 18.5%
- Other (discouraged, disabled, less than 20 hour work for consumption): 19.1%

Employment by sectors

- **Services:** 47.4% (GDP contribution: 55.4%)
- **Agriculture:** 36.1% (GDP contribution: 12.2%)
- **Industry:** 11.8% (GDP contribution: 17.9%)
- **Construction:** 4.7% (GDP contr.: 14.5% as others)

Peculiarities

- Distorted market with continuing emigration flows and large agricultural sector
- Specific LFS classifications for (in)activity
- Dominance of services and agriculture
- Low activity and employment rates
- Low unemployment and high under-employment

Migration as a key determinant in the labour market

Stocks of Moldovan emigrants abroad:

973 618 persons (UN DESA 2017

Revision based on the 'country of birth' statistics)

Remittances as % of GDP: 20.2 (2017)

Triple impact of migration:

- Lower the number of unemployed
- Push up reservation wage (remittances)
- Migrants counted as 'inactive' in LFS

Number of first residence permits issued by the EU-28 for the Moldovan citizens in 2017:

~20 000 persons (Eurostat)

International students from Moldova:

~15% of total students, currently around 30 000 – half of them in Romania, Russia (6000), Italy (3000), Ukraine, Germany, etc. (UNESCO UIS)

Inactive persons working or looking for a job abroad, LFS 2017

Total 15+ population: 318 400 (54.1% of which is youth aged 15-34)

- % of men: 66.3%
- % of rural: 69.7%

- Higher education: 14.6%
- Upper secondary general: 23.6%
- Secondary/post-secondary VET: 35.9%
- Lower secondary education: 25.6%

Youth aged 15-24: 50 700 (15.9%)

- % of men: 71.6%
- % of rural: 79.5%

- Higher education: 0.08%
- Upper secondary general: 20.9%
- Secondary/post-secondary VET: 34.9%
- Lower secondary education: 35.3%

Youth aged 25-34: 121 600 (38.2%)

- % of men: 73.8%
- % of rural: 67.1%

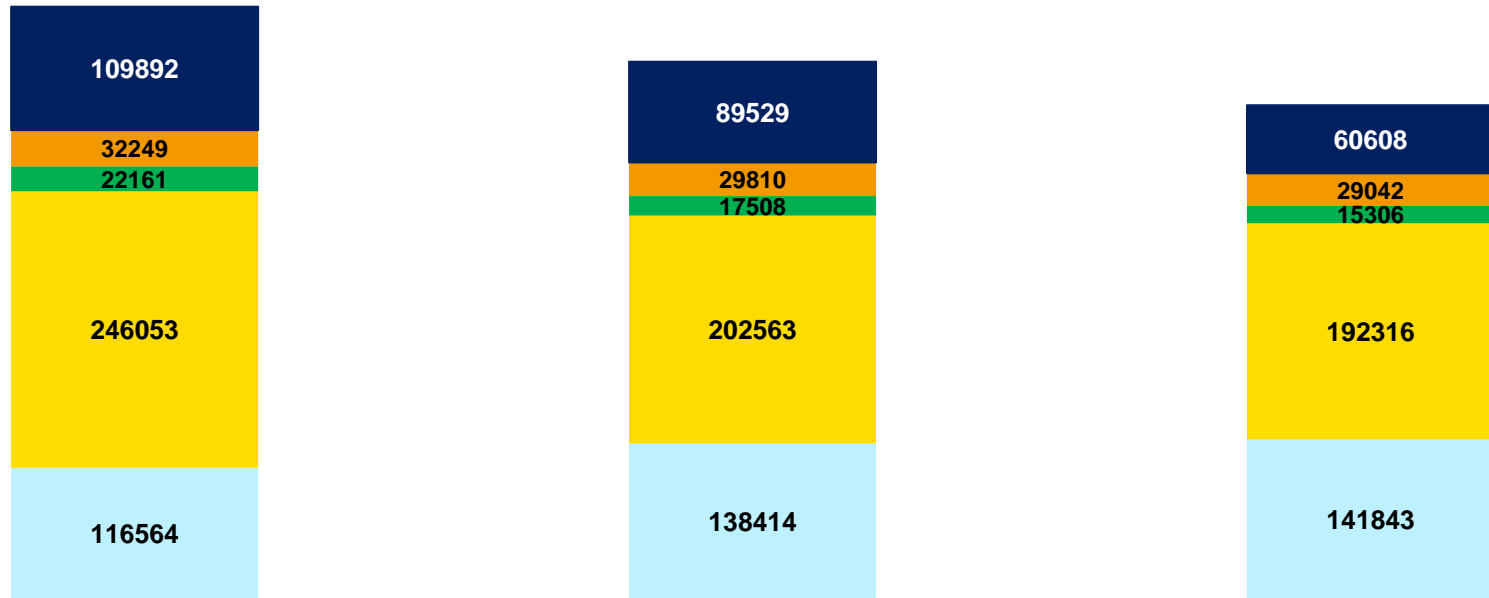
- Higher education: 20.9%
- Upper secondary general: 20.8%
- Secondary/post-secondary VET: 26.6%
- Lower secondary education: 31.3%

