In-demand skills in Moldova

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Overview

- Motivation: Sluggish job creation and skills shortages a constraint to the private sector development

- Where are jobs?

- Which skills are in-demand in Moldova?

- What needs to be done?
Sluggish job creation

Skills shortages - a constraint for private sector development

• Inability to find sufficiently qualified staff – over 25% of firms reported experiencing labor shortage due to inability to find qualified staff*

• Firms face shortages of skilled workforce forcing many to scale down operations and eschew growth plans:**

• Medium-sized & large firms are more acutely affected by shortages, e.g. transportation companies lack up to 20-25% of drivers; in apparel sector 10-40% of workstations are empty; ICT firms lack over 20% of software developers**


**Assessment of private sector skills demand and the extent of private sector engagement in creating a demand-led skills ecosystem in Moldova. Magenta Consulting. 2017
Where are jobs?


- Private, local: 45%
- Private, with foreign participation: 26%
- Government: 22%
- Others: 7%

**What type of jobs?**

**Jobs posted in ANOFM: Mainly lower/upper secondary education jobs**

<table>
<thead>
<tr>
<th>Job Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Craft and related trades workers</td>
<td>38%</td>
</tr>
<tr>
<td>Elementary occupations</td>
<td>18%</td>
</tr>
<tr>
<td>Plant and machine operators, and assemblers</td>
<td>13%</td>
</tr>
<tr>
<td>Service workers and shop and market sales workers</td>
<td>10%</td>
</tr>
<tr>
<td>Professionals and associate professionals</td>
<td>8%</td>
</tr>
<tr>
<td>Technicians and associate professionals</td>
<td>5%</td>
</tr>
<tr>
<td>Clerks</td>
<td>3%</td>
</tr>
<tr>
<td>Senior officials and managers</td>
<td>2%</td>
</tr>
<tr>
<td>Skilled agricultural workers</td>
<td>1%</td>
</tr>
</tbody>
</table>


What type of jobs?

Jobs posted in job portals: More jobs requiring tertiary/vocational education


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<tr>
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<td>15%</td>
</tr>
<tr>
<td>Elementary occupations</td>
<td>7%</td>
</tr>
<tr>
<td>Clerks</td>
<td>7%</td>
</tr>
<tr>
<td>Plant and machine operators and assemblers</td>
<td>6%</td>
</tr>
<tr>
<td>Craft and related trades workers</td>
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<tr>
<td>Senior officials and managers</td>
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Which skills are in-demand?

Sum of skills required by vacancies posted in both ANOFM and job portals criteria (normalized by 100, by education requirement)

- Job-specific technical
- Work ethic
- Literacy (Romanian)
- Computer
- Russian
- English or other FL
- Communication
- Working independently
- Teamwork
- Interaction with others
- Motivation
- Leadership

Firms see skills shortages in soft skills

Top 3 skill-related obstacles to firm performance (relative importance of different skills)

- **Work ethic**
  - 41% of firms

- **Technical, occupation-specific skills**
  - 38% of firms

- **Motivation, initiative, and proactivity**
  - 32% of firms

Technical skills demanded for jobs requiring tertiary education attainment


Technical skills demanded for jobs requiring vocational education attainment


Soft skills become important for service/administrative jobs


Computer skills are also required for low-skilled jobs


What needs to be done to meet skills demand?

1. **Multi-stakeholder coordination and information sharing**

   - Individuals invest in Skills
   - No information on skill demand & supply to decide on study and career

   - Employers train & coordinate
   - Weak HRM do not reward skills
   - Weak services to match supply & demand

   - Responsive education systems
   - Weak coordination among firms to identify skill gaps and facilitate education / training
   - Weak firm/provider collaboration to improve skill alignment
   - No incentives or possibility to train

   - Alignment of Skill Supply and Demand
   - No info on skill demand & supply used for decision making
   - Weak strategic collaboration among key actors
   - System weaknesses: financing, quality assurance, accountability, support

2. Training institutions – Need to strengthen the links between training and jobs

3. *Soft skills development, learning from international practices*

### Interventions in early childhood – cost effective
- Home-based programs to reach remote HHs (e.g., Jamaican Study Program, a home-visiting programs).
- Center-based programs providing a combination of education and stimulation services with nutrition at a community childcare center.
- But these interventions are foundational, not comprehensive.

### School-based interventions
- Requires training teachers, strengthening school policies, investing in after-school program, etc. (e.g., U.S. Schoolwide Positive Behavior Support, Building Socioemotional Skills in the Education System in Singapore and Mexico).

### Postschool interventions
- Integrate the development of socioemotional skills into existing apprenticeship, internship, or job-training programs (e.g., U.S. Big Brothers and Big Sisters of America).
- Tailored firm-level training

e.g., Share of Philippine Firm Training Programs, by primary focus area

4. Skills development to reduce risks from automation and to prepare for population aging

**Priority sectors**

- ICT, light industry, agro-processing...

**Partnerships between firms and education/training providers**

- Financing + TA to develop, upgrade, equip, and provide university and adult training programs

**Labor Market information**

1. Collect (NEA)
2. Disseminate (Labor Market Observatory)
3. Use

**Complementary policy reforms & actions**

- Quality assurance (ANACIP), internships, financing mechanisms, NEA matching, jobs at risk due to automation

Thank you!

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