**

Assessment of the delivery of employment services for youth by the National Employment Agency of the Republic of Moldova

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February 2017

**Table of content**

**Summary and way forward v**

**Introduction** 1

1. National Employment Agency (NEA) policy and strategy

*1.1. Labour market situation 2*

*1.2. The policy context* 4

*1.3 Legal framework and mandate of NEA*  4

**2. NEA structure and functions**

*2.1. Management structure at central and local level* 6

*2.2. Main functions*  12

2.2.1. Registration and information to unemployed individuals 15

2.2.2. Labour market information system 17

2.2.3. Employment counselling and vocational guidance 19

2.2.4. Job mediation 22

2.2.5 Administration of unemployment benefits and activation measures 24

2.2.6. Administration of active labour market programmes 26

**3. Human and financial resources**

*3.1. Staff structure and levels* 33

*3.2. Financial resources 36*

**4. Trends in service and programme delivery**

*4.1. Type, sequencing and targeting of services* 38

**5. Conclusions**  46

**6. Recommendations** 48

**Annexes**

Annex I - Survey-based performance monitoring of active measures 53

**List of tables, figures and boxes**

Table 2.1: Key performance indicators

Table 2.2: Participants to employment services and active labour market programmes, 2015

Table 3.1: Structure of expenditure for labour market policy from 2010 to 2015

Figure 1.1: Current structure and organization of the National Employment Agency (2016)

Figure 1.2: Proposed structure and organization of the National Employment Agency

Figure 3.1: Staff to unemployed ratio by local employment agency, 2016

Figure 4.1: Tiered service delivery

Box 1.1: Overview of key labour market indicators

Box 2.1: Skills anticipation systems

Box 2.2: The Canadian Job Bank and the US Occupational Outlook Handbook

Box 2.3: Profiling young unemployed in the FYR of Macedonia

Box 2.4: Work preparedness training targeting young people

Box 2.5: Job tasks analysis

Box 2.6: Activation strategies in Europe

Box 2.7: Training targeting youth: What is the evidence?

Box 2.8: What is the effect of traineeship schemes in Europe?

Box 2.9: Public works in Latvia and Austria

Box 4.1. Vocational rehabilitation services in Europe

Executive summary and way forward

This report reviews the functions, organizational structure, service delivery model and resources of the National Employment Agency (NEA) of the Republic of Moldova. It also assesses key employment policy and legislative drivers and suggests a number of recommendations to improve institutional capacity to deliver on employment policy objectives. The information contained henceforth is the result of information collected by the International Labour Office (ILO) during a field mission that took place in January 2017, through discussions with managers and staff of the National Employment Agency and of its network of local offices, government officials, as well as through the review of available data. The main messages stemming from the review are briefly highlighted in this executive summary, whist the section that follows explores how the new employment policy framework could be further leveraged to strengthen public employment service delivery.

Executive summary

***Volatile economic growth, adverse labour market trends and public spending stress are the main challenges confronting the National Employment Agency of Moldova.*** The labour market in the country is characterized by a prevalence of poor quality and low paid jobs – often in the informal economy − and considerable labour migration outflows. Over the last ten years the labour market situation improved only marginally. The unemployment rate decreased (from 7.3 per cent in 2005 to 4.9 per cent in 2015), but so did labour force participation and employment-to-population ratios. By 2015, over one quarter of the economically active population (25.7 per cent) had emigrated. Having a job does not protect against the risk of poverty; in 2012 approximately 25 per cent of workers were in low-paid jobs and another 15 per cent were working poor. Young people are at clear disadvantage compared to their adult peers, both in terms of quantity and quality of employment opportunities. The legacy of the economic and financial crises that hit the country in the last decade still reflects in public sector and government expenditure cuts. Since the beginning of the decade, the human resources of the National Employment Agency decreased by roughly 30 per cent and – notwithstanding the 2016 increase – the annual investment in active labour market policies (at 0.02 per cent of gross domestic product) is still five times lower than the average recorded in peer South-East European countries.

***The Agency currently delivers on all the key functions mandated to a modern public employment service.*** The National Employment Agency provides labour market information, employment counselling and career guidance, and administers active and passive labour market schemes, line with the principles of ILO Employment Service Convention (C88), 1948 ratified by Moldova in 1996. The organizational and geographical structure ensures the availability of basic employment services, vocational training and access to statutory entitlements throughout the country. Labour market information is regularly collected, disseminated and used to adjust service delivery. Employment services include assistance to unemployed clients (individual and group counselling; profiling and individual employment planning; vocational guidance; and referral to vocational training and public works) and services to employers (short-listing of job candidates and job mediation). The lack of financial resources affects both range and coverage of active labour market programmes: only vocational training and public works are regularly organized and they target less than 10 per cent of all registered unemployed on an annual basis. Service delivery is supported by an information technology platform built in stages and the progressive adding of new features. The introduction of new IT platform should be underpinned by a throughout review of Agency’s tasks, procedures and reporting requirements with a view to automate processes and minimize the administrative burden.

***The development of a new policy and legal framework offers the opportunity to address a number of outstanding issues in the design, monitoring and evaluation of an active policy on employment.*** The new legal and strategic framework on employment calls for enhanced coordination and cooperation between the Ministry of Labour and the National Employment Agency as a means to maximize the capacity of both institutions to deliver on employment policy objectives. In this regard, annual operational planning could become a cost-effective instrument to: (i) prioritize programme delivery and targeting approaches; (ii) ease the monitoring functions of the Ministry of Labour and improve performance management in the Agency; (iii) move to evidence-based policy and programme development; and (iv) align performance targets to available financial and human resources. The draft law on *Employment support and insurance against unemployment* introduces a new portfolio of active labour market programmes (on-the-job training, work-training contracts, recruitment subsidies, workplace adaptation and self-employment grants), which could be further enriched by a traineeship programme targeting youth and first labour market entrants. Foremost, however, what is required is a long-term and sustained commitment of the Government towards ensuring that the Agency enjoys adequate financial and human resources to execute its core functions and contribute to the achievement of employment policy objectives. The establishment of an Unemployment Insurance Fund (resourced by workers’ and employers’ social security contributions) to address financial constrains should be carefully planned to avoid that its pro-cyclical features undermine the implementation of active labour market policies and the operations of the public employment services.

***The functional and organizational structure of the Agency could better reflect core functions at central level, whilst supporting service delivery at local level.*** The Agency comprises one central office and thirty-five local employment agencies. At central level, the structure comprises a number of Departments, Divisions and Units that could be organized along core service delivery (implementation of employment policy, migration, monitoring and evaluation) and support functions (budget and finance, information technology, human resource and legal affairs). The local-level structure could envisage the establishment of Regional Employment Agencies responsible – in addition to regular services in their catchment areas – also for the provisions of specialized, higher-intensity services (e.g. psycho-attitudinal testing, career guidance for pupils and students, vocational rehabilitation and individualized assistance to groups at risk of exclusion) and the management of procurement tasks associated to active measures. This local-level re-organization would require an investment in human (recruitment of one psychologist for each regional centre) and financial resources (revision of salary scales and funds for operational costs).

***Service delivery could be further strengthened with the objective to provide quality offers to unemployed and employer clients.*** Further attention tocertain areas of work− such as client segmentation, tiering of service delivery, activation strategies and services to employers − would increase the effectiveness of employment services. The introduction of online services and self-help features (e.g. occupational outlook, work preparedness training and online career exploration tools) could complement traditional face-to-face provision, attract young and better educated jobseekers and contribute to a more efficient allocation of staff time. The revision of profiling and individual employment planning approaches offers the opportunity to segment clients and develop individualized services and programme pathways. The use of multi-channel strategies (face-to-face, e-services and self-service features), accompanied by the availability of expert assistance (job task analysis, personalized screening of candidates, advice to comply with legal requirements) would attract more employers towards the service and contribute to overcome the stereotype that the Agency deals only with low level jobs.

***The alignment of management strategies to the requirements of public administration reform and efficiency principles had a number of unintended consequences that need to be redressed.*** Service and programme delivery is managed through annual Plans of Activities that determine the objectives, performance indicators and targets to be achieved by local employment offices as well as the public employment service as a whole. The incremental target-setting approach currently deployed in the Plan of Activities had the perverse effect of pushing local agencies to “work to the target”, rather than focus on the quality of service delivery. These performance management strategies work better when they are aligned to the particular context; are based on robust data; control for perverse incentives; and are able to capture both quantitative and qualitative changes.

***Monitoring and evaluation approaches are still focused on efficiency measurement, rather than on effectiveness and impact.*** The results of service delivery are regularly measured through placement rates. Information is mined from the administrative database and by counsellors calling participants to enquire about their activities. This latter data gathering method is time-consuming and – if not well structured – may be challenged on data quality and reliability grounds. Today, the measurement of service and programme performance is done through administrative data warehousing and randomized sampling surveys. This latter tool, in particular, allows detecting changes across labour market statuses, the quality of jobs participants get and the relevance of skills acquired. The running of a survey-based monitoring exercise on the 2014 provision of employment services and vocational training would be instrumental to: (i) appraise relevance, effectiveness and quality of service and programme delivery; (ii) contribute to the establishment of a reliable performance monitoring approach, and (iii) prepare the ground for planning impact evaluations.

***The continuous demand for higher efficiency, greater rationalisation of activities, and faster adaptation to changing labour market circumstances requires a well-developed human resource development strategy.*** This strategy should build on: (i) a comprehensive induction programme that combines theoretical learning with guided in-service training; (ii) regular upgrading courses on the areas of work of the Agency (counselling theory and practice, psychology of human development, skills for experiential group learning, psychological testing, vocational development and progression, guidance in adult and continuing education); (iii) dedicated learning workshops on emerging issues (online services, targeting approaches, new service lines); and iv) peer learning and knowledge-sharing events for managers and staff of the Agency.

Way forward

This report highlights that the National Employment Agency of Moldova currently lacks the resources to deliver on the policy priority assigned to employment by the Government in the *National Employment Strategy 2017-2021* and the draft law *Employment support and insurance against unemployment.* The efficiency and effectiveness of an active policy on employment depends −to a large extent − on the resources that are made available. Emphasis should be placed on improving the design and effectiveness of employment services and programmes, and the continuous improvement of institutional capacity that goes with it, rather than on increasing spending levels only.

This report emphasizes a number of areas that would warrant further attention: (i) ***functional and organization structure*** (better definition of organizational units and strengthening of local-level service delivery through Regional Employment Agencies); (ii) ***managements strategies*** (performance indicators focused on quality as wells as quantity; annual operational planning as a tool for evidence-based service and programme development; more effective staff development strategies; and design of an IT platform able to automate processes and routine reporting); (iii) ***service delivery*** (re-instatement of high-intensity, individualized assistance; introduction of online self-help services and more advanced support to employers; better use of profiling and individual employment planning for tiered service delivery; strengthening of activation strategies; and enhanced planning for the delivery of new active measures); and (iv) ***monitoring and evaluation system*** (establishment of a robust performance monitoring systems and planning of impact evaluations).

The magnitude of the work ahead represents a challenge not only for the National Employment Agency, but also for the Ministry of Labour, Social Protection and Family. The law on *Employment support and insurance against unemployment −* currently under drafting – could well represent the best opportunity for these institutions to address three key issues − institutional coordination and cooperation; resource allocation; and monitoring and evaluation − likely to have a cascade effect on other items highlighted in this report.

1. ***Coordination between the Ministry of Labour and the Agency*** is of the essence to maximize the capacity of both institutions to deliver on the employment policy objectives. As mentioned in the report, the relations between the Ministry of Labour and the Agency could be framed through Operational Plans that detail, on an annual basis, priority service and programme delivery, targeting approaches, performance monitoring arrangements and resource requirements. This mechanism is likely to influence the management practices of the Agency, service delivery modes, as well as monitoring and reporting of quantitative and qualitative performance indicators. For the Ministry of Labour, better coordination and collaboration with the Agency would allow shifting the focus on legislation and policy development, the introduction of evidence-based programming and easing monitoring functions. In light of the extended programmatic choice that the new employment law envisages and in the presence of financial constraints (low current spending level and an outlook that at most will ensure the same level of resources) the Ministry of Labour and the Agency need to agree about programmatic priorities and their implementation arrangements. A clearer articulation of the programmatic functions of the Ministry would also free resources to dedicate to other core ministerial functions, i.e. ensuring inter-institutional coordination, social dialogue on employment and the development and management of a labour market information system (a policy priority set to be achieved by 2017).
2. *Resource allocation* is at the base of any policy improvement process. This does not regard an increase of spending levels only, but rather a careful assessment of all the financial, human and material inputs required to deliver the expected employment policy results. The draft employment law establishes a number of novelties in the design and delivery of employment services and programmes that not only require additional financial resources – to be put at disposition by the Unemployment Insurance Fund – but also more and better qualified staff to deal with additional workflow requirements. Improving the allocation of resources is likely to have the largest a more lasting effect on service and programme delivery, institutional capacity to adapt swiftly to changing labour market circumstances, and the achievement of employment policy objectives – i.e. the modernization of the public employment service system.
3. *Monitoring and evaluation* is currently used to respond to efficiency concerns rather than as a tool to measure effectiveness and impact and steer the continuous improvement of service delivery. The adjustment of the performance monitoring system – with a better definition of performance indicators and improved target setting mechanisms – would have a positive effect on the Agency’s management practices, the planning of service delivery, the adjustment of targeting approaches and reporting. An improved monitoring and evaluation system, in turn, would allow the Ministry to quickly adapt employment policies and programmes to changing labour market circumstances and fully execute core programmatic functions (setting of scope, range and targeting of labour market interventions, steering resource allocation and guiding policy development).

Introduction

The promotion of employment is a policy priority of the Republic of Moldova. The commitment of the government to address the situation of the labour market is stated in the *National Employment Strategy 2007-2015* as well as in the development strategy *Moldova 2020*. Both policy documents emphasize the importance of active labour market policies in easing the transition to work of population groups at risk of social exclusion.

A modern system of active labour market policies (ALMPs) has been enacted in the country since 2003, with the adoption of Law No 102/2003 (*Employment and social protection of jobseekers*). This system includes employment services; labour market training; and employment creation schemes. Service delivery was adjusted over the years to better respond to the needs of unemployed individuals and the requirements of enterprises. Since 2009, the portfolio of active labour market programmes has comprised only labour market training and public works. The service and programme delivery system was screened in 2009 as part of a broader functional and organizational assessment of the National Employment Agency.[[1]](#footnote-1)

In order to plan for the next employment programming cycle– as set forth by the *National Employment Strategy 2017-2021* and the draft law on *Employment support and insurance against unemployment* − the National Employment Agency of Moldova requested the support of the International Labour Office to review its functional and organizational structure.[[2]](#footnote-2) Such assessment includes the review of the type, sequence and delivery modes of employment services targeting unemployed individuals and especially young people 16-29. Such assessment was undertaken in January 2017 and resulted in the report presented herewith.

The report comprises six chapters that examine the policy and strategy of the Moldovan National Employment Agency (NEA); its structure, organization and functions; trends in service delivery to jobseekers and employers; and human and financial resources. Chapter five concludes, while the final chapter provides a set of action-oriented recommendations.

1. National Employment Agency (NEA) policy and strategy

*1.1. Labour market situation*

The National Employment Agency (NEA) of the Republic of Moldova operates in a context of volatile economic growth, a prevalence of poor quality and low paid jobs – often in the informal economy − and considerable labour migration outflows. The data of the *Labour Force Survey* (LFS) show that in 2015 the unemployment rate of the working age population stood at 4.9 per cent (6.2 per cent for men and 3.9 per cent for women) and the employment-to-population ratio was 40.3 per cent (42.3 per cent for men and 38.4 per cent for women).

The labour market situation in the country has shown little improvement since 2005. Despite a decrease of the unemployment rate (from 7.3 per cent in 2005 to 4.9 per cent in 2015), the labour force participation rates and employment-to-population ratios declined throughout the period (from 49 per cent to 42.4 per cent and from 45.4 per cent to 40.3 per cent, respectively). In 2015, approximately 12.3 per cent of the population aged 15 and over was either working or looking for work abroad.[[3]](#footnote-3) Box 1.1 below provides an overview of the key labour market features of the country.

|  |
| --- |
| **Box 1.1: Overview of key labour market indicators**   * In Moldova, the inactive population increased by over 18 per cent in the period 2005-2015 due to population ageing and international migration. As of 2017, the share of the working age population (15-64) will start to decline (by approximately 8-9 per cent every ten years). * International labour migration has been increasing since 2000. By 2015, approximately 12.4 per cent of the total population aged 15-64 (or 25.7 per cent of the economically active population) had emigrated. Labour migration is to a large extent determined by the lack of employment opportunities and low wages in the country and affects mainly rural areas (which account for over 68 per cent of the total number of migrants). In the period 2000-2014, the net volume of remittances increased more than nine times, and now accounts for approximately 26 per cent of Gross Domestic Product (GDP). * The inflow of remittances had a positive effect on poverty reduction (from 30.2 per cent in 2006 to 11.4 per cent in 2014). Although working poverty decreased from 25 per cent in 2006 to 15 per cent in 2012, approximately 25 per cent of those employed were low-paid workers (earning at or below two thirds of the median wage in 2012). * Although the country invest significant resources in the education system (7 per cent of GDP in 2014), the returns are rather disappointing. The 2015 PISA results show that students’ performance in science, mathematics and reading is among the lowest in the region and more than two years behind OECD peers. Skills mismatches are considerable and especially among young people 16-29. Nearly one third of all young workers are overqualified for the job they do (with young men more exposed compared to young women). * In 2015, most workers were wage employees (65.4 per cent); self-employed and contributing family members comprised 30.1 and 3.8 per cent of total employment, respectively. In 2013 the share of informal employment over total employment stood at 31 per cent, on a declining trend compared to 2003 (38 percent of total employment). The decline in informal employment was primarily due to the contraction of the agricultural sector, where the largest share of informal employment still takes place.   **Box 1.1: Overview of key labour market indicators (cont.)**   * In 2015, the largest providers of jobs were the agricultural sector (31.7 per cent of total employment), public administration (19.6 per cent), trade services (15.7 per cent), industry (12.3 per cent), transport and communication (6.3 per cent), and construction (5.4 per cent). * In the same year, the employment rate of young people (15-29) was 33.3 per cent. The majority of young workers were salaried employees (83.2 per cent). Fewer young people were own-account workers (12.1 per cent) or contributing family members (4.7 per cent) and none are employers. Over two thirds (61.7 per cent) of all young employees worked in services, 19.2 per cent in industry and 19.1 per cent in agriculture. There still is a clear gender bias in the choice of occupations: young women prevail in health, social work and financial activities, while young men are over-represented in agriculture, manufacturing, trade and construction. * In 2015, nearly two third of young people had attained secondary education and another third (29.6 per cent) had tertiary education (with young women more likely than their male peers to gain a university degree). There are significant returns to education in terms of finding formal wage jobs and achieving higher earnings. The employment rates of university graduates are nearly twice those of vocational education graduates (41.6 per cent and 21.3 per cent, respectively). * The share of young people (15-29) not in employment, education, or training is higher in Moldova than in any other country in the region (29 per cent in 2015). Government estimates suggest that fewer than 40 per cent of graduates are hired in the first year after ending university.   *Source:* National Bureau of Statistics, *Social statistics 2005-2016*, op.cit.; Government of Moldova, National Employment Strategy 2017-2021, Chisinau, 2016; ILO, *The informal economy in the Republic of Moldova. A comprehensive review*, ILO, Budapest 2016; ILO, *Labour market transitions of young women and men in the Republic of Moldova*, ILO, Geneva, 2016; OECD, *PISA 2015 key results*, OECD, Paris, 2016. |

The administrative data collected by the NEA shows that in 2015 there were 50,612 newly registered unemployed (31.3 per cent of whom were individuals over 50 years old and 25 per cent were young people up to 29 years old). This figure represents roughly 55 per cent of the total number of unemployed estimated by the *Labour Force Survey*. The highest number of unemployed is registered in Chisinau (11.2 per cent of all registered unemployed), followed by Ungheni (5.2 per cent), Gagauzia, Balti, Floresti, Chaul and Drochia (with around 4 per cent of total registered unemployed each). In Calarasi, Singerei, Floresti, Cimislia and Gagauzia the share of youth (16-29) registered as unemployed represents well over 30 per cent of the total. Over 60 per cent of registered unemployed are living in rural areas.