PART 2

HUMAN CAPITAL/ PREPARATION FOR THE LABOUR MARKET



Number of students in the Moldovan formal education system



2009/2010

2014/2015

2018/2019

■ Primary and lower secondary schools (Grades 1-9)
■ Secondary vocational programs/institutions
■ Higher education institutions

■ Upper secondary general schools (Grades 10-12)
■ Post-secondary vocational education institutions

Human capital indicators in Moldova, 2017

Adult literacy (%): 99.4 (UNESCO)

Adult educational attainment (25-64 years)

- **Low (ISCED 1-2): 21.4%**
- **Medium (ISCED 3-4): 57.8%**
- **High (ISCED 5-6): 20.8%**

Percentage of early school leavers: ~20%

Education expenditure 2017

- **% of GDP: 6.4**
- **% of public budget: 17.8**

- **Mean years of schooling: 11.6 years**
- **Expected years of schooling: 11.6 years**
- **Adjusted years of schooling: 8.2**

- **Net enrolment rate in lower secondary: 82%**
- **Net enrolment rate in upper secondary: 60%**
- **Gross enrolment ratio in tertiary: 41%**
- **% of VET at ISCED 3: 48.7% (boys: 57%)**

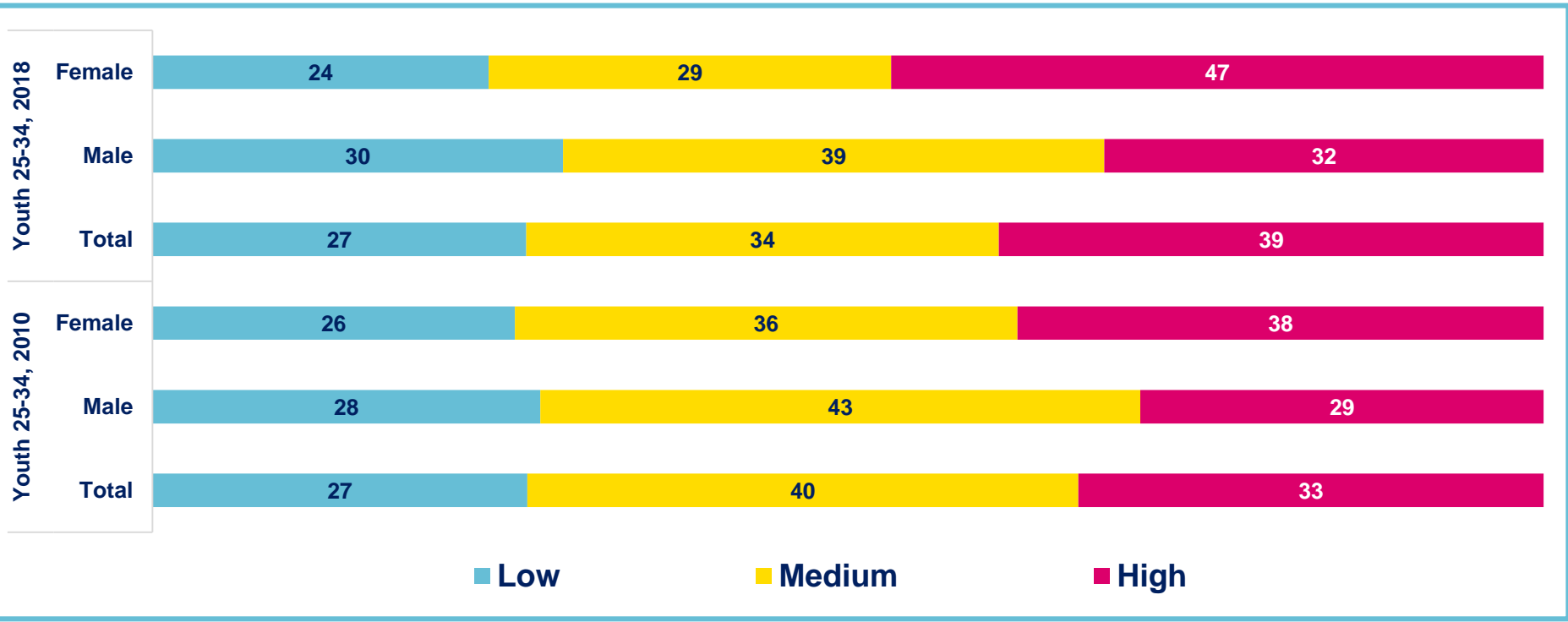
Underachievement in PISA (OECD 2015)

