

REPUBLIC OF MOLDOVA

The ILO Work4Youth project worked with the National Bureau of Statistics of Moldova to implement two rounds of the School-to-work transition survey (SWTS) in 2013 (January–March) and 2015 (April–May). The results of the two surveys were published in V. Ganta and L. Shamchiyeva (2016): *Labour market transitions of young women and men in the Republic of Moldova: Results of the 2013 and 2015 school-to-work transition*, Work4Youth Publication Series No. 38 (Geneva, ILO). The report is also available in Romanian. The objective of this country note is to offer a general summary of youth labour market trends in the Republic of Moldova based on the SWTS. Youth is defined as 15–29.

Main findings of the ILO SWTS

Human capital and mismatch

- Almost all surveyed youth had attended school or a training programme at some point in their lives (only 0.6 per cent had never attended school). More than half of the youth population (56.5 per cent) had completed school as of 2015, while 40.4 per cent were still in school. Young women in Moldova have equal opportunities as young men in terms of access to education.
- SWTS results show a correlation between the levels of education and a young person's labour market transition: a young person with tertiary education was able to complete the transition from school to a stable/satisfactory job in 2.8 months, while the transition from general secondary school took an average of 11.7 months. The transition duration of a youth who left school at the primary level was even longer, 24 months, on average in 2015.
- A majority of employed youth is adequately educated for the job they were doing (65.3 per cent of young workers with qualifications matching to those expected for the occupation in 2015). Yet given the high levels of educational attainment, not all educated youth is able to find a job that matched their level of qualifications; more than one in four working youth (27.7 per cent) were overeducated for their job in 2015, while only 7.1 per cent of young workers were classified as undereducated.
- More than one-third (35.3 per cent) of current students in the Republic of Moldova showed a preference for future work in the government/public sector. While the attraction of public sector employment is understandable given concerns with job security, the ability of the sector to absorb a significant number of young workers is limited.

The ILO **School-to-work transitions surveys (SWTS)** are implemented as an outcome of the Work4Youth (W4Y) project, a partnership between the ILO and The MasterCard Foundation. The project has a budget of US\$14.6 million and will run for five years to mid-2016. Its aim is to “promote decent work opportunities for young men and women through knowledge and action”. The immediate objective of the partnership is to produce more and better labour market information specific to youth in developing countries, focusing in particular on transition paths to the labour market.

See the website www.ilo.org/w4y for more information.

Underutilization of the youth labour potential remains a top concern

- The youth labour underutilization rate in Moldova was 36.8 per cent in 2015, an improvement from the 37.5 per cent rate in 2013. The share of underutilized labour potential consists of 7.4 per cent of the youth population in irregular employment (either in self-employment or paid employment with contract of less than 12 months), 7.6 per cent unemployed and 21.8 per cent inactive non-students in 2015.
- The youth unemployment rate increased between 2013 and 2015 (14.1 to 17.4 per cent) and was thus slightly above the EU-28 average of 16.1 per cent (Eurostat, youth aged 15-29). The unemployment rate of young men is slightly higher than that of young women (19 and 15.2 per cent, respectively, in 2015).
- The most disadvantaged in finding work are those that finish school at the secondary level; the unemployment rate of youth with a secondary general education was 25.7 per cent compared to 19.7 per cent for youth with primary education and 11.7 per cent for university graduates.
- The duration of unemployment for most seeking youth is not excessively long. The majority (63.9 per cent) of unemployed youth had been looking for work for less than six months in 2015 (23.7 per cent were looking between one and three months and 40.2 per cent between three and six months).
- The share of youth neither in employment nor in education or training (NEETs) in Moldova remained unchanged between 2013 and 2015 (28.8 and 28.9 per cent, respectively). The share among young women was higher than that of young men (34.8 and 23.2 per cent, respectively).

Low employment rates for youth remain a strong hindrance the country's productive transformation

- Only one in three (33.3 per cent) youth in Moldova was employed in 2015, a small increase from 31.7 per cent in 2013. Young men are more likely to work than young women (employment ratios are 38 and 28.5 per cent, respectively).
- Most young workers (83.2 per cent) were in paid employment, but 16.8 per cent remained in vulnerable employment as own-account workers (12.1 per cent) or unpaid family workers (4.7 per cent). At the same time, one out of ten young workers (10.4 per cent) in paid employment was engaged without a written contract.
- The services sector absorbs the largest portion of Moldova's young workers (53.4 per cent of young male workers and 73.1 per cent of young female workers), followed by industry (22.6 per cent of young male workers and 14.6 per cent of young female workers) and agriculture (24 and 12.3 per cent, respectively).
- Informal employment affects nearly one-quarter (23 per cent) of young workers in Moldova; the informal employment rate decreased slightly between the two years (28.6 to 23 per cent, respectively).