In 2015, most individuals registered with the NEA had been looking for a job for at most six months (67.8 per cent of total registered unemployed). Approximately 12.5 per cent of registered unemployed had been looking for a job for one year and longer. The distribution by highest educational attainment shows that most registered unemployed had achieved secondary education (43.2 per cent with lower and 40.4 per cent with upper secondary education); the remaining 16.3 per cent had university education. In the same year, the data show that approximately 10.2 per cent of all registered unemployed was entitled to the unemployment benefit. Another 5.8 per cent benefitted from the re-integration allowance.

Young people (16-29) make limited use of employment services for their job search. In 2015 only 2.4 per cent of all unemployed youth were looking for work through a local employment agency, and even fewer (1.2 per cent) had found their current job through the public employment service.[[4]](#footnote-4)

*1.2. The policy context*

The overarching employment policy objectives of the Republic of Moldova are enshrined in the *National Employment Strategy 2017-2021,* recently adopted. This Strategy pursues four policy priorities: the creation of formal and productive employment, the development of human capital, the improvement of the labour market governance system and the harnessing of migration for sustainable development. Within the governance pillar, the Strategy envisages, among others: (i) the modernization of the National Employment Agency; (ii) the diversification of employment services and the expansion of individualized service delivery for vulnerable groups; (iii) the improvement of monitoring and evaluation of active labour market measures; and (iv) the enhancement of activation measures.

*1.3. Legal framework and mandate of NEA*

Together with the Ministry of Labour, Social Protection and Family, the NEA is mandated to implement the employment policy decided upon by the Government. The legal framework regulating the mandate and scope of activities of the NEA is contained in the *Law on Employment and Social Protection of Jobseekers* (Law 102-XV of 13 March 2003), the Statute of the NEA and other employment and labour-related laws and regulations.[[5]](#footnote-5) Article 10 of the above mentioned law identifies the NEA as a public institution responsible to implement employment policies, strategies and programmes. In particularly, the Agency is tasked to:

* Provide labour market information to unemployed individuals, jobseekers and employers as well as labour mediation services;
* Deliver counselling and vocational guidance services for employment and self-employment;
* Subsidize labour costs to employers for the recruiting of workers;
* Organize public works, labour market training, internship and mobility programmes;
* Administer the unemployment benefit and the re-integration allowance.

In short, the NEA is mandated to execute all the key functions of a modern Public Employment Service (PES), namely: collection and dissemination of labour market information (LMI); employment counselling and career guidance; job placement and administration of passive and active labour market programmes.

The draft law on *Employment support and insurance against unemployment* (henceforth “draft employment law”) introduces a number of novelties in the design and implementation of employment policies in the country.[[6]](#footnote-6)

First, there is an explicit recognition of the additional challenges that certain groups of individuals face in the labour market. In order to address these difficulties, the draft employment law prescribes the establishment of a recruitment subsidy (equal to the minimum wage for a period of six months) targeting older workers (50 years old and above), former detainees, victims of trafficking and individuals with substance addiction problems.[[7]](#footnote-7)

Second, the tasks mandated to the National Employment Agency are expanded to include: (i) the monitoring and analysis of labour market trends as well as labour market and skills forecasting; (ii) the evaluation of the effectiveness of employment support and active labour market measures; and (iii) profiling of individuals’ needs and development of individual employment planning (IEP). The Agency is also tasked to collaborate with local authorities, private employment agencies (PrEAs), non-governmental organizations, the social partners and other entities for the implementation of the employment policy.

Third, the portfolio of active labour market measures is widened to include on-the-job training; work-training contracts; assistance towards the recognition of skills acquired in non-formal and informal settings; measures for the recruitment of persons with disabilities and workplace adaptation; self-employment schemes; and support to local job creation initiatives.

Fourth, the amount and duration of the unemployment benefit are revised and the re-integration allowance – previously provided to certain categories of unemployed not entitled to the unemployment benefit – is discontinued.

Finally, the draft law details the function of the Unemployment Insurance Fund − financed by an equal share of the social security contributions paid by employers and by workers, as well as subsidies from the Social Insurance budget and other sources of funding. The Unemployment Fund resources are expected to finance passive and active labour market policies as well as the administration costs of NEA (including investment, equipment and the improvement and maintenance of the NEA information technology system). The State Insurance budget is expected to cover any financial deficit that may accrue to the Unemployment Fund. An analysis of the effects that these legislative changes will have on the NEA service delivery model is provided in Chapter 4 of this report.

Since the beginning of the 2000s a number of technical assistance projects have been implemented to improve the Agency’s organization, functioning and service delivery (in partnership with the Swedish Employment Services, the Austrian Development Agency, the International Labour Office and the United Nations Development Programme, among others). The resources and expertise made available by these technical assistance packages contributed to the improvement of service delivery, enhanced data collection and management, and the expansion of partnerships. Resource constrains, however, hamper the scaling up of successful practices and pilot initiatives across the whole NEA network.

The activities of Private Employment Agencies (PrEAs) registered in the country are governed by the *Law on Employment and Social Protection of Jobseekers* (2003).[[8]](#footnote-8) The NEA has cooperation protocols with PrEAs (especially for the registration of employment contracts of Moldovan workers abroad), with non-governmental organizations that provide services to vulnerable groups (especially persons with disabilities) and with free economic zones and production parks.

2. NEA structure and functions

*2.1 Management structure at central and local level*

The NEA is a State agency reporting to the Ministry of Labour, Social Protection and Family (MLSPF), which in turn is responsible for the design, monitor and evaluation of the employment policy. The Agency comprises one central office (ANOFM) and thirty-five local employment agencies (AOFM) with a total number of 335 employees.[[9]](#footnote-9)

The higher decision-making body of the Agency is the tripartite Management Board, while its higher executive organ is the office of the Director. The Management Board has nine members (three representatives appointed by the Government, and three representatives each for employers’ and workers’ organizations). The Board is responsible for the approval of the annual plan of activities, the allocation of resources for the implementation of the mandated functions as well as the report of activities and financial statement.

The organizational structure of the NEA at central level comprises the Office of the Director and five Departments (Figure 1.1 below).[[10]](#footnote-10) The responsibilities of each Department, Division, Section and Unit are determined by specific internal regulations. The staff working in these organizational units has specific roles and responsibilities, not fully reflected in the organizational chart.

The Department for the implementation of employment policies – headed by a Deputy Director − is responsible to coordinate service delivery to individual clients (registration, counselling and guidance, individual employment planning and job placement) and to employers (registration of vacancies, pre-selection of job candidates and job mediation) as well as manage active labour market programmes and steer their implementation at local level. The Department is also responsible to: (i) monitor the implementation of the employment policy and the application of legislation; (ii) manage the relations with technical cooperation initiatives; and (iii) collaborate with education and training institutions, private employment agencies and civil-society organizations.

**Figure 1.1: Current structure and organization of the National Employment Agency (2016)**

**Director**

**Deputy Director**

**Department of implementation of employment policies**

**Tripartite Management Board**

**Local employment agencies**

**Department of finance and accounting**

**Department of planning, evaluation and synthesis**

**Deputy Director**

Division of employment abroad

Legal services

Division of human resources

**Department of migration**

Internal audit

**Advisory councils**

**Department of information technology**

The Department of Planning, Evaluation and Synthesis – headed by another Deputy Director − is responsible for the design and monitoring of the annual plan of activities and in particular for measuring the achievement of the targets established at both central and local level. The Department also collects, analyzes and reports data on labour demand and supply and coordinates the planning and monitoring activities of local employment offices.

The Migration Department has the responsibility to implement government policies on migration and monitor compliance with international conventions on migrant workers. This Department is responsible for screening immigration requests; issuing work permits for foreign workers; managing the dedicated Information Technology (IT) module on migration; and developing and disseminating information material. The Section for Employment Abroad is responsible to manage the bilateral agreements signed by the Republic of Moldova and supervise the activities of private employment agencies in the field of emigration. A specific task of this Section is the registration of employment contracts of Moldovan individuals working abroad.

The Department of Information Technology has the responsibility to develop, manage and upgrade the IT platform that supports the activities of the NEA (registration of unemployed and jobseekers; registration of job vacancies as well as management of service and programme delivery). The Department is also responsible for the training of final users, ensuring compliance with e-Government directives and the design of web-based information material.

The Department of Finance and Accounting is tasked to prepare, manage and report on the annual financial budget of the NEA; execute all financial operations relating to the activities of the NEA; ensure financial control; manage the unemployment benefit and the re-integration allowance and coordinate the activities of local employment offices in the implementation of passive labour market policies.

The Human Resource Division is responsible for all tasks relating to human resource management (planning, recruitment, monitoring of individual performance, functional organization and job descriptions) and for staff development.

The Legal Service is in charge to provide legal assistance in all aspects pertaining to the operations of the National Employment Agency, including the drafting of legal documents as well as legal representation of the Agency.

Internal Audit is tasked to verify the efficiency of NEA operations and compliance of activities with the legal framework in force and internal regulations. This service, in particular, examines the compliance with procedures of Agency’s operations and provides recommendations for their improvement.

At the local level, employment agencies are responsible for the delivery of employment services as well as active and passive labour market measures. Each local agency is staffed with the Director, at least one staff responsible for finance, accounting, the unemployment benefit and the re-integration allowance, and at least two front staff dealing with services to individual clients and employers. All local employment agencies share the same responsibilities. Some offices (like those of Chisinau, Cahul and Balti) also manage the procedures for contracting training.

The NEA geographical organization and staffing levels ensures the availability of basic employment services (registration, labour market information, job placement, employment counselling and individual employment planning) and access to passive schemes and training programmes. Higher-intensity, specialized services − such as psycho-attitudinal testing and case management for individuals facing multiple barriers in the labour market − are scantly provided. In the past, many local agencies had a psychologist in their staff structure, but these job posts were deleted in 2005.

In terms of structure, the NEA would benefit from a flatter organization and a better articulation of the functions executed by organizational units at both central and local level. This would also be instrumental to a more effective management of the additional tasks that the *National Employment Strategy* and the draft employment law assign to the Agency.

At central level, the structure could be organized along core and support functions, each headed by, and reporting to, a Deputy-Director. The existing Departments could be further articulated into Divisions (and Sections where necessary). A single internal regulation could detail the role and responsibilities of each organizational unit (to avoid overlapping and conflict of competence). An example of how the NEA structure could be articulated is presented in Figure 1.2.

**Figure 1.2: Proposed structure and organization of the National Employment Agency**

**Director**

**Department for the implementation of employment policies**

Local employment agencies

**Department of finance**

**Department of LM analysis, monitoring and evaluation**

**Deputy-Director**

Employment of foreign workers

**Department of human resources**

**Department of migration**

Internal audit

Advisory councils

**Department of information technology**

Secretariat

Employment services

Active labour market programmes

Employment abroad

Labour market analysis

Monitoring and evaluation

System support and maintenance

Software development

Budget, finance and procurement

Unemployment benefit

Staff development

Personnel

**Deputy-Director**

**Department of legal affairs**

Legal representation

Legal affairs

**Regional employment agency (North)**

**Regional employment agency (Centre)**

**Regional employment agency (South)**

**Regional employment agency (UTAG)**

**Regional employment agency (Chisinau)**

The Department for the implementation of employment policies could be structured into two Divisions, one dealing with employment services (labour market information, employment counselling, vocational guidance, vocational rehabilitation services, profiling, individual employment planning, services to employers and job mediation); and one managing active labour market programmes (labour market training, employment subsidies, traineeships, self-employment schemes, local development initiatives and measures targeting vulnerable groups). This Department would also maintain its competencies in steering implementation of the employment policy at local level; applying the employment and labour legislation; managing relations with technical cooperation initiatives; and collaborating with education and training institutions, private employment agencies and civil-society organizations.

The Planning, Evaluation and Synthesis Department could be transformed into a Labour Market Analysis, Monitoring and Evaluation Department, articulated into two Divisions. The first Division (Labour Market Analysis) would have the responsibility to collect and analyze the administrative data stemming from the operations of the Agency, organize employers’ survey and prepare analytical reports. The second Division would be tasked to organize regular performance monitoring exercises, collect and report on performance indicators and plan – in collaboration with the Ministry of Labour – the running of impact evaluations. Planning functions would be a responsibility of the various technical and support Departments, with the Monitoring and Evaluation Division providing support in the establishment of performance indicators and annual targets.

The Migration Department could also be articulated into two Divisions (or Sections), one responsible for screening immigration requests; issuing work permits for foreign workers; the development and dissemination of information material, and compliance with international conventions on migrant workers; the other in charge of monitoring the activities of private employment agencies, compliance with bilateral agreements and registration of employment contracts of Moldovan workers abroad. Local agencies would be entrusted to carry out the preliminary tasks (collection and verification of migration documentation) to ease the decision-making function at central level as well as to provide information and counselling services on migration to individuals (wishing to migrate) and employers (in need to recruit foreign workforce).

The Finance Department could encompass two Divisions, one responsible for budget, finance and procurement and the other is charge of the unemployment benefit (and other passive labour market policies). Local agencies would maintain their current competencies in accounting, finance and administration of the unemployment benefit (collection of documents, verification of compliance and execution of payments), while the central level would represent the decision-maker (verification and approval) and be responsible for general coordination, design of procedure and guidelines and final comptroller.

The IT Department would serve all other Departments and Divisions, as well as local employment agencies, and could be articulated into a Division responsible for software development and upgrading and one Division responsible for system support and maintenance. The existence of this Department would be warranted also in case of service outsourcing. The experience of European Public Employment Services (PES), in fact, shows that the presence of internal expertise is of the essence to (i) guarantee a smooth functioning of complex IT systems, (ii) provide responses in real-time to queries and malfunctions, and (iii) translate the needs of complex organizations into hardware and software technical specifications.

The Department for Human Resources could be articulated into one Division responsible for personnel (recruitment, pay, performance monitoring) and assistance to local agencies in their recruitment processes and one Division tasked to manage internal and external staff development programmes.

Legal Services should be entrusted with two key responsibilities, i.e. general legal affairs and legal representation. General legal affairs would encompass the preparation of legal acts of the Agency and support to local offices in matters with legal implications (preparation of tender documents for public procurement; drafting of standardized agreements with training providers, employers and other service providers; design of outsourcing procedures; drafting of agreements with other public entities). The legal representation function would comprise responses to complaints brought by private individuals and organizations (e.g. entitlement to unemployment benefit, contract awarding and violation of binding agreements); the initiation of cases against individuals and organization for violation of binding agreements (e.g. failure to notify recruitment by a beneficiary of unemployment benefit, violation to retain a subsidized worker for the period established under a recruitment subsidy); and representation in court for both the central Agency and local offices.

Internal Audit should become – as the practice of European PES suggests − an independent office reporting to the Director and responsible to execute internal quality control of work processes (compliance with legal norms and internal procedures). These tasks encompass also the review of compliance with the established budgetary and financial regulations and procedures.[[11]](#footnote-11)

The structure of local employment agencies could be articulated into two geographical tiers (regional agencies and local agencies). Regional employment agencies would be responsible – in addition to the delivery of employment services and programmes to clients in their catchment area – also for managing the procurement processes of active measures (which is a task they are already executing for training programmes) and the delivery of specialized (higher-intensity) services (like psycho-attitudinal testing, career guidance in schools as a prevention strategy, vocational rehabilitation services and individualized, case management assistance to groups facing multiple barriers in the labour market) for a specific geographical region. This would require the recruitment of a psychologist for each regional centre, able to travel also to smaller employment agencies for the delivery of specialized services to clients. Regional Employment Agencies would also act as first responders to problems/queries of local employment agencies in their geographical area of responsibility. This change of responsibilities should be reflected in the organizational description, in staffing level and staff job descriptions of Regional Agencies and be accompanied by a continuous staff development process.

A number of criteria could be taken into consideration in the establishment of Regional Employment Agencies, namely: (i) the new administrative organization currently being planned by the Government (it would simplify operations if the Regional Employment Agencies were to be located in the capital of the region, where other services are likely to be provided); (ii) geographical location and availability of transport network (to facilitate clients’ access to the higher-level services); and (iii) enterprise density, education and training facilities and community-based organizations (to allow the organization of active measures such as work experience programme, recognition of prior learning, training for in-demand occupations, outsourcing of specific services).

At central level, the proposed functional organization would not require additional human resources at present, but rather a more rational allocation of staff among organizational units. The tasks that each organizational unit will have to carry out, in fact, are already being implemented, at least to an extent. If, however, the portfolio of services and active labour market programmes is expanded − as envisaged by the draft employment law – the staffing structure of the Department for the implementation of employment policies and of certain support units (especially budget and finance) will need to be strengthened to ensure effective management and monitoring.

The establishment of an Unemployment Fund would also require the execution of additional tasks for the Budget and Finance Department, and especially for the Division responsible for the unemployment benefit (preparation of estimates for the upcoming year, financial statement of expenditures carried out under the Fund, monitoring of disbursements at local level and so on). In addition, there is still little assistance provided to local agencies in the management of public procurement processes. If active labour market programmes are expanded, the workload for the central and local finance officers would increase exponentially.