- **Reading: 41.9%**
- **Math: 50.3%**
- **Science: 42.2%**

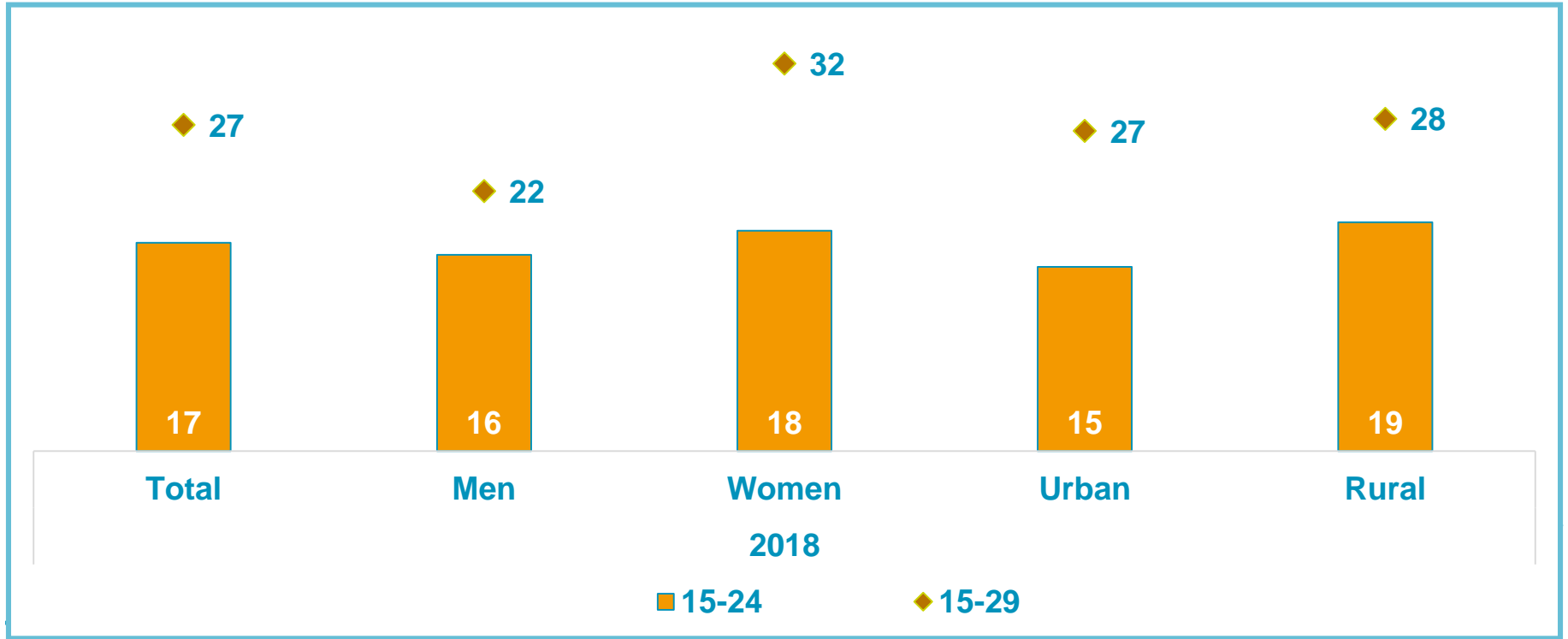
% of early school leavers by sex and settlement, LFS 2017