Selection of data tables

Table 1. Youth population by educational status, 2013 and 2015 (%)

Educational status	Total		Male		Female	
	2013	2015	2013	2015	2013	2015
Never attended school	0.5	0.6	0.9	0.5	0.1	0.6
Dropped out before graduation or completion of school	3.4	2.5	4.7	2.4	2.3	2.7
Currently attending school	42.9	40.4	44.7	41.8	41.5	39.0
Education completed	53.3	56.5	49.7	55.3	56.1	57.7
Total	100	100	100	100	100	100

Table 2. Key youth labour market indicators – traditional distribution, 2013 and 2015 (%)

	Total		Male		Female	
	2013	2015	2013	2015	2013	2015
Employed	31.7	33.3	35.5	38.0	28.6	28.5
Unemployed (strict definition)	5.2	7.0	8.0	8.9	2.9	5.1
Inactive	63.1	59.6	56.6	53.1	68.5	66.4
Total	100	100	100	100	100	100
Youth labour force participation rate	36.9	40.4	43.4	46.9	31.5	33.6
Youth unemployment rate (strict definition)	14.1	17.4	18.3	19.0	9.3	15.2

Note: The "strict" definition of unemployment refers to persons without work, available to work and actively engaged in a job search. The "broad" definition excludes the job search criteria. The youth unemployment rate is the number of unemployed persons divided by the youth labour force (employed plus unemployed).

Table 3. Key youth labour market indicators – alternative distribution, 2013 and 2015 (%)

	Total		Male		Female	
	2013	2015	2013	2015	2013	2015
In regular employment	22.9	26.0	23.1	28.2	22.7	23.7
In irregular employment	8.8	7.4	12.3	9.8	5.9	4.8
Unemployed (broad definition)	5.8	7.6	8.9	9.9	3.2	5.3
Inactive students	39.5	37.3	41.9	38.3	37.6	36.2
Inactive non-students	23.0	21.8	13.6	13.7	30.6	30.0
Total	100	100	100	100	100	100
Youth labour force participation rate (broad definition)	37.5	41.0	44.4	47.9	31.8	33.8
Youth unemployment rate (broad definition)	5.8	7.6	8.9	9.9	3.2	5.3
Youth labour underutilization rate	37.5	36.8	34.9	33.5	39.7	40.1

Table 4. Distribution of NEET youth by composition, 2013 and 2015 (%)

Sex	2013			2015		
	NEET rate	of which:		NEET rate	of which:	
		Inactive non-students	Unemployed non-students		Inactive non-students	Unemployed non-students
Total	28.8	23.6	5.2	28.9	22.3	6.7
Male	22.6	14.6	8.0	23.2	14.7	8.5
Female	33.8	30.9	2.9	34.8	30.1	4.8

Table 5. Employed youth by status in employment, 2013 and 2015 (%)

Status in employment	Total		Male		Female	
	2013	2015	2013	2015	2013	2015
Wage and salaried workers (employees)	80.1	83.2	73.5	80.9	86.7	86.4
Own-account workers	18.0	12.1	24.6	14.4	11.4	9.0
Contributing (unpaid) family workers	1.9	4.7	1.9	4.7	1.9	4.6
Total	100	100	100	100	100	100

Table 6. Distribution of youth employment by sector at the 1-digit level, 2013 and 2015 (%)

Sector	Total		Male		Female	
	2013	2015	2013	2015	2013	2015
Agriculture	13.8	19.1	15.8	24.0	11.7	12.3
Industry	11.1	19.2	10.3	22.6	12.0	14.6
Services	75.1	61.7	73.9	53.4	76.3	73.1
Agriculture, forestry and fishing	13.5	19.1	15.3	24.0	11.7	12.3
Mining	0.3	0.3	0.5	0.5	0.0	0.0
Manufacturing	8.5	14.4	7.9	14.8	9.0	13.7
Electricity, gas, steam	0.0	0.8	0.0	1.4	0.0	0.0
Water supply	1.2	0.5	0.0	0.3	2.4	0.8
Construction	1.5	3.3	2.3	5.7	0.7	0.0
Wholesale and retail trade	6.9	19.4	12.5	21.8	1.2	16.1
Transport	25.3	4.7	23.8	4.4	26.8	5.2
Accommodation	5.4	3.1	4.1	3.2	6.7	2.9
Information and communications	6.1	3.5	9.4	2.5	2.7	4.8
Financial activities	2.4	2.8	2.4	0.7	2.4	5.7
Professional scientific activities	12.5	3.1	15.3	5.3	9.7	0.0
Administrative and support activities	8.0	0.9	1.9	1.5	14.2	0.0
Public administration	0.0	7.2	0.0	9.0	0.0	4.7
Education	2.3	6.7	0.6	0.7	4.0	15.0
Health and social work	0.0	6.2	0.0	1.5	0.0	12.6
Arts and entertainment	6.0	1.9	4.0	2.2	8.0	1.6
Other services	0.2	2.0	0.0	0.7	0.4	3.8
Private households	0.0	0.2	0.0	0.0	0.0	0.6