*2.2 Main functions*

The most recent organizational chart categorizes staff into managerial, accounting/finance and services to clients (counsellors). Caseworkers dealing with services to clients – currently totalling 191 staff − register unemployed individuals and jobseekers; deliver labour market information; provide individual and group counselling services and vocational guidance; assist unemployed clients in developing individual employment plans; manage active labour market programmes; register job vacancies, and visit employers. The job descriptions of counsellors envisage three levels of competence, ranging from the delivery of basic employment services (registration, labour market information, job mediation, vocational guidance) to the provision of vocational rehabilitation services, working with vulnerable population groups and managing referrals to other public service providers.[[12]](#footnote-12)

The administration of the unemployment benefit and re-integration allowance is managed in all offices by accounting/finance staff (at least one in each local agency). Accounting officers are assigned to the management of the unemployment benefit because the tasks of verifying eligibility criteria and determining the amount the person is entitled to may be rather complex (when the individual had different jobs in the timeframe for calculating the benefit).

In larger offices staff is organized along functions (services to unemployed clients, services to employers and job mediation, management of training programmes), while in smaller offices front staff covers all services and programmes, except the management of passive programmes.

Service delivery is managed through a Plan of Activities elaborated on an annual basis.[[13]](#footnote-13) This annual Plan determines the objectives, performance indicators and targets to be achieved by each local employment agency as well as by the Agency as a whole (management-by-objectives). The Plan of Activities does not include an estimate of the financial resources required to achieve the targets sets, although the planning is made on the basis of the preliminary budget allocation made available to the Agency in June each year.

The process of setting annual (quantitative) targets is based on an incremental approach, i.e. the results achieved in the previous year are the basis for setting the (higher) target for the following year. Economic growth forecast as well as demographic and labour market trends are taken into consideration, but there is an underlying demand to always do more with the same resources. The report of activities (compiled on an annual basis) follows the same format, with a simple statement of whether the targets were fully, partly or not achieved, but little analysis. This incremental target-setting approach had the unintended consequence to push local agencies to “*work to the target*”, rather than focus on the quality of service delivery.

The indicators of performance and the targets set in the annual Plan of Activities should be better defined and reduced in number– since there is a trade-off between the number of indicators and the resources required for data collection and analysis. Table 2.1 below provides an example of quantitative and qualitative indicators the NEA may consider to measure processes and results to be reported annually to the Ministry of Labour and to the Government.

**Table 2.1: Key performance indicators**

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| **Performance indicator** | | **Disaggregation and calculation method** |
| **PROCESS** | Number of registered unemployed receiving employment services | 1. Number of participants in period *t* over total number of registered unemployed (*t*)   **Individuals:** by age, sex, level of education, prior work experience, benefit receipt, disability, unemployment spell, migrant status, other disadvantage.  **Service:** information, counselling, vocational guidance, individual employment planning, job mediation, job fairs. |
| Number of registered unemployed participating to active labour market programmes | 1. Number of participants in period *t* over total number of registered unemployed (*t*)   **Individuals:** as above  **Programme:** labour market training, recruitment subsidy, self-employment schemes, internship, public works/local employment initiatives. |
| Coverage of the target population | 1. Number of participants to services and programmes over total target population   **Individuals:** as above  **Service/programme:** as above |
| Average cost per participant | 1. Total cost of service/programme over total number of participants   **Service/programme**: as above |
| **RESULTS** | Employment rates (gross) | 1. Total number of participants who are employed over total number of participants   **Individuals:** as above  **Service/programme :** as above  **Employment:** type (wage employment, self-employment),contract duration**,** occupation,average earnings, skills matching, social protection entitlements, usefulness of service/programme**.** |
| Average cost per placement | 1. Total cost of service/programme over total number of participants employed   **Service/programme :** as above |
| Percentage of job vacancies filled | 1. Total number of vacancies filled over total number of vacancies notified   **Vacancy**: occupation, size of enterprise, economic sector |

The complexity of the proposed list of indicators rests on the level of disaggregation required and in the analysis of the results achieved. The disaggregation proposed implies the collection of extensive information on individuals, services and programmes, as well as the labour market situation of clients at follow-up. The disaggregation of result indicators also allows measuring the quality of service delivery (quality of employment, earnings and social protection entitlements).

The information gathered needs to be analytically reviewed to identify areas that require attention, propose changes in the workflow and estimate the resources necessary to increase the market penetration of the NEA. This implies that the reporting function of the Agency should shift from the simple assembly of descriptive statistics to analytical reporting.

Data collection and aggregation should be supported by the NEA IT platform, which should contain interlinked modules to collect and manage data on individuals, notified vacancies, service and programme delivery, and costs (with information extracted from the budget and accounting system).

2.2.1. Registration and information to unemployed individuals

Registration is carried out by counsellors in their own offices on a first-come first-served basis. In most instances, the staff responsible for registration also performs other functions (e.g. employment counselling, job placement and vacancy registration). The mix of duties assigned to the staff of local employment agencies depends on the availability of human resources, the number of registered unemployed and the overall volume of work to be carried out.

The registration process − which also include the first face-to-face counselling session − comprises two steps.

First, the counsellor checks that the individual client has with him/her the documents necessary for registration (valid identity card, certificate of highest level of education achieved, workbook and other documents that evidence eligibility for registering as unemployed).[[14]](#footnote-14) If the client has these documents, s/he needs to compile a registration form that includes also a declaration of personal status (registration as student or pensioner, land ownership, owner of business or enterprise, disability status). The counsellor then proceeds to check all information provided and record it in the IT platform, with a view to determine whether the client: (i) can be registered as unemployed (without work, looking for work and available to immediately take up a job) or as jobseeker; and (ii) may be entitled to the unemployment benefit (in this case the client after profiling is referred to the staff dealing with passive measures for eligibility checking and assignment of the benefit).

Second, the client is provided with three standardized paper questionnaires (to be compiled with staff assistance, if necessary) aimed at gathering the information required to categorized the individual into one of four groups of client-types (profiling) to which corresponds a service delivery model sequenced in the Individual Employment Plan (IEP). Usually, profiling is carried out at registration or at the latest during the second counselling session. At the end of the registration/counselling session, clients are informed about the reporting requirements to the employment agency and the timeframe for developing the IEP (see paragraph 2.2.3).[[15]](#footnote-15)

The personal information collected during registration is used to manage counselling sessions, profile individuals according to their characteristics and develop the individual employment plan.[[16]](#footnote-16)

Information to unemployed individuals is provided face-to-face during the registration process, during group counselling sessions, through information material available in employment agencies as well as through a toll free number managed by the employment agency of Chisinau. Only this latter agency hosts a fully equipped Information Centre open also to the general public (screening of the job vacancy database, internet use, availability of free telephones to contact potential employers). The Agency also manages the web page *Angajat* that offers basic information to both jobseekers and employers and hosts electronic job fairs. Online self-services (e.g. registration, career exploration tools, enrolments in education and training opportunities) are not yet available.

Well-structured group counselling sessions (workshops) are organized weekly (or bi-weekly in larger offices), both in Moldovan and Russian language on: (i) the services that are available to the unemployed; (ii) vocational and career guidance; (iii) job offers and employers’ requirements; (iv) job interviews; and (v) job clubs.

The registration process is paper-intensive and requires individuals to provide evidence (certificates) that they qualify for registration as unemployed and/or are eligible for the unemployment benefit. In addition, the certificates provided by individuals eligible for passive programmes have to be maintained by the Agency for a number of years. This means that in most instances, unemployed have one paper-based record and an electronic one.

Both registration and the eligibility check for passive schemes could be eased if NEA staff had direct access (as civil servants) to the various administrative databases maintained by public authorities (especially the Social Security Institute, the Tax Revenue Office and the Cadastre).[[17]](#footnote-17) Negotiations are already ongoing in this sense, but the process would need to be accelerated to decrease the time NEA staff spends on administrative requirements. Furthermore, the Agency should start planning the introduction of online services to accompany office-based assistance, especially for those unemployed that are more autonomous in their job search activities.

2.2.2. Labour market information system

The NEA has a fairly developed system for the collection of labour market data, which is disseminated through its web page and a number of thematic reports.[[18]](#footnote-18) Information about registered unemployed, job vacancies and occupations most demanded in the labour market is used on an annual basis to adjust the delivery of employment services and vocational training programmes.

The NEA IT platform (*Jobless)* collects information on (i) registered unemployed (disaggregated by sex, age, educational attainment, regional distribution, duration of unemployment spell, reason of unemployment), (ii) notified job vacancies (by occupational code and regional distribution) and (iii) service and programme delivery (participants and placement rate).

The Agency runs annual employers’ surveys to identify workforce requirements and labour shortages.[[19]](#footnote-19) This survey investigates: (i) the composition of the unemployment register; (ii) enterprise development trends; (iii) past and projected workforce recruitment patterns (by economic sector); and (iv) occupations most demanded by employers. The findings of the employers’ survey serve to plan service delivery as well as the organization of training programmes for the following year. This type of survey, however, is just one of the many building blocks of a fully-fledged labour market forecasting and skills anticipation systems.[[20]](#footnote-20)

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| **Box 2.1: Skills anticipation systems**  The key precondition for labour market information (LMI) to work in improving the employment prospects of jobseekers is the reliability and continuous updating of the information provided to users. Today, most OECD countries rely on skills anticipation (forecasting) systems for producing reliable labour market information. These systems are primarily used to: (i) develop employment, social protection, educational and lifelong learning policy-making; (ii) prevent future labour market imbalances; and (iii) inform individuals, education and training providers and other actors on future labour market needs. Skills anticipation allows determining the sectors in which employment will be growing, which occupations and qualifications will be in demand and what potential labour market imbalances may occur.  There are four main approaches to anticipate skills needs: i) formal, quantitative methods, including complex econometric models with input-output matrices and behavioural content; ii) employer and occupational skills surveys; iii) qualitative approaches, including focus groups, Delphi studies, and scenario development exercises; and iv) sectoral studies, regional and labour market observatories, which often use a combination of both qualitative and quantitative methods.  In emerging and transition countries, rapid structural change, the extent of informal employment and weak labour market attachment makes long-term skills anticipation especially difficult. In these contexts, short-term sectoral skills forecasts based on employers’ surveys as well as reviews of emerging technologies and organizational changes carried out by sectoral skills council may be more useful for providing up-to-date information about current labour demand to school leavers, labour market participants and training providers.  *Source*: CEDEFOP, *Systems for anticipation of skill needs in the EU member states*, CEDEFOP, Thessaloniki, 2008; European Training Foundation (ETF), *Skills anticipation and matching systems in transition and developing countries. Conditions and challenges*, ETF, Turin, 2012; ILO, *Data requirements for youth labour market analysis: A training package*, ILO, Geneva, 2013. |

In order to ensure that the figures collected by the employers’ survey provide a solid base for the development of employment services and programmes, the NEA may consider the following benchmarking exercise. First, the data of the employers’ survey should be cross-checked with the information of the job vacancy register (and this until the National Bureau of Statistics start running job vacancies surveys according to international standards.[[21]](#footnote-21) This would allow the information to better reflect the demand of employers that actually use NEA services. Second, the figures stemming from the employers survey can be benchmarked against the employment data of the *Labour Force Survey*. If the employers’ survey data on groups of occupations and economic sectors that are growing the most is reflected in the growth of employment recorded by the LFS, then one could be reasonably certain of the accuracy of information.

The Agency should also consider the systematization of all information collected on labour demand into an online occupational outlook. This outlook could provide information on jobs, wages (the NEA already published the list of top paying jobs), qualification requirements and future trends to unemployed and jobseekers that have internet access, but also serve as a tool for providing vocational guidance in face-to-face individual or group counselling sessions (see Box 2.2).

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| **Box 2.2: The Canadian Job Bank and the US Occupational Outlook Handbook**  In Canada, the Job Bank web page provides information to jobseekers on available job vacancies as well as on career choices. This latter feature allows exploring occupations (description, job titles, duties and related occupations), wages (per hour), outlook (i.e. employment prospects at local and national level), education and job requirements (including core employability skills, available educational programmes for acquiring the necessary certification and apprenticeship schemes).  The US Occupational Outlook Handbook, available on the web platform of the Department of Labour, provides information by occupation groups (job summary, median wage and entry level educational requirements) and allows users to browse by highest paying and fastest growing occupations as well as by number of new jobs (projected). The web page also features occupational profiles (by alphabetical listing.  *Source*: Government of Canada, *Job Bank*, accessible at <http://www.jobbank.gc.ca/home-eng.do?lang=eng>, and US Department of Labor, *Occupational Outlook Handbook*, accessible at <http://www.bls.gov/ooh/> |

Whereas the Agency collects a wealth of labour market data and information, analysis, reporting and dissemination could be further improved. The annual report, for example, rather than just listing targets achieved, could analyze the trends in the composition of the unemployment register; map changes in inflows and outflows; examine the effectiveness of services and programmes; appraise cost-efficiency of operations; identify gaps and outline the actions to be taken to continuously improve service delivery.

2.2.3. Employment counselling and vocational guidance

The improvement of the counselling and guidance process has been a common objective of the technical assistance projects carried out in collaboration with NEA in the past few years.

Today, employment counselling is primarily delivered in the form of group activities (labour market information, writing *curricula vitae*, job search training, vocational guidance and activities of the job clubs). The main tool used for providing individual counselling to clients is the individual employment plan (IEP), which is based on the results of the profiling system. On the basis of three paper-based profiling questionnaires, individual clients are categorized into four broad client-groups, namely: 1) individuals who are prepared for (qualified) and motivated to enter the labour market; 2) those who are qualified, but not motivated; 3) those who are unqualified for entering the labour market, but are motivated; and 4) those who are neither qualified nor motivated. To each category corresponds a specific timeframe and content of the IEP. For young people less than 25 profiled in the second category (qualified, but not motivated), for instance, the IEP is formulated within three months from registration, has a duration of six months and sequence service delivery around enhancing individual motivation to take up a job. The individual employment plan in the NEA workflow takes the form of a service plan that the client elaborates with the counsellor, rather than a strategy to address the barriers that the individual faces in gaining and retaining employment. This situation can be attributed to three factors: (i) the limited range of responses the NEA has available for clients (only vocational training and public works are currently on offer); (ii) the still inadequate capacity of the Agency to identifying and addressing needs that go beyond those related to employment, and (iii) the lack of a well established referral system with other public and private service providers.

The NEA is currently re-considering its profiling approach with the technical assistance of the World Bank. The proposed Jobseeker Profiling Assessment (JPA) builds on a structured interview – to be supported by the current IT platform – that explores five areas with a bearing on individual labour market performance: education and work experience; job search skills; motivation; additional vulnerabilities; and access to the labour market. This tool –to be piloted in the nest few months − is designed to profile the risk of long-term unemployment and segment clients into three groups according (low, medium and high risk). When used in conjunction with performance monitoring data, this kind of profiling system would help counsellors to assign unemployed clients to those services and programmes that are more likely to yield positive labour market results. This approach is currently used in the Former Yugoslav Republic (FYR) of Macedonia to detect the individual needs of young (15-29) unemployed and develop individualized pathways for those at risk of exclusion (Box 2.3).

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| **Box 2.3: Profiling young unemployed in the FYR of Macedonia**  The tool used by the Employment Service Agency (ESA) of the FYR of Macedonia for building the profile of a young client is the Employability Checklist. This checklist consists of a matrix for each of five different areas known to be related to getting and keeping a job, namely: i) education and training; ii) vocational qualifications; iii) workplace skills, iv) job-search and work-readiness skills; and v) other factors (transport, dependent care, housing, social support, financial issues, safe living environment; and health). Each matrix describes three levels, from Level 1, which points to a challenge, to Level 3, which indicates an area of strength. These matrices provide a method to classify young unemployed into three categories: (i) directly employable; (ii) moderate barriers and (iii) significant barriers to employment. The figure below presents in a graphic form the workflow adopted by the ESA and the sequence of services and active labour market programmes that each category of young people has access to.    If the young unemployed is profiled as directly employable or with moderate employment barriers, s/he is assisted to develop a job search plan that may include also internship and on-the-job-training. If the young person is classified as facing significant barriers, s/he is directed to individualized caseworker assistance, the whole range of active labour market programmes available as well as referral to other service providers (health, housing, social assistance).  *Source*: ILO, *Individual employment planning targeting youth at risk: Guidelines and tools*, ILO Budapest, 2016 |

The individual employment planning process currently is use will need to be adjusted to respond to the new profiling system as well as the policy drivers of the draft employment law.

Given the staff constraints that many employment agencies will face in managing the new portfolio of active labour market programmes, it would be crucial to exploit the potential offered by the automated profiling system to flag those individuals that, due to their individual characteristics, are associated with higher risk of poor labour market outcomes (for example, low skilled youth and first-time labour market entrants). If the client is profiled as at low risk, s/he could be immediately referred to group counselling sessions and job mediation on the basis of a simple job search plan (rather than a fully-fledged IEP).[[22]](#footnote-22) If the client, despite the services provided, is unable to find work within a pre-determined period of time (e.g. three or six months), s/he is directed to individualized counselling for the development of a fully-fledged IEP and referral to active labour market programmes.

Individuals who are at medium risk could be referred to individual employment planning, but only after having received low intensity services (job search assistance, vocational guidance and job mediation). If within three-six months the person is sill unemployed, s/he could be referred to training or work experience schemes, according to needs.

Clients profiled at high risk would be referred (within one week) to intensive and individualized counselling and guidance with a view to draw up a fully-fledged individual employment plan detailing the combination of services and active labour market programmes needed to ease labour market entry. Since the majority of social assistance beneficiaries will be profiled as high-risk, there is also a need to develop more effective activation strategies (see paragraph 2.2.5).[[23]](#footnote-23)

The Agency provides basic career guidance services to unemployed individuals and – to a limited extent − to pupils and students. For registered unemployed, vocational guidance services are primarily provided with a view to referral to labour market training. Young people first entering in the labour market have access to standardized group counselling and guidance services in all local employment agencies. Career Guidance Centres are available only in those local employment agencies (Chisinau, Cahul and Soroca), which partnered in the Austrian technical cooperation project “*Development of vocational and career guidance (REVOCC)”*.These Centres provide the whole range of career exploration services (self-assessment, attitudinal testing, exploration of occupational profiles, job fairs and visits to enterprises) to unemployed individuals as well as students from (classes V to XII). The psycho-attitudinal tests piloted in the above-mentioned technical cooperation project are available in the intranet site of the Agency, but are used only by staff that received training in their administration.