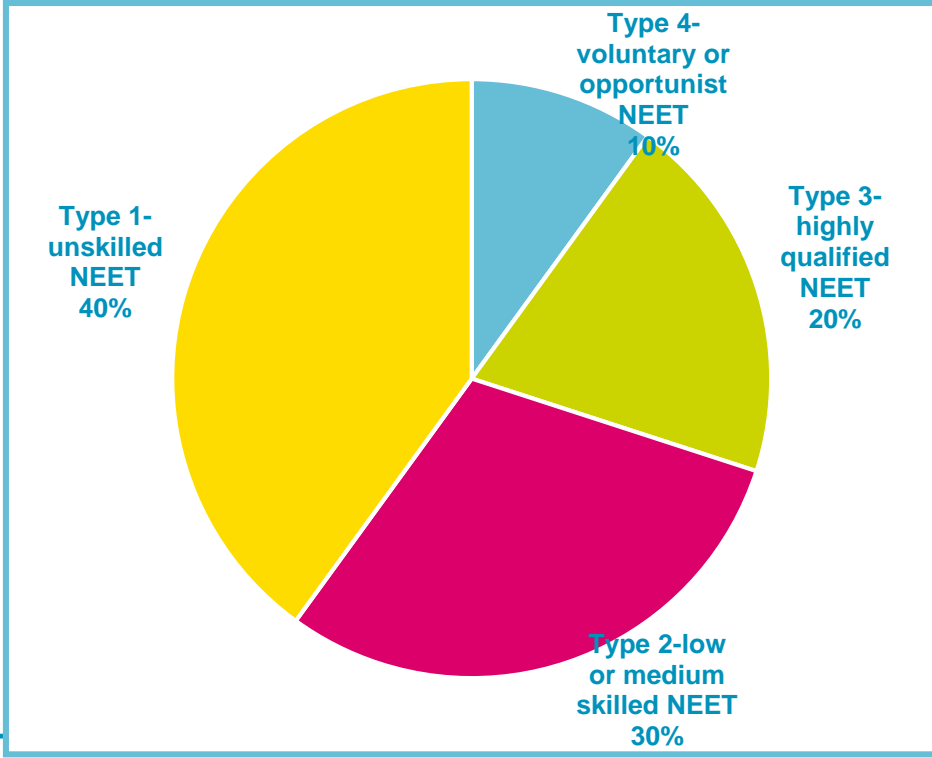
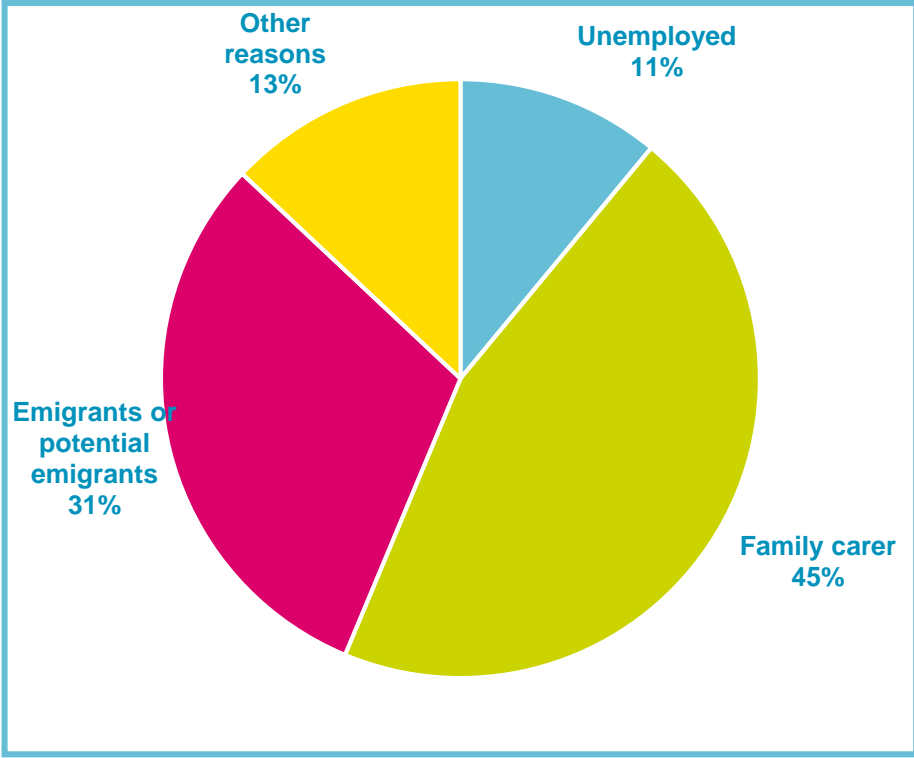
Educational attainment of youth aged 25-34 (%)



% of NEETs by sex and settlement, LFS 2018



NEETs by reasons and by sub-groups, LFS 2016



PART 3

YOUTH PERFORMANCE IN THE LABOUR MARKET



Youth employment trends, LFS 2017

Youth aged 15-24: 463 555 (13.1%)

Active youth aged 15-24

90 500 people (20.5%)

Employed: 79 800 (17.2%)

Unemployed: 10 700 (11.8%)

Inactive youth aged 15-24

373 000 people

- Pensioners: 0.01%
- Students: 66.3%
- Housewife: 0.07%
- Working abroad: 13.6%
- Other: 11.5%

Youth aged 25-34: 673 209 (19%)

Active youth aged 25-34

318 400 people (47.3%)

Employed: 302 100 (44.8%)