Table 7. Young wage and salaried workers by type of contract, 2013 and 2015 (%)

Type of contract	Total		Male		Female	
	2013	2015	2013	2015	2013	2015
Written agreement	86.9	89.6	86.6	88.3	87.1	91.4
Oral agreement	13.1	10.4	13.4	11.7	12.9	8.6
Unlimited duration	89.0	93.1	86.0	90.7	91.5	96.1
Limited duration	11.0	6.9	14.0	9.3	8.5	3.9
– Less than 12 months	9.4	6.4	11.3	8.3	7.8	3.9
– 12 months to less than 36 months	0.0	0.2	0.0	0.4	0.0	0.0
– 36 months or more	1.3	0.3	2.7	0.6	0.0	0.0
Total	100	100	100	100	100	100

Table 8. Youth informal employment by composition, 2013 and 2015 (%)

	Total		Male		Female	
	2013	2015	2013	2015	2013	2015
Youth formal employment rate	71.4	77.0	66.7	73.4	76.2	81.8
Youth informal employment rate	28.6	23.0	33.3	26.6	23.8	18.2
Of which:						
– Informal employment outside the informal sector (share in informal employment)	39.0	45.9	32.8	43.4	47.6	50.7
– Employment in the informal sector (share in informal employment)	61.0	54.1	67.2	56.6	52.4	49.3
Total	100	100	100	100	100	100

Table 9. Employed youth by overeducation, undereducation or matching qualifications, 2013 and 2015 (%)

Qualifications match	Total		Male		Female	
	2013	2015	2013	2015	2013	2015
Undereducated	6.6	7.1	7.8	4.1	5.4	11.2
Overeducated	27.5	27.7	27.7	32.4	27.4	21.1
Matching qualifications	65.9	65.3	64.6	63.5	67.3	67.7
Total	100	100	100	100	100	100

Table 10. Youth unemployment rates by level of completed educational attainment, 2013 and 2015 (%)

Educational attainment	Total		Male		Female	
	2013	2015	2013	2015	2013	2015
Primary	34.3	19.7	34.3	-	-	-
Secondary vocational	16.4	13.1	22.1	14.0	3.0	11.5
Secondary general	21.3	25.7	23.7	24.8	18.0	27.6
Post-secondary vocational	13.8	22.9	31.4	37.4	-	12.2
University and postgraduate studies	7.8	11.7	7.2	14	8.3	9.2

Table 11. Unemployed youth by duration of job search, 2015 (%)

Duration of job search	Total	Male	Female
Less than a week	0	0	0
1 week to less than 1 month	3.8	4.7	2.1
1 month to less than 3 months	23.7	14.8	39.8
3 months to less than 6 months	40.2	45.0	31.5
6 months to less than 1 year	19.1	19.9	17.8
More than a year	13.2	15.7	8.8
Total	100	100	100

Note: Data are not available for 2013.

Table 12. Youth by stages and subcategories of transition, 2015 (%)

Stage of transitions	Total	Male	Female
Total transited	28.1	31.0	25.1
Transited to stable employment	23.0	25.0	20.9
Transited to satisfactory temporary employment	1.2	1.2	1.3
Transited to satisfactory self-employment	3.9	4.9	3.0
In transition	32.9	29.6	36.2
Unemployed (broad definition)	7.2	9.5	4.9
In non-satisfactory temporary employment	1.2	1.9	0.6
In non-satisfactory self-employment	1.4	2.1	0.6
Active students	3.2	3.5	2.9
Inactive non-students with aim to work in the future	19.9	12.7	27.3
Transition not yet started	39.0	39.3	38.6
Inactive students	37.4	38.4	36.4
Inactive non-students with no plans to work in the future	1.6	0.9	2.3
Total	100	100	100

Note: Comparable data is not available for 2013. Unless other specified, the categories exclude current students.