The career guidance services provided by European PES to pupils and students generally comprise the assessment of vocational and professional interests as well as guidance in choosing schools, occupations and careers. These interventions – normally entrusted to psychologists − are deployed as a preventive measure to help young people make informed career choices and prepared them to enter the labour market after school.[[24]](#footnote-24)

The re-organization of the territorial structure of the NEA into regional and local agencies, with the former staffed with a psychologist to provide specialized services also for clients of smaller local agencies, would allow re-introducing higher-level vocational and career guidance services. In addition, and as a means to scale up the positive experience of Career Guidance Centres, the NEA may consider the development of a work preparedness course targeting young (16-24 or 29 years old) first-time jobseekers. This programme could provide in one single package career exploration and job search skills, assistance in résumé writing and information about rights and obligations at work and include the material developed for the online career exploration tool.[[25]](#footnote-25) An example of how this work preparedness programme could be organized is provided in Box 2.4.

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| **Box 2.4: Work preparedness training targeting young people**  Work preparedness is a short training programme normally offered by the Public Employment Services to young graduates of secondary and tertiary education institutions first time jobseekers. Varying in duration from 10 to 25 hours, it is delivered by trained employment counsellors either in job clubs or as a dedicated workshop The learning methodology is designed to attract the interest of young people and it based on a combination of group work, role plays, brainstorming, panel discussions and meetings with employers.  The learning material typically include: 1) *Personal development* (identify own values and qualities, personal strengths and weaknesses, develop life goals and plan the route to achieve these goals); 2) *Job search skills* (CV writing, sitting job interviews, job vacancies, occupations, job search techniques); 3) *Communication skills* (active listening, communicating efficiently with others, writing skills); 4) *Workplace behaviour* (rules of conduct, time management, job planning, combining work with family and leisure); 5) *Teamwork and leadership* (working with others, managing diversity, decision making and problem solving skills); and 6) *Rights at work* (health and safety, rights and responsibilities at work, key elements of Labour Law). Some countries also include a segment on financial skills (managing money, income, expenditures and savings, budget planning).  *Source*: ILO, *Active labour market programmes targeting youth: Key design features*, ILO Geneva, (forthcoming) |

2.2.4. Job mediation

Employers have an obligation to inform the Agency about job vacancies. Vacancies can be notified by telephone, fax, e-mail or though an online self-service tool. The online vacancy notification system is not very popular, as it requires the filling of a form requiring extensive information.[[26]](#footnote-26) All job notifications are screened by a counsellor prior to their posting on the web site www.angajat.md. One issue identified in the job vacancy recording is that employers sometimes notify vacancies for positions that are already taken (approximately 20-30 per cent of all vacancies are estimated to fall in this category).

Job mediation is carried out electronically by matching the key features of the vacancy (occupational code, qualifications and experience required) with the characteristics of registered unemployed. The local agencies also provide additional services to employers, such as short-listing of potential candidates, arranging job interviews either in their own premises or at the employers’ place of businesses.

The job placement function is affected by three main constraints: (i) the mismatch between the skills unemployed have and those required by employers; (ii) the prevalence of low-paid jobs among the vacancies captured by the NEA (according to anecdotal evidence around 80 per cent of all vacancies are for low-paid work); and (iii) the limited financial resources available to visit employers (counsellors use public transport paid by their own pocket).[[27]](#footnote-27) Despite these challenges, however, the placement rate of labour market information, counselling, guidance and job mediation achieved by the NEA amounted to 23.5 per cent of total unemployed registered and the vacancy filling rate was around 90 per cent.[[28]](#footnote-28)

The type and scope of employers’ services could be further improved by increasing the resources available to local offices on the one hand, and by introducing quality advisory services– e.g. preparation of job descriptions, job and task analysis and advice on human resource recruitment practices – on the other (see Box 2.5). The availability of quality service provision to enterprises would improve the Agency’s reputation with employers and contribute to improving market penetration.

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| **Box 2.5: Job tasks analysis**  A job task analysis is a process that documents the requirements of a job and the work to be performed. Its main purpose is to prepare accurate job descriptions, define job duties and responsibilities, describe the knowledge, skills and abilities required for job performance; set entry level job requirements and establish legitimate medical and/or physical job requirements.  There are two different approaches to job analysis. The first uses task-oriented procedures, i.e. it focuses on the actual activities involved in performing work. This procedure takes into consideration work duties, responsibilities and functions and develops task statements. The tasks are rated on scales indicating importance, difficulty, frequency, and consequences of error. The second approach centres on the human attributes needed to perform the job successfully. Attributes are commonly classified into four categories: *knowledge*, *skills*, *abilities*, and *other characteristics* (KSAO).  A job analysis is normally conducted by using a variety of means, including: (i) observation; (ii) structured interviews (with workers, human resources representatives and managers; (iii) critical incidents (aspects of behaviour or performance that led to success or failure); (iv) questionnaires and surveys (targeting expert workers or supervisors); and (v) checklists (for workers to fill in).  *Source*: ILO, *Job and task analysis*, 2003, Mimeo |

2.2.5 Administration of passive labour market programmes and activation measures

The verification of eligibility criteria and the monthly disbursement of the unemployment benefit and re-integration allowance are managed by accounting/finance officers present in all local employment agencies. The Agency’s Department of Budget and Finance is responsible for monitoring the administration of benefits.

The unemployment benefit (UB) can be claimed by workers who are unemployed, are registered with the Agency, have contributed to the state social insurance system for at least nine months (in the prior twenty-four months), and have no taxable income.[[29]](#footnote-29) The amount of the unemployment benefit is calculated as a percentage of the average wage of the claimant, ranging from 30 per cent (in case of resignation, loss of licence of the employer or termination of work abroad) to 50 per cent (in case of liquidation of the enterprise or staff reduction). The monthly amount of the benefit cannot be lower than the minimum wage or higher that the average wage. The duration of the benefit varies according to job tenure, with a maximum of one year for claimants with job tenure of ten years and over. The re-integration allowance − amounting to 15 per cent of the average wage of the prior year and disbursed for a maximum of nine moths − is available to certain population groups (women re-entering in the labour market after raising their children, persons that have ceased the care of a family member with severe disabilities, victims of trafficking and ex detainees).[[30]](#footnote-30) In 2015, approximately 10 per cent of all registered unemployed were unemployment benefit claimants and another 5.8 per cent received the re-integration allowance. The data on unemployment benefit claimants are not disaggregated by age group, but there is a general presumption that most young people are ineligible, given their short employment history.

Beneficiaries of social welfare schemes need to register with local employment agencies and actively search for a job to maintain their entitlements. The refusal of an adequate job offer or an opportunity for training and retraining is sanctioned with the loss of the benefit.[[31]](#footnote-31) The level of the social benefit is rather small and does not provide full security for groups at risk of poverty.[[32]](#footnote-32) This is why many members of households benefitting from social assistance supplement their income by working in the informal economy. Often, this cumulative income compares favourably to the wage level available in the open labour market.

At present, there is no specific activation strategy targeting unemployment benefit and social assistance recipients, even though both groups are prioritized in service delivery. This is evidenced by the existence of specific re-integration targets that local employment agencies have to achieve annually (number of UB recipients placed prior to the expiry of the benefit and number of social assistance claimants placed in open labour market jobs). In 2015, for example, the Agency succeeded in placing 22.8 per cent of unemployment benefit claimants.

The changes of the unemployment benefit structure envisaged by the draft employment law (longer contribution periods, shorter duration and a different calculation method) could provide the means to linking participation to active labour market programmes to benefit eligibility, thus moving towards an activation approach for the unemployed, as currently practiced in European countries (Box 2.6).

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| **Box 2.6 Activation strategies in Europe**  In many European countries, the core of activation strategies is the principle of conditionality− that is access to social protection benefits is conditional to job search activities, acceptance of available job offers or participation in active labour market programmes. The rationale of these strategies is that, whereas benefits compensate for income losses due to unemployment and alleviate poverty, they may also weaken work incentives for persons whose earnings potential is limited and suffer from a lack of skills or a depreciation of qualifications due to long-term unemployment or inactivity.  To counter this, activating strategies combine “demanding” and “enabling” features to reconcile individual expectations with the options available in the labour market. “Demanding” features relate to the duration and level of benefits; stricter definitions of what constitutes a suitable job offer accompanied by sanctioning for non-compliance; and job search requirements (strict monitoring of job search activity and mandatory participation to active labour market programmes). “Enabling” elements are the provision of employment services and programmes (job search assistance; counselling; job-related training; start-up grants; subsidised employment and mobility grants); incentives to “make work pay” (in-work benefits for the taking up of low-paid jobs), and individualized services (case management, individualized counselling, psychological and social assistance, childcare support).  These elements are combined in enforceable agreements where benefit recipients are obliged to accept job options and participate to employment services and programmes in order to receive the benefits, while the Public Employment Service has the obligation to enhance the employability of benefit claimants (“mutual obligation”). The experience in the re-integration of benefit recipient in the labour market shows that the sequence of service and programmes need to be sustained over time (programmes usually last one year and longer) and are resource-intensive. Available research points to the double-edged consequences of monitoring and sanctioning schemes, as increased unemployment exit rates in the short-run tend to come at the cost of lower quality job matches and decreased employment stability. For youth, the effectiveness of sanctioning is uncertain, as youth may be more likely to resort to their parents for financial support. Consequentially, benefit withdrawal may push youth towards inactivity, rather than employment.  In recent years, there has been a broad tendency to expand the range of target groups subject to activation and mutual obligation practices. Young welfare claimants were the first group to be targeted (Denmark and Sweden in the late 1970s and United Kingdom in the mid-1980s). Since 1990s, insured and uninsured unemployed, adult social assistance beneficiaries and recipients of disability benefits have been the main groups targeted by activation strategies.  A research conducted on social assistance recipients in the European Union to assess employment (dis)incentives shows that poor health, low educational attainment and limited work experience are the most frequent obstacles to labour market integration. Low self-esteem and the presence of dependants are associated with low job search activity, while low pay, inflexible working hours and distance from home are the main obstacles in accepting job offers. The enabling elements of activation strategies targeting these groups, therefore, would focus on job training, work experience schemes, child care support, mobility grants, flexible forms of employment and in-work benefits.  *Source*: Eichhorst, W., Konle-Seidl R., *Contingent convergence: A comparative analysis of activation policies*, IZA Working paper No 3905, 2008. |

2.2.6. Administration of active labour market programmes

The 2003 *Law on Employment and Social Protection of Jobseekers* established a number of active labour measures to ensure the re-integration of unemployed individuals in the labour market. These measures include: (i) self-employment counselling and assistance; (ii) support to workforce mobility; (iii) incentives to employers for job creation (including repayable loans) and for recruiting graduates; (iv) internship schemes; (v) public works; and (vi) training programmes.

Since 2010, however, the Agency has been able to regularly organize only training programmes and public works. In 2015, approximately 6 per cent of all unemployed registered participated to training programmes and 3.5 per cent were involved in public works.[[33]](#footnote-33) Table 2 below summarizes key information about the implementation of services and programme in 2015.

**Table 2.2: Participants to employment services and active labour market programmes, 2015**

|  |  |  |
| --- | --- | --- |
| **Programme** | **Total participants** | **Participants placed (%)** |
| ***Employment services*** | | |
| Job mediation | 30,264 | 23.5\* |
| Information and career guidance | 65,392 | ... |
| ***Active measures*** | | |
| Labour market training | 2,979 | 76.5 |
| Public works | 1,773 | ... |

\* This rate refers to the placement of individuals who received information, vocational guidance and job mediation services.

*Source*: NEA, *Statistical Report* and *Annual Report of activities*, 2015

The draft employment law introduces some novelties in the design and targeting of active labour market programmes – different types of training programmes, support to the recognition of prior learning, recruitment subsidies for groups at risk of social exclusion, workplace adaptation and self-employment grants. The paragraphs that follow examine the key design and targeting features of the current and planned portfolio of active labour market measures.

Labour market training

Vocational training provision currently encompasses three different programmes with different objectives and targeting approaches (qualification, up skilling and requalification training). The paragraphs that follow summarize the main labour market training programmes currently offered by the Agency, as well as the new ones planned by the draft *Employment Promotion Law.*

***Vocational training***(qualification, up-skilling and requalification): these are demand-driven measures lasting from one to nine months organized by public and private training providers according to established occupational standards.[[34]](#footnote-34) Training providers (mostly secondary vocational schools) are also obliged to organize part of the learning in a real work setting.

Qualification programmes mostly target secondary education graduates or individuals that do not possess the formal qualifications required for labour market entry. Up-skilling programmes target unemployed individuals who have occupational skills that need upgrading. Re-qualification programmes target unemployed individuals who need to change their skills. The list of occupations for which training is organized is decided annually by the Ministry of Labour and the Ministry of Education on the basis of the results of the employers’ survey carried out by the NEA and other relevant labour market data. As already mentioned, larger employment agencies are responsible for managing the contracting procedures also for unemployed registered in the catchment areas of smaller offices. Training is normally conducted in larger towns, where training providers have their premises. In 2015, over 58 per cent of beneficiaries of training programmes were young unemployed (16-29).

Trainees are entitled to a training allowance (equal to 10 per cent of the average wage per month, roughly €21), except for unemployment, social assistance and re-integration allowance beneficiaries who maintain their monthly entitlement during training. Training providers receive a training grant to cover trainers’ and material costs (the NEA pays a fixed amount per trainee, which is too low to attract the interest of vocational school already financed by the Ministry of Education and to cover actual costs, especially for more resource-intensive occupations). In 2015, the NEA disbursed approximately €259 per unemployed trained (170€ for training costs and 89€ for allowances). The Agency also refunds transport and partial accommodation costs when the training is organized away from the residence of the individual. The absence of linkages between the IT platform *Jobless* and the accounting system means that all the costs related to training programmes have to be inputted manually.

The draft employment law maintains these vocational training programmes unchanged − expect for maximum duration (no longer specified) and the method to calculate the training allowance (15 per cent of the average wage of the prior year) – and introduces three new training measures, as follows.

***On-the-job training:*** This programme is organized and delivered by enterprises on the basis of a contract signed by the individual beneficiary, the Agency, a training provider and the enterprise itself.[[35]](#footnote-35) It targets unskilled and unqualified individuals. The training programme is developed jointly by the enterprise and the training provider. The enterprise is obliged to ensure adequate training premises and put at disposition a qualified mentor to train participants.

The introduction of on-the-job training programmes is a positive novelty of the draft employment law for two main reasons. First, it gives the possibility for smaller employment agencies to organize training in their geographical area and deepened the relationships with employers (it is expected that employers will use this programme also to screen workers). Second, available impact evaluation evidence shows that training that combines classroom-based and workplace training yield a higher probability of employment at follow-up and especially for young unemployed (Box 2.7).

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| **Box 2.7: Training targeting youth: What is the evidence?**  Available evidence shows that combining different training approaches increases the probability of positive employment outcomes for programme participants. Compared to in-classroom training alone, the interaction of in-classroom and workplace training increases the likelihood of positive labour market impact by 30 percentage points. Training programmes targeting young people, however, are less likely to have a positive impact compared to training programmes targeting adults. A number of factors characterizes successful training programmes for young people:   1. **Targeting:** Interventions should target youth with low qualifications, who have spent some time out of work and/ or who lack work experience. The evidence suggests that people in their twenties seem to benefit more than those in their teens. 2. **Smaller scale programmes:** The principle that training programmes should be relatively small in scale has held since the early 2000s and has contributed to a move away from large-scale training programmes in a number of countries. 3. **Focused on work experience and the transition to work:** A number of studies point out that programmes that combine training with periods of work experience, contact with employers and assistance with job search, and that lead to recognised qualification, are more likely to have a positive impact. 4. **Addressing multiple disadvantages:** Three quarters of youth with no qualifications face additional barriers to employment, including disability, child care responsibilities, migrant or foreign background and low motivation to take up work. Training programmes, therefore, should have a comprehensive design aimed at tackling all these labour market barriers simultaneously.   Mixed results for training programmes are not surprising. Interventions tend to be relatively long (4-6 months and longer) and during programme participation beneficiaries are less likely to move into work. These “lock-in” effects often lead to a negative impact on employment probabilities in the short term. The impact of training programmes – while negative for the first year or so –increase over time and generally turn positive by the third year.  *Source:* Fares J., Puerto O.S., 2009. *Towards comprehensive training*. World Bank, Washington D.C., Social Protection Discussion paper No 0924; Wilson T., 2013. *Youth unemployment: Review of training for young people with low qualifications*, UK Department for Business, Innovation and Skills, Research Paper No 101. Card, D., Kluve, J., Weber, A., Active labor market policy evaluations: a meta-analysis”, CESifo Working Paper No. 2570, 2009. |

***Recognition of skills acquired in non-formal and informal settings***: This programme is aimed at covering the expenses required for the recognition of prior learning (RPL) for registered unemployed. Rather than an active labour market programme, this measure could be considered as an extension of vocational guidance services.

***Internship***: This measure, included in the 2003 employment law and targeting students and graduates, sanctioned a period of work experience in public institutions and state-owned enterprises (for a minimum number of young people equal to 10 per cent of their workforce).

The new employment law transforms internship (*stagerie*) into a work-training contract targeting young people (16-24) and long-term unemployed. Employers that recruit unemployed individuals with an indefinite employment contract and provide them with practical skills can receive a subsidy equal to the minimum wage for six month (with an obligation to employ for additional twelve months). The Law is silent about the supervision of newly-recruited workers by an experienced worker and the certification of skills acquired at the end of the programme. This type of programmes are fairly common in South East European countries (they are called *training for known employer*) and especially for young people. The impact evaluation evidence collected in the FYR of Macedonia shows that the probability of employment is 34-42 per cent higher for participants compared to non-participants, and also that wage gains are considerable (up to three times).[[36]](#footnote-36)

The new employment legislation does not envisage the organization of traineeships as used in most European Union countries. Traineeship − organized as an active labour market programme − is a period of work experience (up to 6 months) during which the learner receives training and gains experience in a specific field or career area (but not leading to a recognized qualification).[[37]](#footnote-37) Traineeship can be paid or unpaid and in the European Union it usually targets: (i) young unemployed; (ii) early school leavers and low skilled or unqualified youth who have difficulties in entering the labour market; (iii) young people at risk of social exclusion (e.g. youth with migrant and/or ethnic minority backgrounds, those from socially and economically disadvantaged households, young people living in deprived and/or remote areas); and (iv) young graduates facing difficulties in finding a job. In most European countries, the traineeship agreement is notan employment contract. The beneficiary is considered a learner or a person who is working on a temporary basis to acquire on-the-job experience (Box 2.8).