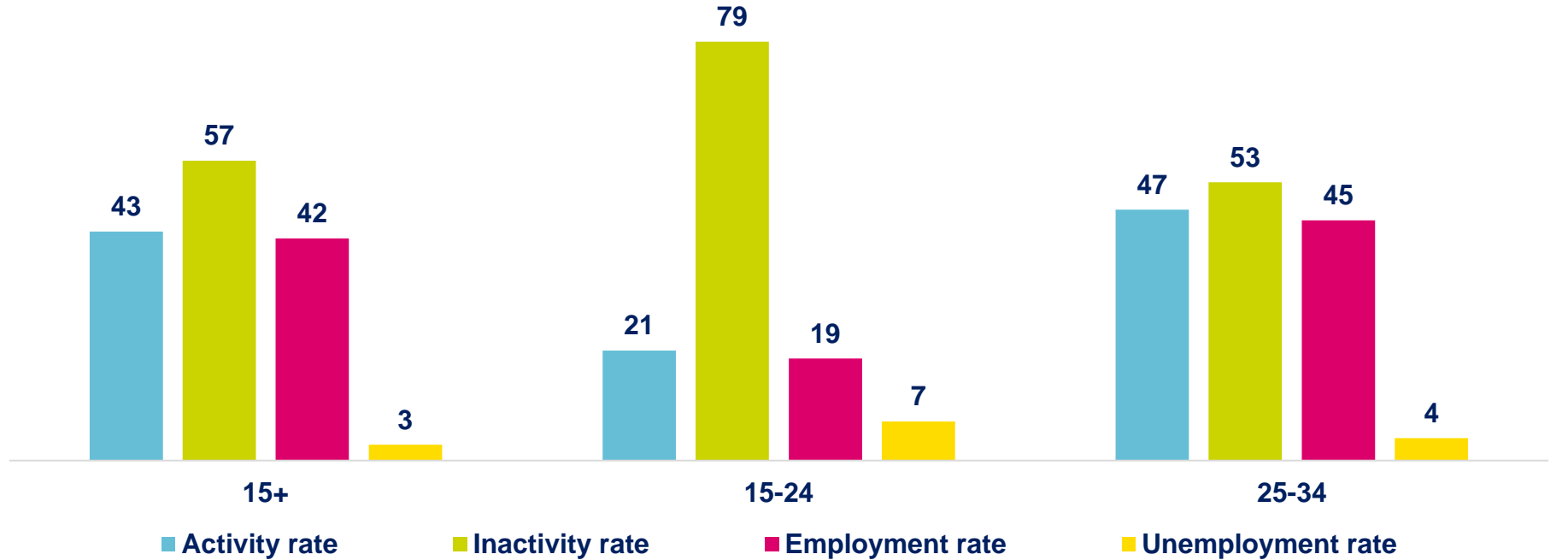
Unemployed: 16 200 (5.1%)

Inactive youth aged 25-34

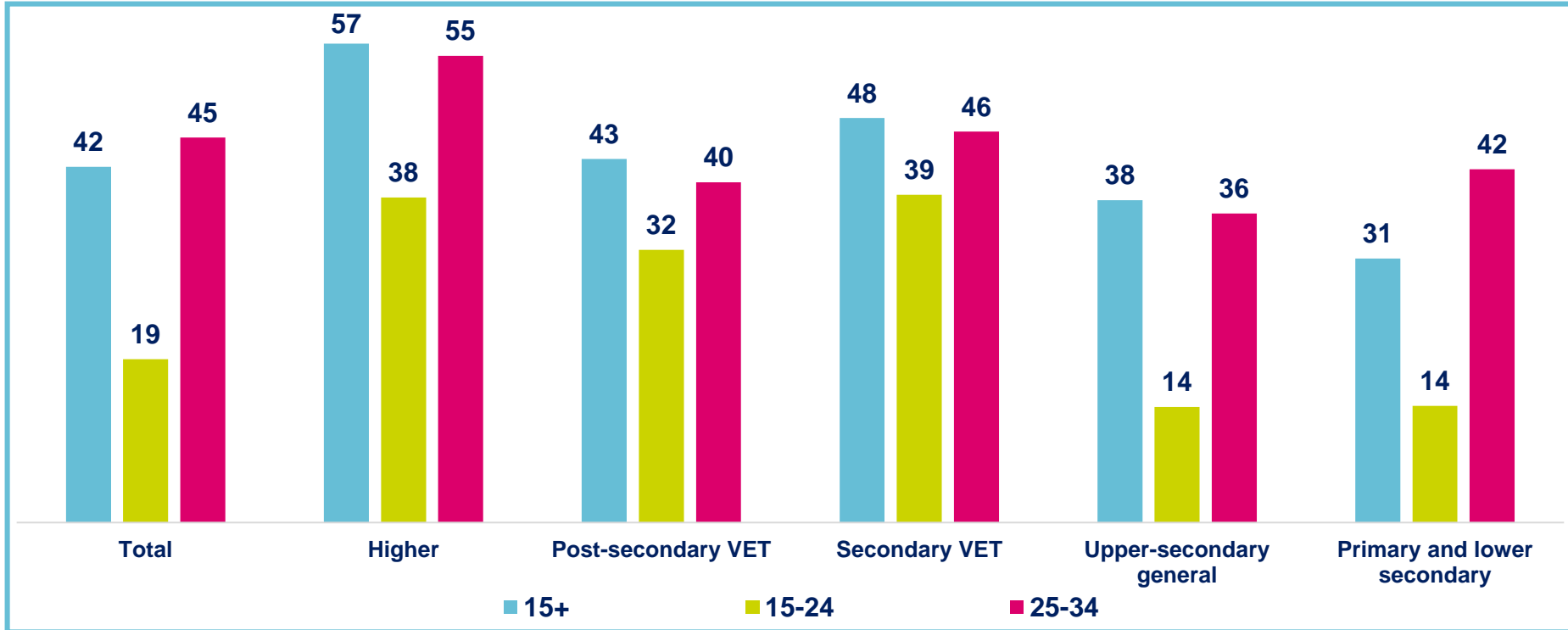
355 300 people

- Pensioners: 0.04%
- Students: 0.03%
- Housewife: 31.9%
- Working abroad: 34.2%
- Other: 27.1%

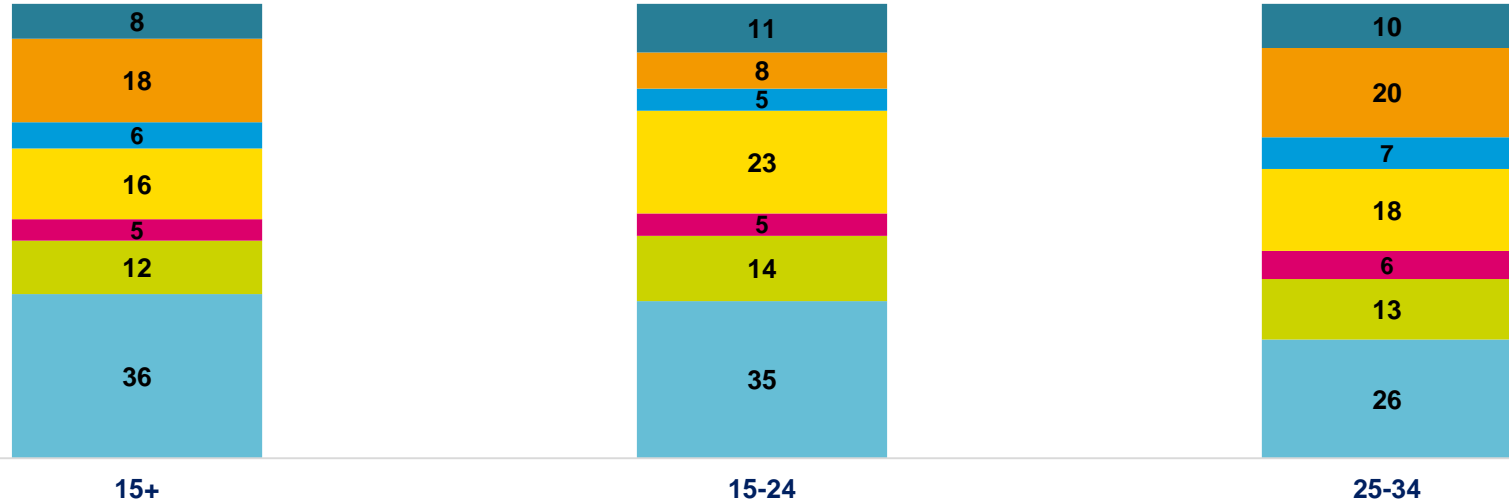
Labour market indicators by age groups (%), LFS 2018