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| **Box 2.8: What is the effect of traineeship schemes in Europe?**  Employment outcomes of traineeships are not well documented, also due to the great variety of schemes. Overall, the most effective traineeships were found to be those linked to well-structured active labour market policies (ALMPs). The employment outcomes of these programmes range from 13 per cent (Greece) to 90 per cent (Cyprus) with schemes aimed at graduates securing the best employment outcomes (for example in Ireland, Portugal, Romania, Spain, Belgium). In part, these results are associated with the employer incentives granted during and after the completion of the scheme if the trainee is retained in the job. The review of the main traineeship programmes in the EU member states have identified a number of factors which most often contribute to their success:   * A strong institutional and regulatory framework and the engagement of social partners; * Close alignment to labour market needs, with a balanced mix of theoretical learning and practical, work-related experience; * Flexible and individualized delivery to meet the needs of different groups of young people; * High quality guidance, support and mentoring; * Good matching of beneficiary with partner organization(s); * Existence of traineeship agreement.   *Source*: European Commission, 2013. *Apprenticeship and traineeship schemes in EU27: Key success factors. A guidebook for policy planners and practitioners*, Employment, Social Affairs and Inclusion |

Job subsidies and other employment incentives

The portfolio of active labour market programmes in force since 2003 envisages two types of incentives for enterprises to recruit workers and create new jobs. The first is a wage subsidy for the recruitment of young university graduates. The subsidy is equal to the minimum wage in force in the country for twelve months (18 months if the young person is living with a disability), with an obligation on the employer to retain the young beneficiary for additional three years. The second incentive provides both employers and unemployed access to commercial credit at favourable conditions to be invested in the creation/expansion of a business and the creation of new jobs. The loans are for three years, at half the interest rate set by the Central Bank and with a grace period ranging from six months (services) to one year (manufacturing and construction). These measures have not been implemented since 2010.

The draft employment law changes the targeting approach of wage subsidies – available only older workers, ex detainees, victims of trafficking and individuals with substance abuse issues − and reduces the duration of the subsidy (six month with an obligation to employ for additional twelve months). The form of the subsidy remains unchanged (equal to the level of the minimum wage in force in the country). The new legislation also establishes an incentive for the recruitment of workers with disabilities and workplace adaptation. Enterprises that recruit workers with disability can receive up to ten times the amount of the average wage for each job created (to be maintained for at least three years). The costs estimated by the enterprise to adapt the workplace for workers with disabilities are subsidized at 50 per cent.

The practice of establishing strict rules for targeting groups at risk of social exclusion may succeed in channelling resources towards these individuals, but it could also led to stigmatization (employers refuse to recruit these workers also in the presence of a financial incentive because they consider them unproductive workers) and dispersion (i.e. few participants in each programme in any given year) if the resources available for active labour market programmes is not substantially increased. Since subsidies generally carry heavy deadweight costs (e.g. the use of resources for the placement of persons who would be recruited anyway), impact evaluation evidence suggests that they should be used sparingly and be well-targeted at those most at risk in the labour market. But at risk groups normally include the long-term unemployed and low-skilled individuals. To minimize the stigma effect that such targeting approach entails, it will be necessary to combine subsidies with measures aimed at increasing the productivity of participants (vocational skills and work preparedness training).

Entrepreneurship promotion

Entrepreneurship can unleash the economic potential of individuals. It is also associated with more flexible working hours, greater independence, higher income potential and job satisfaction. Young people, however, tend to be less active in entrepreneurship than adults as they have less capital (in the form of skills, knowledge and experience); savings and credit history; business networks and sources of information.

Self-employment support is specifically planned by the new employment legislation and it target persons with disabilities and young people up to 35. Beneficiaries can receive a non-refundable grant equal to 50 per cents of the costs estimated to set up the activity (but not exceeding an amount equal to ten average wages of the preceding year) and provided that the self-employed venture remains operational for at least three years. [[38]](#footnote-38)

Impact evaluation evidence shows that self-employment schemes work better for men, individuals in the age group 30 years old and over and for unemployed with secondary (general and vocational) educational attainment and higher. In addition, the programmes that appear to be more effective include a comprehensive package of services that includes: (i) assessment of entrepreneurship potential; (ii) self-employment training; (iii) assistance to develop a viable business plan; (iv) access to financial resources (in the form of grants or loans); (v) business development services and mentoring support.

Public Employment Services that implements these schemes either have dedicated staff specifically trained to provide all the assistance required for business start-up business and well-established procedures for the selection of beneficiaries, or have partnership agreements with organizations to which these services are (fully or partly) outsourced.[[39]](#footnote-39) Prior to the full roll-out of these new schemes, the Agency (in collaboration with the Ministry) may consider mapping on-going self-employment and entrepreneurship development initiatives with a view to leverage on existing expertise and maximize scarce resources.[[40]](#footnote-40)

Public works and local employment initiatives

Public works are organized by local employment agencies in municipalities that contribute resources to these schemes. In 2015, The NEA provided public work opportunities for nearly 1,800 individuals (3.5 per cent of registered unemployed), the majority living in rural areas. Individuals involved in public works receive 30 per cent of the average wage for a maximum period of twelve months.

The scope of these programmes is to provide a safety net at times of low labour demand, rather than increase employment opportunities in the long-run. Generally, these programmes are targeted to the head of poor households with a view to provide labour-related short-term income. As such, they should primarily be organized in rural areas and off season, when work opportunities in agriculture are scarce. In Moldova, conversely, public works are organized when municipalities have the resources to co-finance the works and take place also in large urban areas (like Chisinau). Two examples of how European countries organize public works are provided in Box 2.9.

The draft employment law transforms public works into local employment initiatives, whereby local employment agencies provide grants to small firms and public enterprises that submit proposals for job creation projects in rural areas.

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| **Box 2.9. Public works in Latvia and Austria**  With a view to mitigate the impact of the 2008–2010 global financial crisis on vulnerable households, the Government of Latvia established *Workplaces with Stipends*, an emergency public works programme that targeted registered unemployed people not entitled to the unemployment benefits.  The programme targeted poorer households using two key design parameters: i) relatively low wages, equal to 80 per cent of the minimum wage (which ensured the self-selection of poor participants into the programme) and ii) the labour intensive work requirement (public infrastructure, maintenance, environmental clean-up, social services and municipal and state services). In some cases, the program also included a small training component aimed at improving skills to perform public works tasks. The impact evaluation revealed that the programme increased household incomes by 37 per cent relative to similar households not benefiting from the programme.  The PES in **Austria** runs a particularly successful public work programme, called “*Socio-economic enterprises* (SÖB)”: Short-term jobs in the non-profit sector in areas like environmental protection, social care, repair, crafts, recycling, services, transport, art, catering and home service are provided for long-term unemployed, disabled individuals, older and other disadvantaged groups in enterprises that produce goods and services close to market needs (i.e. these enterprises have to face the obligation of earning 20 per cent of their costs through sales on the markets). Enterprises are reimbursed up to 66 per cent of wage cost for jobs that should be of transitional character. The average duration of programme participation in 2012 was 78 days and the wage rate was above the minimum wage. The selection into the programme is done by the counsellor of PES. One important aspect is not only the job offer for hard to place individuals, but the additional intensive counselling and training and the socio-pedagogical assistance. In 2012, there was an inflow into the programme of some 26,000 unemployed (i. e. 0.6 per cent of the labour force). The SÖB scheme is particularly successful in terms of re-integration: two-three years after the programme, participants are on average 10 per cent more likely to be in non-subsidized employment than individuals in the control group.  *Source:* Azam et al. *Can public works programs mitigate the impact of crises in Europe? The case of Latvia*, IZA Journal of European Labor Studies, 2013, 2:10; Dauth W., Hujer R., Wolf K. Macroeconometric Evaluation of Active Labour Market Policies in Austria IZA DP No. 5217, 2010 |

The 2003 *Law on Employment and Social Protection of Jobseekers* also envisages mobility grants for those unemployed who accept job offers away from their place of residence (a subsidy equal to one average salary for work located thirty kilometres away from home or three average wages for workers who accept to relocate for work). Such mobility support is maintained also for the next period.

**3. Human and financial resources**

***3.1. Staff structure and levels***

The NEA staff structure comprises 47 officials at central level and 288 staff in local employment agencies.[[41]](#footnote-41) In 2015, the ratio of staff-to-registered unemployed was 1:176. This ratio increases to 1:265 when considering only the personnel actually assigned to deliver services to clients (with 66 per cent of all staff assigned to front duties). These ratios compare unfavourably with the average international benchmark of 1:100 that is used as reference to assess quality of employment service delivery. On the basis of this benchmark, the current number of NEA staff dealing with clients should increase from its current level to at least 400 units.[[42]](#footnote-42)

The unemployed to staff ratio varies across employment agencies with over 40 per cent of all local offices facing higher staff constraints than the national average (Figure 3.1). The situation is particularly critical in Ungheni, where the staff to unemployed ratio is 2.5 times the national average, and in Floresti, Chaul and Drochia (which have ratios that are nearly twice the national average). Only the Chisinau local agency broadly complies with the above mentioned international benchmark.

**Figure 3.1: Staff to unemployed ratio by local employment agency, 2016**

*Source:* NEA, information provided by the Human Resource Division.

Average

The average salaries of civil servants are low, and the public service remains structurally weak due to staff moving to the private sector. The problem is especially acute in retaining graduates because of low pay, frustration about career opportunities, and a work environment that discourages initiative. Staff turnover is estimated at around 20 per cent annually, but this problem is particularly acute in larger towns where there are more private sector opportunities (in Chisinau, for example, half of the staff at the beginning of 2017 was newly recruited).

Staff training is well organized, although technical content and frequency could be improved. Newly recruited staff receives 80 hours training on the responsibilities of civil servants delivered by the Public Administration Academy, and 40 hours induction training delivered by the Agency and supported by a learning guide. The Human Resources Department organizes three-four seminars per year on specific topics (return migration, human trafficking and so on). In 2016, 85 per cent of all in-service personnel participated to these seminars. Training on the technical competencies of public employment services are mainly organized by international cooperation projects. This training programmes, however, normally targets only the staff of local employment agencies involved in pilot projects.

The most urgent action in term of human resource development revolves around providing all front staff with higher-level counselling and guidance skills. A modular training programme could be developed and delivered in cooperation with the University (either the Psychology or the Adult Education and Training Department) to target newly recruited front staff (in the form of an induction training), as well as experienced counsellors (in the form of thematic seminars and refresher courses). For newly recruited staff, the training programme should be complemented by first-hand experience of guidance counselling over a period of six months (probation period) under the supervision of a qualified guidance counsellor. This staff development programme should encompass the following topics:

* ***Counselling theory and practice***: theoretical frameworks of counselling and their application to guidance practice; person-centred approaches; introduction to psychodynamic and cognitive-behavioural approaches; development of counselling skills based on structured approaches.
* ***Professional practice in guidance counselling***: overview of professional issues and key theoretical frameworks; practice-based models in lifelong guidance counselling.
* ***Psychology of human development***: life stages and developmental tasks during early adulthood, middle adulthood and later adulthood; theoretical approaches to the development of cognition, learning styles and meta-cognitive processes.
* ***Skills of experiential group learning***: skills related to experiential group dynamics and its relevance in the delivery of guidance and counselling.
* ***Theory and practice of psychological testing***: selection, administration and feedback of psychological tests in counselling and guidance; formal and informal assessment; main categories and types of tests; group and individual tests (mental ability, achievement, personality, career choice); test administration; interpreting test scores; reliability, validity and standardisation of tests.
* ***Vocational development and progression across the lifespan:*** theories of career development and decision-making, educational development, Labour Market Information (LMI) and topics such as equality, gender and multicultural issues pertinent to individuals’ lifelong career management; practical skills in vocational interviewing;
* ***Guidance in adult and continuing education***: theoretical and practical perspectives on guidance counselling in adult and continuing education as well as employment support sectors; psychological and sociological theories on adult education and learning, career development and transitions; role of lifelong guidance in adulthood; ethical issues related to working with adults and evaluation of provision.

The Agency should also maximize the knowledge and experience that already exist in local employment agencies. This could be done by organizing regular knowledge-sharing events where managers and counsellors gather to discuss challenges, share experience and propose new service delivery methods and workflow practices. The managers of the employment agency in Balti, for example, regularly organize internal training sessions for front staff to discuss legislation amendments, new procedural requirements and problems in service delivery. These learning events are open to the colleagues of other offices, but the lack of resources to cover transport costs *de facto* limits attendance.

There is a clear trend towards staff downsizing and this is particularly worrisome in light of the changes to be introduced by the draft employment law and the expansion of the portfolio of active labour market measures. A simple time-use exercise carried out in the employment agency of Cahul revealed that staff spends most of their time dealing with the inflow of clients (about 20 minutes for the re-registration of benefit claimants and around 40 minutes for active jobseekers); delivering group counselling sessions and managing job clubs (where available); checking open vacancy for pre-selection of candidates and job mediation; visiting training providers to check on the implementation of programmes; visiting employers to complete/check job vacancy announcements; propose unemployed clients for open vacancies; dealing with municipal authorities for the organization of public works.

The procedures required for the organization of an active labour market programmes are resource-intensive (preparation of call for application; screening of partner organizations; information, counselling and guidance of potential beneficiaries; selection of participants; supervision during programme implementation; checking and authorizing disbursements to providers and beneficiaries; follow-up monitoring). These procedures are the same for all local offices irrespective of the final number of actual beneficiaries enrolled. This means that many employment agencies will have serious difficulties in properly managing and monitoring active labour market programmes without the allocation of additional resources. Furthermore, the new legislation envisages the implementation of new programmes (like subsidies for the recruitment of persons with disabilities, workplace adaptation and individualized assistance to vulnerable groups) that require specialized staff (*specialist superior*) that will have no longer time to manage other tasks.

Finally, the fact that many procedures are still paper-based (like for instance the requirement to maintain a paper dossier documenting all actions taken for claimants of passive schemes, or the profiling questionnaires) entail an investment of staff time to the detriment of face-to-face service delivery. The organizations of additional services and active labour market programmes will require the enactment of new procedures that − in lack of process standardization and automation – will hamper service and programme administration.

***3.2. Financial resources***

The Agency is funded through the contributions of unemployment insurance and transfers from the government budget. In 2016, the total allocation of the NEA amounted to about €5.5 million. More than half of available funds were earmarked for the payment of passive schemes (approximately 54 per cent of total financial resources in 2016), but on a declining trend compared to 2010. Approximately 28 per cent of the annual allocation is used for administration costs (salaries of Agency staff, utilities and other administrative expenditures) and 18 per cent (less than €1 million) is earmarked for active labour market programmes (Table 3.1.). The increase of administration costs recorded since 2012 is due to the revision of the salary scale of civil servants.

**Table 3.1: Structure of expenditure for labour market policy from 2010 to 2015**

|  |  |  |  |
| --- | --- | --- | --- |
| **Year** | **Percentage of total expenditures** | | |
| **ALMPs** | **Passive measures** | **NEA administration** |
| 2010 | 11.8 | 77.2 | 11.0 |
| 2011 | 14.6 | 68.5 | 16.9 |
| 2012 | 18.9 | 58.9 | 22.2 |
| 2013 | 20.7 | 48.7 | 30.6 |
| 2014 | 23.5 | 43.9 | 32.6 |
| 2015 | 24.3 | 45.2 | 30.5 |
| 2016 \* | 18.1 | 53.7 | 28.2 |

Source: NEA, *Annual Report*, various years. \* Approved

Since 2010, the funds disbursed for active labour market programmes have increased, but with no effect on the overall number of participants. This is because most of the participants to training programmes today receive an allowance, which increase the overall costs of training programmes (from 3,000 Lei per individual trained in 2010 to over 5,100 Lei in 2015).

One of the key challenges that the NEA faces in service and programme delivery is the lack of financial resources. The country, in fact, spends less than one million Euros on an annual basis for active labour market programmes, three times less the amount invested in passive schemes.[[43]](#footnote-43) The amount invested represents a mere 0.02 per cent of GDP, five times less than the average of 0.1 per cent of GDP invested annually in South East European countries.[[44]](#footnote-44)

Notwithstanding the limited availability of funds, in 2015 the NEA was able –by spending the entire funding envelope available − to provide basic counselling and guidance services to over 91 per cent of the annual stock of unemployed and job placement services to 42 per cent. Training and public works covered 6.5 per cent of the total stock of unemployed in the same year. These figures give the rationale for two considerations, namely that: (i) the increase in administration costs recorded as of 2010 is fully compensated by the increase of the number of clients served (6.5 per cent increased in the number of clients treated with employment services between 2010 and 2015); and (ii) the Agency has probably reached its efficiency peak (the ratio inputs/outputs) and that any further efficiency gain would probably come at a cost in terms of quality of service delivery.[[45]](#footnote-45)

The data presented above contradicts the policy priority assigned to employment by the Government of Moldova in the *National Employment Strategy 2007-2015* and in the development strategy *Moldova 2020*. Moldova is currently the only country in Europe where the public employment services is not provided the resources required to implement the active labour market programmes as established by the legislation in force. This is not a very promising ground on which to enact a new employment law.

The establishment of an Unemployment Fund to finance passive and active policies, as well as the operations of the NEA may not be sufficient to ensure an expansion of services and programmes. Funds that are resourced by workers’ and employers’ contributions, in fact, are cyclical instruments: this means that they are very well resourced when the economy is buoyant (and there is little informal employment), but quickly run into deficits during an economic downturn, when funds would be needed the most. Furthermore, since Unemployment Funds need to finance passive schemes first (statutory requirement), this usually leaves little monies for the implementation of active measures and especially when they would be needed the most.

**4. Trends in service and programme delivery**

*3.1. Type, sequencing and targeting of services*

Employment assistance to newly registered clients is mainly provided face to face by employment counsellors during registration and profiling and in group counselling sessions organized weekly in all local employment agencies. There is no specific employment service package targeting young unemployed (16-29) and the only youth-specific active labour market programme (recruitment subsidy for university graduates) has been discontinued since 2009.

The web-based online service offer of the Agency is not fully developed yet. Today, most European PES use mobile applications, SMS notification and other e-services as a complement to traditional face-to-face provision. These web-based tools are instrumental to targeting the needs of younger and better educated jobseekers, expanding the portfolio of services available, and deploying client outreach strategies (multi-channelling approach to service delivery).

The data collected during registration and the results of profiling are used to segment unemployed individuals into broad client categories. The profiling approach is currently being revisited with a view to determine the risk of long-term unemployed and ease client segmentation. This new profiling approach builds on those factors that are known to represent a risk in the national labour market (educational attainment, vocational qualifications and prior work experience), but does not review individual employment planning approaches. The requirement to prepare an individual plan for every client when there is in reality only one active labour market programme available (vocational training), in fact, transforms this individualized support tool into a simple job search plan, largely ineffective in easing the transition of disadvantaged unemployed to the labour market.

The introduction of a new profiling and client segmentation approach offers the opportunity to organize the NEA workflow into a more effective tiered service delivery model.