Employment rate by educational attainment (%), LFS 2018



Employment by economic sectors (%), LFS 2018



■ Agriculture + Forestry + Fishery

■ Construction

■ Transportation + Communications

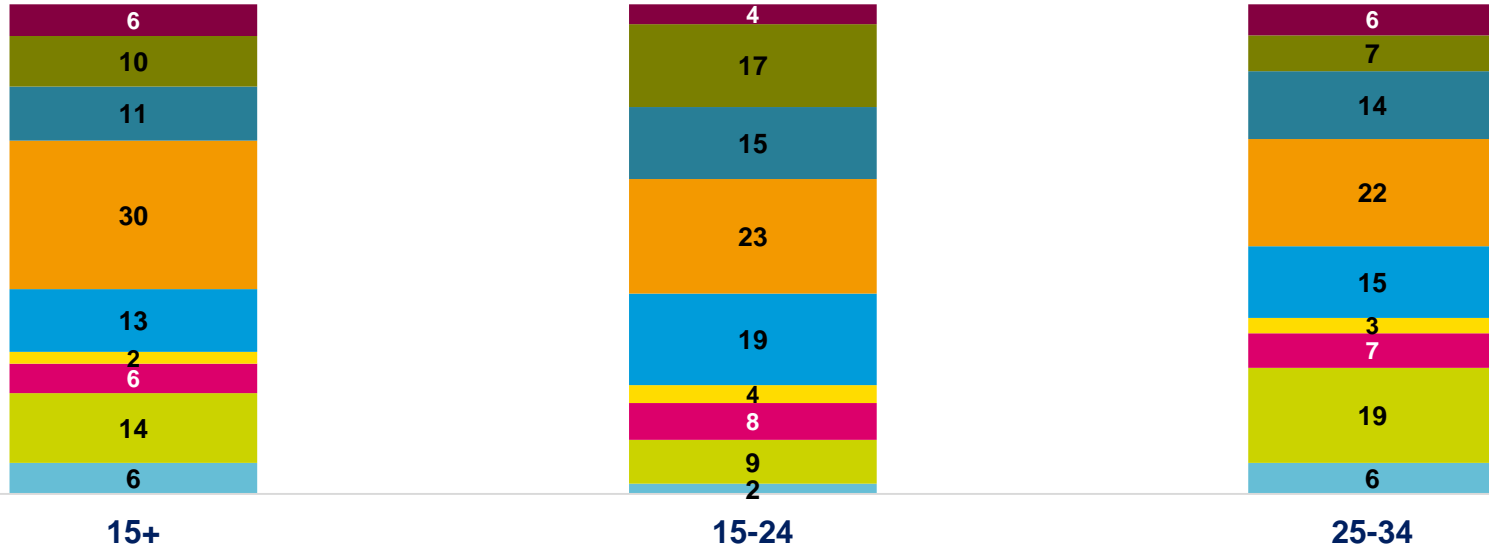
■ Other

■ Industry

■ Trade + Hotels and restaurants

■ Public administration + Education + Health and social work

Employment by occupational groups (%), LFS 2018

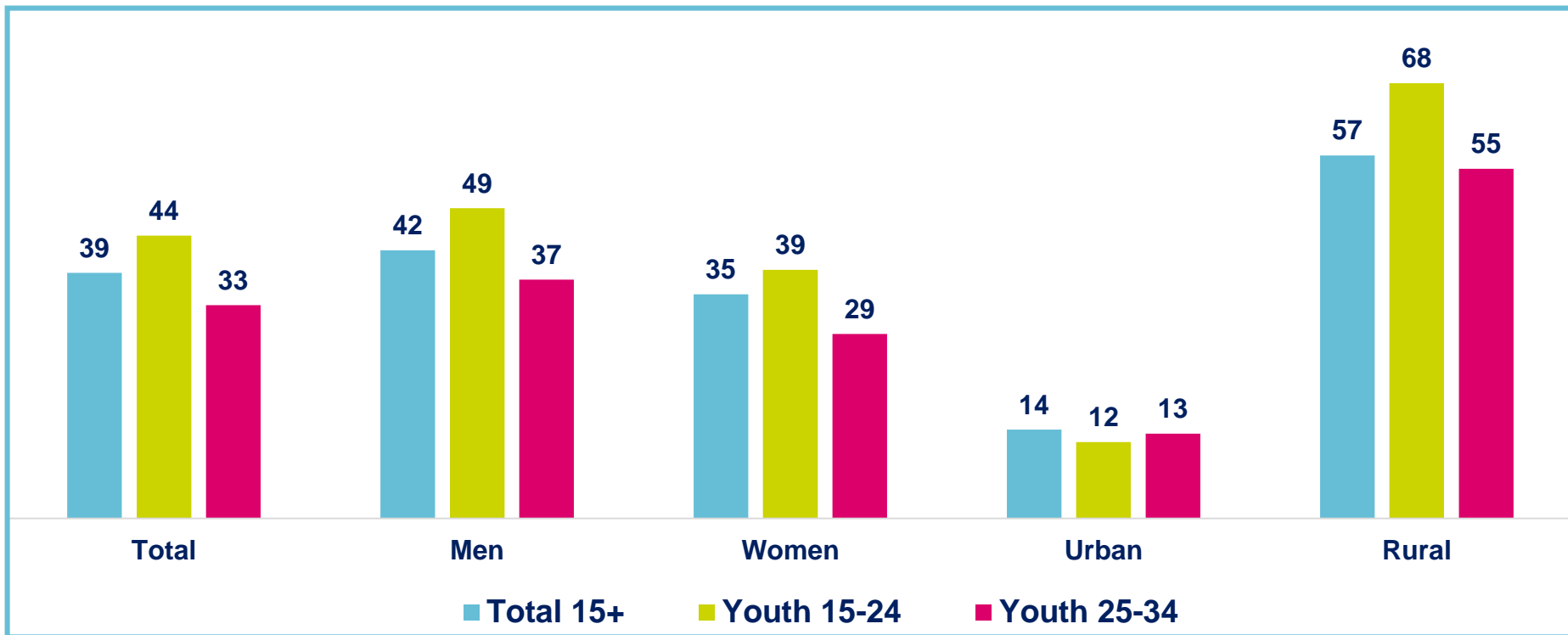


■ Legislators + senior officials + managers
■ Clerks
■ Craft + related trades workers