In the proposed approach, the flow of services and programmes would be divided into four tiers (Figure 4.1), namely: (i) registration and profiling (all unemployed), (ii) basic employment services (low risk individuals); (iii) individualized services (medium risk individuals); and (vi) intensive treatment (high-risk individuals). This approach would also ease the procedures for the referral of unemployed clients to active labour market programmes. Since all the information required for the matching of clients to available programmes is already contained in the individual employment plan stored in the NEA IT platform, the intake procedures could be simplified by proceeding directly to the electronic matching of individual characteristics with the eligibility criteria of the labour market measure in question. If this matching process results in more eligible unemployed than places available, clients can be further prioritized on the basis of additional individual characteristics (e.g. length of unemployment spell, household situation and so on). In a similar fashion, the application of uniform eligibility criteria for enterprises across all available programmes would simplify the screening process and ease the procedures for engaging employers in the implementation of active labour market programmes.

**Figure 4.1: Tiered service delivery**

**REGISTRATION and PROFILING**

**INDIVIDUALIZED SERVICES**

**Unemployed with moderate difficulties**

**INTENSIVE TREATMENT**

**Unemployed with significant barriers**

**2) Individual counselling and career guidance,** exploration of service and programme options

* Work preparedness training (for youth)
* Job placement services
* Labour market training
* Traineeship
* Self-employment schemes

**LABOUR MARKET**

**1) Low intensity services**

* Group counselling sessions
* LMI and job search training
* Job club activities
* Career Centres’ activities
* Vacancy referral

**3) Individualized employment plan and referral to programmes:**

* Work preparedness training
* On-the-job training, work-training contracts
* Employment subsidies
* Local development initiatives
* In-work benefits

**BASIC SERVICES**

**Individuals directly employable**

*Source*: Adapted from R.G. Sultana, A.G. Watts, *Career Guidance in Europe's Public Employment Services. Trends and Challenges*, European Commission Directorate-General for Employment, Social Affairs and Equal Opportunities, 2005

International experience suggests that basic employment services (including career guidance, counselling services, job search training, job clubs, job fairs and job mediation services) are the most cost-efficient and effective measures, provided that there is a reasonable supply of job vacancies. On average, these services increase the transition rate from unemployment to employment by 20 per cent and employment duration by 10 per cent, with stronger duration effects for men compared to women.[[46]](#footnote-46) The Agency already has a fairly developed service delivery system that could be further improved through the introduction of a *Work Preparedness Training* targeting youth and the development of an online and paper-based career exploration tool (to be delivered to young people during groups counselling sessions).

The introduction of a *Work Preparedness Training* workshopto be delivered as a standard group counselling activity of local employment agencies would increase youth access to career guidance services. Young people are increasingly educated and this facilitates their entry in the labour market. But given the low quality of jobs available, the prevailing enterprise structure (micro and small enterprises, often family owned) and the presence of over-qualification in the labour market, young workers are bound to change jobs more frequently than their older counterparts. This requires that young people gain robust job navigation skills and are supported by effective job mediation services.

Young people first entering the labour market often have high job and wage expectations that remain largely unfulfilled. To better align youth expectations with the realities of the labour market, the Agency may consider strengthening the dissemination of labour market information through its web page. An example of this practice is the US *Occupational Outlook Handbook* (<http://www.bls.gov/ooh/> described in Box 2.2) where users can browse occupations by wage level, number of new jobs projected, entry level educational requirements and so on. The site also offers a number of additional features (such as job summary by occupational group and single occupations and featured occupational profiles). Such a system (built on labour demand data available in the country) could also be linked to online career planning tools. As young people are more familiar with internet-based tools, this service would be primarily used by them. The availability of such information also in paper copy (in the form of a booklet or regularly updated leaflets) would respond to the needs of young people – and other unemployed clients− unable to access the internet. The recruitment of psychologists in larger offices − also servicing the needs of smaller agencies located in the same region − would be instrumental to the expansion of early intervention measures targeting pupils and students at key decision-making points in their education career.

One means often used by Public Employment Services to attract young people towards available services is the organization of job/career fairs (in Sweden for instance career events and job fairs are attached to music concert, sport events and motor shows). The NEA regularly organizes job fairs, usually accompanied by electronic-based fairs, quite popular among unemployed clients and enterprises (especially foreign-owned companies operating on free economic zones).

The IT platform that manages the information generated by the Agency was developed in stages starting from the unemployed database and adding of new features as need arose. The *Jobless* Platform has served the needs of the NEA rather well until now, but it would require substantial investment to be further upgraded. Today, information technology offers a wide choice of platforms equipped with business intelligence, online analytical processing and data mining features that would ease process standardization and automation.

Prior to choosing a new IT platform, however, the Agency should review all procedures, process and reporting requirements as well as carry out a staff time-use exercise to clearly determine its present and future needs. For example, one of the key requirements is the direct access to the administrative databases maintained by the Social Security Institute, Tax Revenue Office, Cadastre and other public institutions to carry out the various eligibility check required by the employment legislation. This may require amendments to the protection of personal data legislation and to public finance regulations that require that disbursement records be maintained in paper format for a number of years. Certain procedures will also require revision prior to the roll-out of the new platform. For example, the Budget and Finance Department is obliged to use the accounting software of the Ministry of Finance, but this system is not designed to record the type of disbursements an employment agency usually makes (for instance it is not possible to know the overall amount that was paid for a single individual benefitting from various services as well as training). This will require the development of a budget and finance module in the platform, which: (i) is linked to the client registration, job vacancy recording and service and programme delivery modules; (ii) records disbursements according to the functions mandated the Agency (and allows determining costs per individual, service/programme and provider); (iii) aggregates financial data into the coding system of the Ministry of Finance software; and (iv) carries out automatic budgeting and financial control.

The above mentioned screening exercise should also be extended to reporting duties. The Agency – in collaboration with the Ministry of Labour – should examine which types of reports are needed and for which purpose as well as agree on the data templates to be used. This would allow: (i) streamlining reporting tasks; (ii) including relevant business intelligence features in the new IT platform; and (iii) shifting from descriptive statistics to analytical reporting.

Active marketing the services to employers is constrained by lack of resources. One way to strengthening services to employers – aside earmarking specific funds for employers’ services − would include the offer of assistance to all employers that post vacancies (for example, a job task analysis to better formulate the vacancy announcement, personalized screening and pre-selection of candidates, advice to comply with legal requirements and so on). The job placement function would also benefit from an expansion of the job offers listed in the Agency’s job bank. This could be achieved by striking partnerships with private employment agencies, media and companies managing job portals to share vacancy announcements through web service technology.

As already mentioned, service delivery is constrained by lack of resources and a narrow portfolio of labour market programmes. These constraints will be further exacerbated in the next period when the draft *Employment support and insurance against unemployment* will come into force and new services and programmes will be introduced. The implementation of new services and programmes will increase the caseload of staff without, however, giving them the tools needed to adequately execute these functions. The delivery of vocational rehabilitation services and programmes, for instance, requires (at a minimum) access to the premises of local employment agencies; the screening and contracting of vocational rehabilitation providers; that employers be sensitized and supported in identifying the tasks workers with disabilities can perform and workplace adaptation requirements; and that beneficiaries be assisted during the first period on the job. However: (i) the overwhelming majority of local employment agencies rent their premises and cannot undertake infrastructural adjustments without permission (for example in Sĭngereni the agency is located on the second floor of the building of local Bureau of Statistics with no lift); (ii) the NEA budget does not contemplate investments costs; (iii) local employment agencies have neither own transport nor funds to reimburse transport costs for staff visiting employers; (iii) procurement processes are carried out only in larger offices and there is no specialized assistance available at central level; and (iv) in lack of a recruitment plan, the staff assigned to treat clients with disabilities will no longer be able to deliver regular employment services to other categories of clients (Box 4.1).

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| **Box 4.1. Vocational rehabilitation services in Europe**  Most European Union (EU) countries with an extensive rehabilitation system use one of two arrangements: Firstly, a *dedicated unit* within the PES provides services directly to jobseekers with disabilities (e.g. Denmark, France, Italy, Malta, or Sweden); and secondly, *specialised counsellors* refer such jobseekers to external service providers, mainly community-based organizations with a specialisation in the specific disability (e.g. Finland, Germany, Ireland, the Netherlands or the UK). In Finland, the PES have specialist counsellors, while in Germany and the Netherlands generalist counsellors receive additional training to prepare them for this task. In countries where rehabilitation measures are less developed and counsellors are not specialised, some PES offer at least diversity awareness courses for counsellors. The range of services that are usually provided (either directly by PES or through outsourcing) include:   * Diagnostic testing, assessment to determine eligibility and individual needs (individual vocational rehabilitation plan); * Vocational counselling and guidance; * Job related services including job search and placement assistance; * Vocational, on the job, and other training services; * Treatment for physical, mental, and emotional impairments which are considered a substantial impediment to employment (in collaboration with other service providers); * Rehabilitation technology including telecommunications, sensory, and other assistive devices; * Placement assistance; * Supported employment (recruitment subsidies, workplace adaptation, job tasks reallocation); * Post employment services.   *Source:* European Commission, *Disability and labour market integration. Analytical paper*, European Commission, Luxembourg 2016. |

The same reasoning applies to all other services and programmes envisaged by the draft employment law. The back and front office tasks required to plan, implement and monitor service and programme delivery are extensive. Some of these tasks can be eased by process standardization and automation. But this, again, requires human and financial resources (for instance to develop a new IT platform able to manage all functions of a modern PES).

The introduction of a performance management system changed radically the way the Agency operates. The annual Plan of Activities details specific objectives and a number of targets to be achieved. Each Department, Division, Section and local employment agency is responsible to develop its own plan and targets, which are then aggregated in the general Plan. The planning process starts in July, when the estimate budget allocation for the next year is. The use of incremental targets to improve the performance of the Agency, in the likelihood of an efficiency peak (ratio inputs/outputs), had the unintended consequence to push local agencies to “*work to the target*” rather than focus on the quality of services delivery.

As already mentioned at the beginning of this report, the Agency should focus on few and well articulated process and result indicators and avoid establishing targets in the absence of incomplete information or of activities specifically designed to achieve certain results. For instance, targets relating to the overall number of registered unemployed and job vacancies make sense only when they are referenced to a benchmark (e.g. number of unemployed estimated by the *Labour Force Survey* or job vacancies detected by the *Job Vacancy Survey*) or to specific activities (like strategies to reach-out to individuals and enterprises that do not normally use the Agency’s services).

The introduction of a new range of services and programmes– if adequately resourced – will require shifting to operational planning. Annual operational plans normally detail the eligibility rules and targeting approaches of the services and programmes to be implemented during the year, as well as the financial envelope available for each. This would allow adjusting the delivery of services and programmes to changing labour market circumstances. For example, when labour demand is low, more resources would be invested to support employers to create new jobs (subsidies), generate income opportunities for those at risk of poverty (public works and local employment initiatives) and help the workforce acquire the skills that will be needed when the economy recovers (training), whereas when labour demand is high, resources are invested in basic employment services (information, vocational guidance and placement) and programmes to support individuals that would not normally be hired. A key pre-requisite for the effective implementation of active labour market programmes in the country remains the increase of the funding envelope available (currently at less than € 1 million, a small fraction of the average amount spent annually in South-East Europe countries). It has to be recalled that the amount of funding should be such as to guarantee that even the smallest employment agency had resources to treat at least a proportion of its annual stock of unemployed. Programmes that require specific arrangements (like for example on-the-job training) should be organized by Regional Employment Agencies (according to the proposed organizational structure) also for the smaller ones.

The effectiveness of service delivery is regularly measured through placement rates (number of beneficiaries of services/programmes placed in a job). In 2015 labour market information, vocational guidance and job mediation had a return rate of 23.5 per cent, while training programmes achieved a 76.5 per cent (Table 2.2. above).[[47]](#footnote-47) This information is mined from the administrative database as well as collected by counsellors who phone beneficiaries to enquire about their current labour status (placement by self-initiative is estimated at around 30 per cent of the total).

This monitoring approach is rather time-consuming and unlikely to be feasible once the new portfolio of programmes starts being implemented. In addition, the reliability of data could be challenged on a number of grounds. First, the labour market in Moldova is characterized by a high turnover and workers change jobs frequently in search of better wages and working conditions. Hence, the employment rate of beneficiaries may be high immediately after the end of the service/programme, but employment may not be sustained over time.[[48]](#footnote-48) Second, the absence of a structured questionnaire to investigate the labour market situation of beneficiaries may lead to an erroneous classification (individuals may not consider what they do as a job, but for statistical purposes it is counted as “employment”). Third, it is unclear which data mining and aggregation protocol is used for compiling placement figures.

The performance monitoring approaches currently used by modern PES combine two methods. The first method is data warehousing: individuals are traced through their unique identifier (social security number or fiscal code) in the database of the Social Security Institute (wage employee working in the formal economy), Tax revenue Office (self-employed and own account workers) and Education Information Management Systems (individuals who returned to formal education and training). This checking is done at least twice: once within one month from the end of the service/programme and once after six months. Some PES also check 12 and 18 months after the end of the service/programme to understand how services and programmes influence labour status transition and earnings. This method has two main drawbacks: (i) it does not capture beneficiaries that are working in the informal economy; and (ii) it cannot detect the labour market status of individuals that do not appear in any database (like discouraged workers).

The second method is through monitoring surveys (carried out every two-three years). Participants to services and programmes are randomly sampled and interviewed using a structured questionnaire to detect their labour market history since leaving the programme, current labour market status, level of earnings, relevance of skills acquired and degree of satisfaction with service delivery. In this regard, the Agency may consider running a survey-based monitoring exercise on the 2015 provision of vocational training and information and vocational guidance to measure their relevance, effectiveness and quality. This would constitute the first step towards the establishment of a reliable performance monitoring approach, which is also of the essence in the design of impact evaluations.[[49]](#footnote-49) Annex I appended to this report provides advice on how this performance monitoring exercise could be organized.

As already mentioned, most active labour market programmes envisaged in the current employment legislation have not been implemented since 2009-10. The new programme portfolio planned in the draft *Employment support and insurance against unemployment* law– if adequately resourced – appears suitable to address the challenges faced by the most vulnerable population groups.

The adjustments that may be considered at this stage of the drafting process relate to: (i) establishing clear coordination mechanisms between the Ministry of Labour and the Agency; (ii) avoiding the establishment of narrow targeting criteria in the legislative text (as this may prove difficult to amend, should circumstance change) and introduce annual Operational Plans to prioritize service delivery and population groups; (iii) including traineeship schemes targeting young people (16-24 or 29), as means to ease the transition from school to work; and (iv) running a cost-estimate and time use exercise to determine whether the planned revenues of the Unemployment Insurance Fund would be sufficient to cover all expenditures under different macroeconomic and labour market scenarios. In this regard, it may be worthwhile to consider a pilot phase where service and programme design, implementation arrangements (costs, staff levels, time use, administrative procedures and so on), as well as monitoring approaches are tested prior to roll out.

**5. Conclusions**

The National Employment Agency (NEA) of the Republic of Moldova operates in a context of volatile economic growth, a prevalence of low paid jobs and considerable labour migration outflows, whist confronting reductions in financial and human resources following public sector cuts and the need to rein in public expenditure.

Notwithstanding these challenges, the Agency delivers on all the key functions of a modern public employment service (labour market information, employment counselling and career guidance, administration of active and passive labour market schemes), in line with the principles of ILO Employment Service Convention (C88), 1948 ratified by the country in 1996.

The organizational and geographical structure ensures the availability of basic employment services, vocational training and access to statutory entitlements (unemployment benefit and reintegration allowance) throughout the country. Basic employment services are fairly developed – also thanks to the technical assistance packages implemented since the 2000s. Assistance to unemployed clients is mostly provided face-to-face during registration, profiling and individual employment planning as well as through group counselling sessions organized regularly. The profiling system segments unemployed clients into four categories, each of which is assigned a specific sequence of service delivery. Services for employers include job mediation − carried out electronically by matching the key features of the vacancy with the characteristics of registered unemployed − short-listing of potential job candidates, arranging job interviews either in their own premises or at the employers’ place of businesses. The Agency also has cooperation protocols with PrEAs, non-governmental organizations, free economic zones and production parks.

Labour market data is regularly collected and disseminated through the Agency’s web page and a number of thematic reports. This information is used to adjust the delivery of employment services and vocational training programmes. The Information Technology (IT) platform that manages the information generated by the NEA was developed in stages by adding of new features over time. Until now, thisplatform has served adequately the needs of the Agency and its local network.

Service delivery is managed through annual Plans of Activities that determine the objectives, performance indicators and targets to be achieved by local employment offices as well as the public employment service as a whole (management-by-objectives).

By end 2015, the National Employment Agency: (i) had a market penetration of 55 per cent of the total number of unemployed estimated by the *Labour Force Survey*; (ii) provided basic counselling and guidance services to over 91 per cent and job placement services to 42 per cent of the annual stock of unemployed; (iii) filled 90 per cent of notified job vacancies; (iv) placed 23.5 per cent of participants to labour market information, vocational guidance and job mediation; 76.5 per cent of participants to vocational training programmes; and 22.8 per cent of unemployment benefit claimants.

The Agency currently lacks the resources to deliver on the employment policy priority assigned by the Government of Moldova in the *National Employment Strategy 2017-2021* and the upcoming law *Employment support and insurance against unemployment.*

Quantity and quality of service delivery is constrained by limited human resources, a narrow portfolio of labour market programmes and a shortage of financial resources to cover basic operations and automate processes and procedures. The country invests in employment services and active labour market programmes 0.02 per cent of Gross Domestic Product, five times less than the average found in South-Eastern European countries and one quarter of the resources allocated in European Union countries. Staff downsizing has increased the unemployed-to-front staff ratio to 1:265, nearly three times the international benchmark used to measure the quality of service delivery. Staff constrains are particularly acute in certain areas (like Ungheni, Floresti, Chaul and Drochia).

This report has emphasized a number of issues − aside resource allocation − that would warrant attention, namely:

* ***Functional and organizational structure*** (better articulation of organizational units at central level and establishment of Regional Employment Agencies);
* ***Management strategies*** (better definition of performance indicators focused on quality as well as quantity; minimizing the perverse effects of management-by-objectives approaches; introducing annual operational planning methods in collaboration with the Ministry of Labour; improving the technical content and frequency of staff development programmes; deploying strategies to minimize staff turnover; running a review of processes, procedures, staff time-use and reporting requirements prior to define the features of the new information technology platform);
* ***Service delivery*** (re-instatement of high-intensity, individualized services; introduction of online self-help tools; more advanced employers’ services; better use of profiling and individual employment planning instruments; further articulation of the tiered service delivery system; strengthening of activation strategies, enhanced planning to manage the delivery of the new portfolio of active labour market programmes);
* ***Monitoring and evaluation*** (introduction of a performance monitoring systems that combines data warehousing and survey methodologies; appraising return rates in terms of quality as well as quantity; planning of impact evaluation exercises).