■ Professionals
■ Service workers + shop/market sales workers
■ Skilled agricultural + fishery workers
■ Elementary occupations

■ Technicians + associate professionals
■ Other

Informal employment by age groups (%), LFS 2018



Skills mismatch in the Moldovan labour market

ILO Youth transition survey, 2015

29% of youth aged 15-29 declared as “overeducated” for the job they do

- Males: 35%
- Females: 21%
- Urban: 26%
- Rural: 33%

ETF Skills mismatch measurement, LFS 15-64 data

- People with tertiary education working in semi-skilled occupations: 23% in 2017 (increasing)
- People with upper secondary education working in elementary occupations: 13.3% in 2017 (decreasing)
- Over-qualification among service and sales workers, skilled agricultural workers, craft and related trades workers
- Under-qualification among technicians, clerks and managers

Main characteristics of youth employment (1)

- **Youth 15-24:** two-third in education, some working abroad, poor performance of early school leavers or medium-general educated
- **Youth 25-34:** Higher activity/ employment rates than total, well-established place, significant number of emigrants and housewives among inactive
- **Highest activity/ employment rates** are in urban areas and among men. Lowest is in rural areas and among women
- **Average duration of transition from school to work** is less than a year, but much longer for the low-educated and women
- **Methods used to find a job:** personal contacts, social networks, directly contacting employers, replying job vacancies



Main characteristics of youth employment (2)

- Return on education is highest at tertiary level, whose wages are three times higher than low-educated – lowest wages in rural areas and for women
- Employment rates are the highest among tertiary graduates, followed by secondary VET graduates
- VET graduates perform better in the labour market than non-VET secondary graduates, post-secondary VET is for further studies
- More youth is in wage employment, self-employment is considered marginal although higher in rural areas
- Less youth work in agriculture and more in services sector, in particular trade and hospitality, public administration



Main characteristics of youth employment (3)

- More youth are service/ sales workers, crafts and traders and professionals, less as agricultural workers. More 15-24 is in elementary occupations
- Highest informal employment or temporary work among 15-24 age group, and longer than average working hours
- Higher degree of skills mismatch between the jobs held and qualifications of young workers, especially for tertiary education graduates
- Migration is the single most important labour market choice for youth, in particular for young men, rural residents and medium-educated
- Limited creation of (skilled) jobs in the economy and very low wages are main (external) factors for their behaviours



PART 4

KEY FACTORS FOR YOUTH EMPLOYMENT POLICY



Key determinants in labour market performance

- Age and gender (e.g. young single mothers)
- Educational attainment level and quality
- Residency area (rural/urban), region
- Individual/ family links to emigration
- Household income and poverty
- Ethnic and linguistic background
- Health and accessibility of public services



Problems expressed by youth in job search

- **Low salaries offered for the jobs (more for urban and men)**
- **Lack of work experience by youth (more for women and rural)**
- **Lack of jobs in the market (more for rural and women)**
- **Job offers require higher education (more for men)**
- **Unfavourable working conditions (more for men)**
- **Discrimination, nepotism, lack of networks, lack of skills**
- **Gap between the expectations of youth and employers**
- **Lack of knowledge/ attitude for finding their way/ career**



Opinions/ complaints expressed by employers

- **Difficulty of finding workers with adequate skills**
- **Inadequate technical skills (40% of firms cited skills deficit as a constraint)**
- **Poor work ethic and lack of motivation among the workforce**
- **Inadequate knowledge of foreign languages**
- **Insufficient analytical and problem-solving skills**
- **Lack of willingness to learn new things**
- **Insufficient literacy and numeracy**
- **Lack of practical skills and work experience (requires job training)**
- **Lack of applicants for the wages offered**



Diverse youth typologies, diverse vulnerabilities

- **Educated, urban youth: mostly employed, with over-qualification, or dropped out due to low wages (if not emigrated)**
- **Un- and low-educated jobbers: informal employment in elementary occupations (urban+ rural, more men)**
- **Rural youth without jobs in villages: dropping out, or emigrating**
- **Young females: face more difficulty, particularly with small children**
- **Inactive youth: family carers, potential migrants, opportunists**
- **Emigrant youth: mostly men, medium educated and rural**
- **Disabled or troubled youth, with special needs**