The efficiency and effectiveness of an active policy on employment depends, to a large extent, on the resources that are made available for active labour market policies. However, emphasis should be put on improving the design and effectiveness of employment services and programmes, and the continuous improvement of institutional capacity that goes with it, rather than on increasing spending levels only.

**Recommendations**

1. This assessment found that the National Employment Agency of Moldova is presently facing a number of challenges in delivering on the objectives set forth by the *National Employment Strategy (2017-2021)* and executing the tasks mandated by the draft law on *Employment support and insurance against unemployment*. These challenges revolve around economic growth patterns, structure of labour demand and supply, and financial and human resource constraints. Resource constraints hamper service and programme delivery, as well as the scaling-up of good practices and work methods piloted through technical cooperation initiatives. Management practices and certain areas of work – e.g. client segmentation, tiering of service delivery, activation strategies and the delivery of active labour market measures – would need to be strengthened to comply with the new strategic and legislative framework.
2. The Employment Agency would benefit from a flatter organization and a better articulation of the functions of organizational units at both central and local level. At central level, the structure could be organized along core service delivery and support functions with a unique Internal Regulation detailing the role and responsibilities of Departments, Divisions, Sections and Units. Each Department could be further organized into Divisions, each responsible for a specific set of tasks. The local-level structure could envisage the establishment of Regional Employment Agencies. These regional agencies would be responsible – in addition to service delivery in their catchment areas – also for managing the procurement tasks associated to active measures and the provisions of specialized (higher-intensity) services (like psycho-attitudinal testing, career guidance for students, vocational rehabilitation services and individualized assistance to groups facing multiple barriers in the labour market). This would require the recruitment of a psychologist for each regional centre, also able to provide specialized services in the smaller employment agencies in the region. This change of responsibilities for Regional Agencies should be reflected in the organizational description, staffing level and salary scales.
3. The new legal and strategic framework on employment calls for enhanced coordination and cooperation between the Ministry of Labour and the National Employment Agency. This is of the essence to maximize the limited resources available to both institutions and deliver on employment policy objectives. The relations between the Ministry of Labour and the Agency could be based on an annual Operational plan. This Plan could become an cost-effective instrument for the Ministry to: (i) carry out its monitoring functions on active labour market policies and for the Employment Agency to fine-tune its performance management approach; (ii) lead to a better formulation of the employment measures to be implemented by the Agency and facilitate the monitoring tasks of the Ministry; (iii) move to evidence-based programming and a better use of labour market statistics when defining employment measures and related performance indicators; and iv) align labour market performance indicators to budget planning to ensure that the targets set are achievable with the funding envelope available. A clear articulation of the programmatic functions of the Ministry would also free resources for the execution of other core tasks, such as legislation and policy development, inter-institutional coordination, social dialogue on employment, development and management of a labour market information system.[[50]](#footnote-50)
4. The delivery of basic employment services (labour market information, counselling and guidance and job mediation) is reasonably developed. The adjustments that may be considered to improve effectiveness comprise the introduction of online services and self-help tools; the delivery of a youth-specific service line; the enhancement of the tiered service delivery system; and a better use of the individual employment planning. The use mobile applications, SMS notification, occupational outlooks and online career exploration tools are just some examples of how the Service can be made more attractive for younger and better educated jobseekers. These e-services could effectively complement traditional face-to-face provision and contribute to a more efficient allocation of staff time. The Career Guidance Centres – available in some areas – already provide a range of career exploration services to unemployed individuals as well as students. The methods, tools and materials used in these Centres could be packaged into a single *Work Preparedness Training* covering career exploration, job search skills, résumé writing and rights and obligations at work to be delivered to newly registering youth (16-29) as a standard group counselling activity of local employment agencies.
5. The introduction of a new profiling approach and the widening of the portfolio of programmes offer the Agency the opportunity to enhance its tiered service delivery model. This can be done by specifying for each category of unemployed the sequence of services and programmes to be offered on the basis of the risk faced in the labour market. Current procedures envisage the development of an individual employment plan for all registered unemployed (at the latest within six months from registration). This requirement – in the presence of limited human resources −nullifies the purpose of individual planning as a gateway to individualized assistance and active labour market programmes to support at-risk unemployed. Individual planning could be made more effective and less resource-intensive by envisaging a simpler, job search and activation plan for low- and medium-risk unemployed, and a more comprehensive strategy for those at high-risk. This latter plan would eventually include referral mechanisms to other service providers (like vocational rehabilitation, social, health and housing services).
6. Services to employers would need to be strengthened and better resourced. Most European employment services today use multi-channel strategies that combine face-to-face contacts with different e-channels, including self-service options. But personal contact is still regarded as extremely important, especially with respect to more complex and firm-specific advisory services. A more pro-active approach towards employers notifying vacancies to the Agency would envisage the offering of assistance to carry out job task analysis to better formulate vacancy announcements, personalized screening and pre-selection of candidates, advice to comply with legal requirements and so on. Such individualized assistance would also foster long-term relations with employers and promote the acquisition of new employer clients.
7. A key challenge for the NEA is to overcome the stereotype of dealing only with low level jobs and to increase its penetration of the vacancy market. This could be achieved by striking partnerships with private employment agencies, media and companies managing job portals to share vacancy announcements through web service technology. [[51]](#footnote-51) This has the potential to radically increase the Agency’s share of the vacancy market and to attract more young jobseekers towards the service.
8. The draft employment law introduces a number of novelties in the portfolio of active labour market programmes – on-the-job training, work-training contracts, support to the recognition of prior learning, recruitment subsidies, workplace adaptation and self-employment grants. The design of these programmes is mostly in line with the findings of impact evaluations (combination of off- and on-the-job training, subsidies targeted to groups most at risk of exclusion, etc.). Two adjustments may be considered to complete this portfolio. First, specific targeting approaches should be left out of the legislative text and be managed through annual operational plans developed jointly by the Agency and the Ministry of Labour. This would allow prioritizing programmes and adjusting targeting approaches to changing labour market circumstances, without amending the legislation. Second, the legislation could foresee traineeship scheme targeting young first entrants in the labour market. This programme could provide a short period of subsidized work experience during which young learners would receive training and gain experience in a specific field or career area. In many European countries, this programme has proven an effective tool to ease the school-to-work transition.
9. The key requirement for the effective implementation of active labour market policies remains the long-term and sustained commitment of the Government to increase the annual financial envelope available. Moldova, in fact, invests in active labour market policies just 0.02 per cent of GDP, five times less than the average spending of South Eastern European peers. The Unemployment Insurance Fundis the core instrument that policy-makers are designing to address financial constraints. This Fund is expected to cover expenditures for passive and active labour market policies, the modernization of public employment service delivery, as well as the annual operational costs of the Agency and its local-level network. These financial instruments, however, are pro-cyclical in nature (i.e. they have extensive resources when the economy is buoyant but quickly run into deficit when output and labour demand decline). In addition, their priority is to cover statutorily entitlements first, which typically leave few resources for other items. In this regard, the Ministry of Labour may wish to consider the running of scenario-based revenues and expenditures exercise to estimate the level of resources that will be available to pursue employment policy objectives.
10. The incremental target-setting approach currently used in the development of annual Plan of Activities needs to be revisited, to avoid local agencies “working to the target”, rather than focus on the quality of service delivery. Performance management is a practice increasingly used by modern PES to maximize resources as well as demonstrate the impact of interventions and value for money. These practices, however, need be aligned to the particular context in which they are implemented; should be based on robust data as well as be able to capture both quantitative and qualitative changes. The perverse incentives that poorly designed performance target can generate are well documented and should be controlled for.[[52]](#footnote-52) This is why the Agency – in collaboration with the Ministry of Labour − is recommended to reduce the number of performance indicators and targets and revise their definition and disaggregation.
11. Monitoring and evaluation of active labour market policies would warrant more attention. The results of service delivery are regularly measured through placement rates. Information is mined from the administrative database as well as collected by counsellors through telephone calls. This latter data gathering method is rather time-consuming and unlikely to be feasible once the new portfolio of programmes starts being implemented. The monitoring approaches currently used by modern PES to measure service and programme results combine two methods: administrative data warehousing (regularly done through linkages with administrative databases) and randomized sampling surveys (carried out every two-three years). This latter instrument allows detecting different labour market statuses, determining the quality of jobs and the relevance of skills acquired. The Agency should consider running a survey-based monitoring exercise on the 2014 provision of vocational training and information and vocational guidance to measure relevance, effectiveness and quality (see Annex I for guidance). This would constitute the first step in the establishment of a reliable performance monitoring approach, which is also of the essence in planning impact evaluations.
12. A comprehensive staff training programme needs to be established as a regular activity of the Agency. Such training programme should include: i) an induction programme for newly-recruited staff complemented by first-hand experience of counselling and guidance during the probation period under the supervision of a qualified guidance counsellor; ii) regular upgrading courses on the areas of work of the Agency (counselling theory and practice, psychology of human development, skills for experiential group learning, psychological testing, vocational development and progression, guidance in adult and continuing education); iii) ad hoc training on emerging issues (online services, targeting approaches, new service lines); and iv) peer learning and knowledge-sharing events that would allow staff to discuss workflow and service delivery issues, organization of active labour market programmes, how to deal with at risk clients and so on.
13. The IT platform has served the needs of the NEA reasonably well up to now, but it would require substantial investment to respond to the additional tasks envisaged by the new strategic and legislative framework. Before embarking in the selection of a new platform, the Agency should review all procedures and processes – related to service delivery and support functions − as well as carry out a staff time-use exercise to clearly determine the features the platform should have and introduce process automation wherever possible. The Agency – in collaboration with the Ministry of Labour – should also examine reporting requirements with a view to streamline reporting tasks; determine the business intelligence features of the new platform; and focus the attention on analytical reporting, rather than descriptive statistics.
14. Finally, resources should be invested for upgrading the premises and the equipment available in local employment offices, as well as for “branding” services. This would help in providing clients with a new image of the Service and of the support it can offer in the labour market.

**Annex I: Survey-based performance monitoring of active measures**

Basic employment services and labour market training in the Republic of Moldova have been delivered to unemployed individuals since 2003. The National Employment Agency, responsible to deliver services and programmes, regularly computes the placement rate of individual participants. The information is mined from the administrative database of the Agency as well as collected by counsellors who phone beneficiaries to enquire about their current labour status. This approach may lead to incorrect estimates of the total number of participants who are working after receiving services or programmes and does not allow gathering the additional information that would be required to adjust service delivery (type of employment, level of earnings, skills matching and so on).

In order to gather more qualitative data on the performance of services and programmes, the Agency may consider the running of a follow-up survey on a random sample of participants who received: (i) labour market information and vocational guidance services; and (ii) basic vocation training in 2014. The selection of participants enrolled in 2014 takes into account the duration of training (up to nine months, with participants enrolled at the end of 2014 likely to complete their course well into 2015) as well as sufficient time in the open labour market to detect performance over time. The description and total number of participants are provided in Table A1.

**Table A1: Description of services and programme and number of participants [[53]](#footnote-53)**

|  |  |
| --- | --- |
| **Description** | **Participants (2014)** |
| **Labour market information (LMI) and vocational guidance**  LMI and vocational guidance services are delivered through group counselling sessions organized weekly in each local employment agency. These services include: job search assistance, resume writing and job interview skills, occupations most demanded by employers, how to apply to vacancy announcements and so on. | 26,336 |
| **Basic vocational training**  The training programme targets secondary education graduates or individuals that do not possess the formal qualifications required for labour market entry. It is delivered by recognized education and training providers contracted by the Agency. Training delivery combines school- and work-based learning and leads to a recognized qualification. Participants receive a training allowance while in training, as well as partial reimbursement of transport and lodging expenditures. | 2,045 |
| **Total** | **28,381** |

**Steps in organizing the follow-up monitoring survey**

The running of a follow-up performance monitoring survey on the delivery of employment services and programmes encompass a number of steps, namely: (i) retrieval of baseline data; (ii) randomized sample selection; (iii) field-testing of questionnaires and training of enumerators; (iv) data collection and entry; (v) data analysis and drafting of performance monitoring report. Since the data protection legislation in force does allow the release of personal records maintained by a public agency to a third party, the National Employment Agency will have to carry out most of the steps outlined above with its own staff.

1. **Retrieval of baseline data**

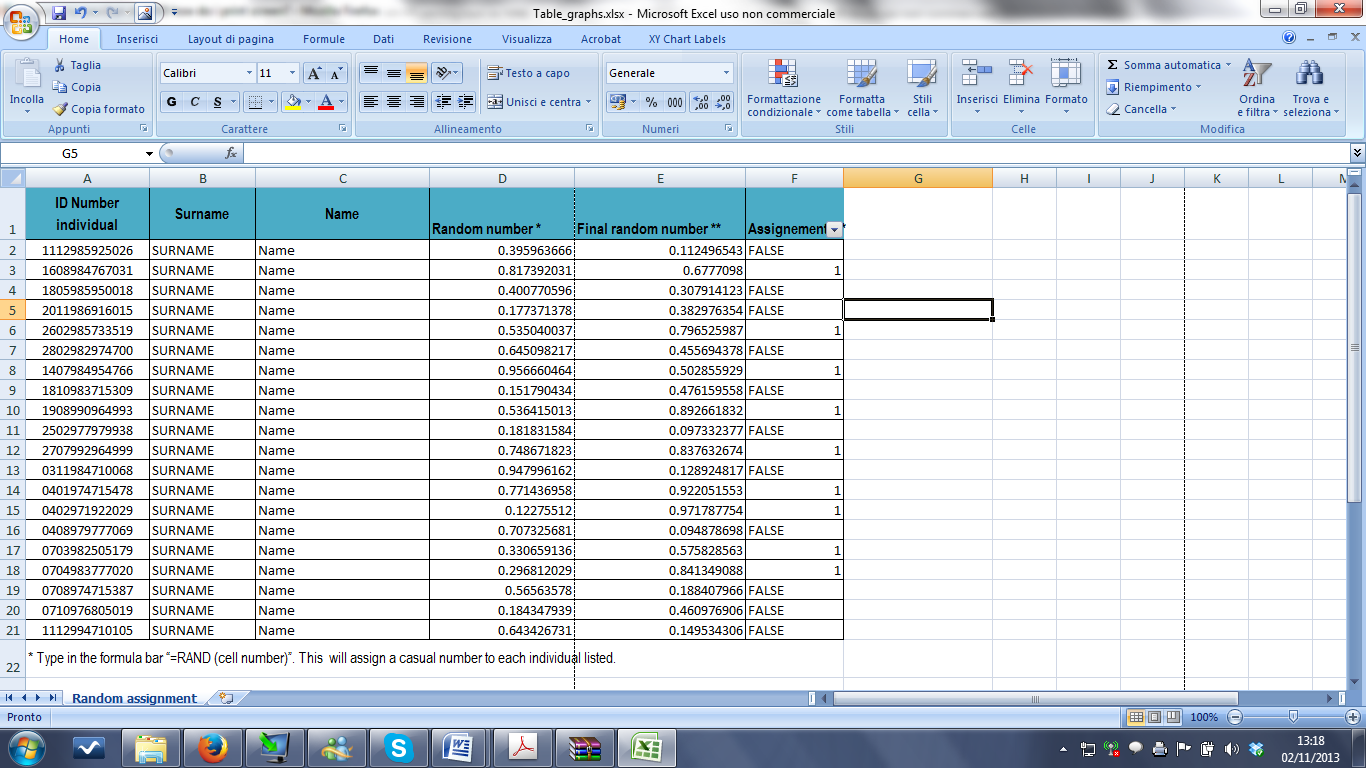
The personal information relating to the 28,381 unemployed individuals that participated to services and programmes in 2014 will need to be retrieved from the NEA database to check record completeness. At a minimum, individual records should allow to detect: sex, age, level of education, unemployment spell, benefit claimant status, disability and other labour market disadvantage (at the time of enrolment).[[54]](#footnote-54) The records should also contain information to contact participants (name, surname, address, telephone number, e-mail). Incomplete records will have to be deleted from the general list of beneficiaries prior to random sampling.

1. **Random sampling**

The minimum sample size (minimum number of individuals to be interviewed) needed for the survey results to be representative (95 per cent confidence level) is 379 for employment services and 324 for training. These samples should be increased to 460 and 390, respectively, to account for non response.

The drawing of the final participants to be interviewed can be done through simple random sampling, which can be performed using an excel spreadsheet. The names of participants to each service and programme are recorded on an excel sheet with their unique identification number (see Figure A1 below). The command “=RAND ()” will assign a casual number to each individual listed. As this casual number is volatile, it is copied through the command “Paste Special >Values” into column D (final random number). In column F, type the formula “=IF(C){row number}>0.5,1,0). This command will select all those individuals whose random number is between 0.5 and 1. This process is repeated – separately for services and for training − until the final number of the sample is reached.

Figure 1. Random sampling of individual with MS Excel



1. **Field testing of questionnaires and training of enumerators**

The research instrument (questionnaire) of a baseline survey needs to focus on the type of information needed for the measurement of indicators. In employment programmes these indicators usually revolve around labour market status (activity, inactivity, employment, unemployment), type of job currently held (labour contract, duration, entitlement to social protection) and earnings (level of individual income received from work activities). Two sample questionnaires are appended to this note or perusal and adaptation. The questionnaires should be field-tested with a sample of respondents prior to use. Field-testingthe entire questionnaire in real-life conditions will allow to check its length (it should take no more than 45 minutes to administer) and to verify that the questions are adequate to produce precise measures of all indicators. After field-testing, and once the questionnaire is final, survey enumerators (i.e. the staff of the Agency that will administer the questionnaire) need to be trained on the questionnaire scope, coding system, skipping patterns and interview techniques.

1. **Data collection and tabulation**

Nowadays, phone-based technology allows interviewers to enter coded responses directly into software that automatically dispatches data into a storage facility. The rough data collected is then screened to detect incomplete, incorrect or corrupt records. Examples might include answers that were not recorded or questions that were mistakenly skipped, typos or answers that indicate that questions were misunderstood, or answers that provide values beyond the typical range.

The data is then processed (usually with SPSS or STATA programmes) to generate statistical tables according to a pre-determined tabulation plan (an example of tabulation plan is appended to this note).

1. **Drafting the analytical report**

An analytical report encompasses the process of compiling and reviewing information with the objective of forming a conclusion, explaining why something happened and recommending a course of action. This report includes various sections. The first section provides the justification (why the survey was carried out and what was the research question), the methodology used to sample respondents and the variables that were selected to measure performance (employment quantity and quality, earnings). The core section of the report presents the results (descriptive statistics) and interprets what they mean for the implementation of services and programmes. For example, if a training programme gives a higher employment rate for adults than for young people, the authors need to provide the reasons why this occurs (e.g. adult workers are more productive to start with, they build on the experience they already have and attain high levels of competence). The final section of the report summarizes the rationale and method of data collection, the main results achieved and their implications, and proposes a course of action for the future (change targeting approaches, change training delivery methods and so on).

**Sample questionnaire: Labour market information and vocational guidance**

Hello [*name of participant]*. I am [*name of interviewer]* and I’m calling on behalf of the National Employment Agency (NEA). In 2014 you *received labour market information and vocational guidance services* offered by the NEA. I would like to ask you a few questions about these services and your employment success since. The objective is to improve the work methods of the NEA. Your responses are confidential and will **only** be used for research. Please, answer the questions **honestly**.

|  |  |  |  |
| --- | --- | --- | --- |
| Q | **SECTION A** | Circle | |
| A1 | Did you get a job, at any time, after you received LMI and vocational guidance services from the NEA? | Yes No | |
| A2 | What has been your situation in the last two weeks? (Read out all options, only one status is possible) |  |  |
|  | Enrolled in/attending education/training | 1 | **⮊Go to Section B** |
|  | Available for work and actively looking for a job | 2 | **⮊Go to Section C** |
|  | Work for a salary/wage with an employer | 3 | **⮊Go to Section D** |
|  | Work as self-employed/own account worker | 4 | **⮊Go to Section E** |
|  | Engaged in home duties (including child care) | 5 | **⮊Go to A3** |
|  | Unable to work owning to sickness and disability | 6 | **⮊Go to A3** |
|  | Rentier (independent, own-income) | 7 | **⮊Go to A3** |
| A3 | How would you rate the services you received from the NEA? Choose one of the following:  1) very bad 2) bad 3) good 4) very good 5) extremely good | | |
| A4 | Any other comment? | | |
|  | | | |

*Thank you for your cooperation.*

END

|  |  |  |  |
| --- | --- | --- | --- |
| Q | **SECTION B** |  | |
| B1 | After how many months will you complete your education/training? | \_\_\_\_\_\_\_\_\_\_\_months | |
| B2 | What do you plan to do after you complete your education/training? |  |  |
|  | Look for a job | 1 | ⮊Go to B3 |
|  | Start my own business activity/enter self-employment | 2 | ⮊Go to B5 |
|  | Stay at home (personal/family responsibility) | 3 | End interview |
|  | Go into further education/training | 4 | End interview |
|  | Do not know | 5 | End interview |
| B3 | Have you already started looking for a job? | Yes | ⮊Go to B4 |
|  |  | No | ⮊Go to B6 |
| B4 | How are you looking for a job (mark up to 2 methods only) |  |  |
|  | Through an education/training institution | 1 |  |
|  | Through the national employment agency (NEA) | 2 |  |
|  | Through advertisements (newspaper, internet, etc) | 3 |  |
|  | Through friends and/or relatives | 4 |  |
|  | Through a private employment agency | 5 |  |
|  | Other | 6 |  |
|  | ⮊Go to B6 |  |  |
| B5 | Which steps have you taken/will take to open your own business/enter self-employment |  |  |
|  | Attend self-employment training | 1 |  |
|  | Apply for a credit in commercial bank | 2 |  |
|  | Apply to a grant/credit scheme | 3 |  |
|  | Borrow money from family/relatives | 4 |  |
|  | Contact business partner(s) | 5 |  |
|  | Other | 6 |  |
|  | ⮊Go to B6 |  |  |
| B6 | How would you rate the services provided by the NEA? Choose one of the following:  1) very bad 2) bad 3) good 4) very good 5) extremely good | | |
| B7 | Any other comment? | | |

*Thank you for your cooperation.*

END

|  |  |  |  |
| --- | --- | --- | --- |
| Q | **SECTION C** |  | |
| C1 | How long have you been looking for a job? | \_\_\_\_\_\_\_\_\_\_\_months | |
| C2 | How are you looking for a job (mark up to 2 methods only) |  |  |
|  | Through an education/training institution | 1 |  |
|  | Through the national employment service (NEA) | 2 |  |
|  | Through advertisements (newspaper, internet, etc) | 3 |  |
|  | Through friends and/or relatives | 4 |  |
|  | Through a private employment agency | 5 |  |
|  | Other | 6 |  |
| C3 | What is, in your opinion, the main obstacle in finding a job? |  |  |
|  | No/unsuitable education/qualifications | 1 |  |
|  | Requirements for jobs are higher than qualifications I have | 2 |  |
|  | No work experience | 3 |  |
|  | Not enough jobs available | 4 |  |
|  | Discrimination, prejudices (sex, age, language, ethnicity) | 5 |  |
|  | Low wages in available jobs | 6 |  |
|  | Poor working conditions in available jobs | 7 |  |
|  | Others | 8 |  |
| C4 | How useful do you think the NEA services you received will be for getting a job?  1) Not useful at all 2) somewhat useful 3) useful 4) very useful | | |
| C5 | How would you rate the services you received from the NEA? Choose one of the following:  1) very bad 2) bad 3) good 4) very good 5) extremely good | | |
| C6 | Any other comment? | | |
|  | | | |

*Thank you for your cooperation.*

END

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Q | **SECTION D** | | |  | | | |
| D1 | When did you start your current job? | | | \_\_\_\_\_\_\_\_\_\_\_months ago | | | |
| D2 | Is your current job .....   1. Permanent 2) Temporary 3) Seasonal | | | | | | |
| D3 | Is your current job full-time? | | Yes | | | No | |
| D4 | In which type of enterprise do you currently work?  1) state owned 2) government agency 3) private 4) mixed 5) cooperative | | | | | | |
| D5 | In which sector does the company work? | | (NACE Code) | | | | |
| D6 | How many people work at the place where you work?  (*Please circle the category of firm size).* | | a) micro: 1-10  b) small: 11-50  c) medium: 51-250  d) large: 250+ | | | | |
| D7 | What is your occupation on your present job? | (ISCO Code) | | | | | |
| D8 | Do you have an employment contract? | | | | Yes | | No |
| D9 | In your job are you entitled to health insurance, social security contributions, paid holidays? | | | | Yes | | No |
| D10 | How much do you earn net per month at your job:   1. Up to 2,000 Lei 2. 2,001 to 3,000 Lei 3. 3,001 to 4,000 Lei 4. 4,001 to 5,000 Lei 5. 5,001 to 7,000 Lei 6. 7,001 to 10,000 Lei 7. Over 10,000 Lei | | | | | | |
| D11 | How useful were the services provided by NEA to find your current job?  1) Not useful at all 2) somewhat useful 3) useful 4) very useful | | | | | | |
| D12 | How would you rate the services you received? Choose one of the following:  1) very bad 2) bad 3) good 4) very good 5) extremely good | | | | | | |
| D16 | Any other comment? | | | | | | |

*Thank you for your cooperation.*

END

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Q | **SECTION E** | |  | |
| E1 | When did you establish your business activity? | | \_\_\_\_\_\_\_\_\_\_\_months ago | |
| E2 | In which economic sector does your business work? | | (NACE Code) | |
| E3 | Besides yourself, how many other people do you employ?  (if none, mark “0”) | |  | |
| E4 | How would you judge the future prospects of your business activity?  a) growing/getting better b) stable c) declining/getting worse | | | |
| E5 | In your self-employment activity registered/do you have a trading license? | Yes | | No |
| E6 | How much do you earn net per month:   1. Up to 2,000 Lei 2. 2,001 to 3,000 Lei 3. 3,001 to 4,000 Lei 4. 4,001 to 5,000 Lei 5. 5,001 to 7,000 Lei 6. 7,001 to 10,000 Lei 7. Over 10,000 Lei | | | |
| E7 | How useful was the services provided by NEA for your current activity?  1) Not useful at all 2) somewhat useful 3) useful 4) very useful | | | |
| E8 | How would you rate the services received by the NEA? Choose one of the following:  1) very bad 2) bad 3) good 4) very good 5) extremely good | | | |
| E9 | Any other comment? | | | |
|  | | | | |

*Thank you for your cooperation.*

END

**Sample questionnaire: Vocational Training**

Hello [*name of participant]*. I am [*name of interviewer]* and I’m calling on behalf of the National Employment Agency (NEA). In 2014 you participated to a *vocational training programme* supported by the NEA. I would like to ask you a few questions about the services you received and your employment success since. The objective is to improve the services the NEA is providing. Your responses are confidential and will **only** be used for research. Please, answer the questions **honestly**.

|  |  |  |  |
| --- | --- | --- | --- |
| Q | **SECTION A** | Circle | |
| A1 | Did you get a job, at any time, after you attended the training programme of the NEA? | Yes No | |
| A2 | What has been your situation in the last two weeks? (Read out all options, only one status is possible) |  |  |
|  | Enrolled in/attending education/training | 1 | **⮊Go to Section B** |
|  | Available for work and actively looking for a job | 2 | **⮊Go to Section C** |
|  | Work for a salary/wage with an employer | 3 | **⮊Go to Section D** |
|  | Work as self-employed/own account worker | 4 | **⮊Go to Section E** |
|  | Engaged in home duties (including child care) | 5 | **⮊Go to A3** |
|  | Unable to work owning to sickness and disability | 6 | **⮊Go to A3** |
|  | Rentier (independent, own-income) | 7 | **⮊Go to A3** |
| A3 | How would you rate the services provided by the NEA? Choose one of the following:  1) very bad 2) bad 3) good 4) very good 5) extremely good | | |
| A4 | Any other comment? | | |
|  | | | |

*Thank you for your cooperation.*

END

|  |  |  |  |
| --- | --- | --- | --- |
| Q | **SECTION B** |  | |
| B1 | After how many months will you complete your education/training? | \_\_\_\_\_\_\_\_\_\_\_months | |
| B2 | What do you plan to do after you complete your education/training? |  |  |
|  | Look for a job | 1 | ⮊Go to B3 |
|  | Start my own business activity/enter self-employment | 2 | ⮊Go to B5 |
|  | Stay at home (personal/family responsibility) | 3 | End interview |
|  | Go into further education/training | 4 | End interview |
|  | Do not know | 5 | End interview |
| B3 | Have you already started looking for a job? | Yes | ⮊Go to B4 |
|  |  | No | ⮊Go to B6 |
| B4 | How are you looking for a job (mark up to 2 methods only) |  |  |
|  | Through an education/training institution | 1 |  |
|  | Through the national employment agency (NEA) | 2 |  |
|  | Through advertisements (newspaper, internet, etc) | 3 |  |
|  | Through friends and/or relatives | 4 |  |
|  | Through a private employment agency | 5 |  |
|  | Other | 6 |  |
|  | ⮊Go to B6 |  |  |
| B5 | Which steps have you taken/will take to open your own business/enter self-employment |  |  |
|  | Attend self-employment training | 1 |  |
|  | Apply for a credit in commercial bank | 2 |  |
|  | Apply to a grant/credit scheme | 3 |  |
|  | Borrow money from family/relatives | 4 |  |
|  | Contact business partner(s) | 5 |  |
|  | Other | 6 |  |
|  | ⮊Go to B6 |  |  |
| B6 | How would you rate the services provided by the NEA? Choose one of the following:  1) very bad 2) bad 3) good 4) very good 5) extremely good | | |
| B7 | Any other comment? | | |

*Thank you for your cooperation.*

END

|  |  |  |  |
| --- | --- | --- | --- |
| Q | **SECTION C** |  | |
| C1 | How long have you been looking for a job? | \_\_\_\_\_\_\_\_\_\_\_months | |
| C2 | How are you looking for a job (mark up to 2 methods only) |  |  |
|  | Through an education/training institution | 1 |  |
|  | Through the national employment service (NEA) | 2 |  |
|  | Through advertisements (newspaper, internet, etc) | 3 |  |
|  | Through friends and/or relatives | 4 |  |
|  | Through a private employment agency | 5 |  |
|  | Other | 6 |  |
| C3 | What is, in your opinion, the main obstacle in finding a job? |  |  |
|  | No/unsuitable education/qualifications | 1 |  |
|  | Requirements for jobs are higher than qualifications I have | 2 |  |
|  | No work experience | 3 |  |
|  | Not enough jobs available | 4 |  |
|  | Discrimination, prejudices (sex, age, language, ethnicity) | 5 |  |
|  | Low wages in available jobs | 6 |  |
|  | Poor working conditions in available jobs | 7 |  |
|  | Others | 8 |  |
| C4 | How useful do you think the NEA programme you attended will be for getting a job?  1) Not useful at all 2) somewhat useful 3) useful 4) very useful | | |
| C5 | How would you rate the services provided by the NEA? Choose one of the following:  1) very bad 2) bad 3) good 4) very good 5) extremely good | | |
| C6 | Any other comment? | | |
|  | | | |

*Thank you for your cooperation.*

END

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Q | **SECTION D** | | |  | | | |
| D1 | When did you start your current job? | | | \_\_\_\_\_\_\_\_\_\_\_months ago | | | |
| D2 | Is your current job .....   1. Permanent 2) Temporary 3) Seasonal | | | | | | |
| D3 | Is your current job full-time? | | Yes | | | No | |
| D4 | In which type of enterprise do you currently work?  1) state owned 2) government agency 3) private 4) mixed 5) cooperative | | | | | | |
| D5 | In which sector does the company work? | | (NACE Code) | | | | |
| D6 | How many people work at the place where you work?  (*Please circle the category of firm size).* | | a) micro: 1-10  b) small: 11-50  c) medium: 51-250  d) large: 250+ | | | | |
| D7 | What is your occupation on your present job? | (ISCO Code) | | | | | |
| D8 | Is it the same occupation for which you received training? | | | | Yes | | No |
| D9 | Do you have an employment contract? | | | | Yes | | No |
| D10 | In your job are you entitled to health insurance, social security contributions, paid holidays? | | | | Yes | | No |
| D11 | How much do you earn net per month at your job:   1. Up to 2,000 Lei 2. 2,001 to 3,000 Lei 3. 3,001 to 4,000 Lei 4. 4,001 to 5,000 Lei 5. 5,001 to 7,000 Lei 6. 7,001 to 10,000 Lei 7. Over 10,000 Lei | | | | | | |
| D13 | How useful was the training provided by NEA to get your current job?  1) Not useful at all 2) somewhat useful 3) useful 4) very useful | | | | | | |
| D14 | On your present job, are you using knowledge and skills you acquired during the training? | | Yes | | | No | |
| D15 | How would you rate the training you received? Choose one of the following:  1) very bad 2) bad 3) good 4) very good 5) extremely good | | | | | | |
| D16 | Any other comment? | | | | | | |

*Thank you for your cooperation.*

END

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Q | **SECTION E** | | |  | |
| E1 | When did you establish your business activity? | | | \_\_\_\_\_\_\_\_\_\_\_months ago | |
| E2 | In which economic sector does your business work? | | | (NACE Code) | |
| E3 | Besides yourself, how many other people do you employ?  (if none, mark “0”) | | |  | |
| E4 | How would you judge the future prospects of your business activity?  a) growing/getting better b) stable c) declining/getting worse | | | | |
| E5 | In your self-employment activity registered/do you have a trading license? | | Yes | | No |
| E6 | How much do you earn net per month:   1. Up to 2,000 Lei 2. 2,001 to 3,000 Lei 3. 3,001 to 4,000 Lei 4. 4,001 to 5,000 Lei 5. 5,001 to 7,000 Lei 6. 7,001 to 10,000 Lei 7. Over 10,000 Lei | | | | |
| E7 | How useful was the training provided by NEA for your current activity?  1) Not useful at all 2) somewhat useful 3) useful 4) very useful | | | | |
| E8 | Are you using the knowledge and skills you received during the training in your daily work? | Yes | | | No |
| E9 | How would you rate the services received by the NEA? Choose one of the following:  1) very bad 2) bad 3) good 4) very good 5) extremely good | | | | |
| E10 | Any other comment? | | | | |
|  | | | | | |

*Thank you for your cooperation.*

END

**Tabulation Plan**

*All data should be disaggregated by sex and by age-groups (16-24; 25-29; 30-39; 40-49; 50+).*

**CUMULATIVE TABLES**

1. Number and percentage over total of respondents holding a job at any time since leaving the service/programme (QA1);
2. Number and percentage over total of respondents who are in education (answer 1 of QA2); unemployed (answer2 of QA2); in wage employment (answer 3 of QA2); in self-employment (answer 4 of QA2) and inactive (answer 5, 6 and 7 of QA2).

**FOR THOSE RESPONDING 5, 6 OR 7 TO QA2:**

1. Number and percentage rating NEA services at 4 and 5 (QA3).

**FOR THOSE RESPONDING 1 TO QA2:**

1. Number and percentage who plan to look for a job (answer 1 to QB2) or to enter self-employment (answer 2 to QB2);
2. For those already looking for a job (answer Yes to QB3), number and percentage by job searching method;
3. For those planning for self-employment (answer 2 to QB2), number and percentage by step taken (QB5);
4. For all, number and percentage rating NEA services at 4 and 5 (QB6).

**FOR THOSE RESPONDING 2 TO QA2:**

1. Number and percentage looking for a job for more than 6 months (QC1);
2. Number and percentage by method of job searching (QC2);
3. Number and percentage by perceived obstacle in finding job (QC3);
4. Number and percentage rating NEA services at 4 and 5 (QC5).

**FOR THOSE RESPONDING 3 TO QA2:**

1. Number and percentage by job tenure(1-3 months, 3-6 months, more than 6 months) (QD1);
2. Number and percentage in a permanent, temporary and seasonal job(QD2);
3. Number and percentage in full time work (QD3);
4. Number and percentage by enterprise type and size (QD4, D6);
5. Number and percentage by economic sector (QD5);
6. Number and percentage by occupation (QD7);
7. Number and percentage in informal working arrangements—number and percentage answering no to survey questions QD9 and D10);
8. Number and percentage by range of net monthly earning (QD10, D11);
9. Number and percentage working in occupation of training (QD8);
10. Number and percentage of those using skills learnt during the training in current job/activity (QD14);
11. Number and percentage rating 3 and 4 usefulness of service/programme (QD11, D13);
12. Number and percentage rating 4 and 5 quality of service/programme (QD12, D15).

**FOR THOSE RESPONDING 4 TO QA2:**

1. Number and percentage by length of business operation (< 6 months; > 6 months) (QE1);
2. Number and percentage by economic sector (QE2);
3. Number and percentage employing additional workers (proportion answering > 0 to QE3);
4. Number and percentage with good prospects (answering a) to QE4);
5. Percentage in informal self-employment (proportion answering no to QE5);
6. Number and percentage by range of monthly net income (QE6);
7. Number and percentage rating 3 and 4 usefulness of service/programme (QE7);
8. Number and percentage grading training 4 and 5 services received by NEA (QE8).

1. A functional and organizational assessment of the National Employment Agency was carried out in 2009 by the International Labour Office (ILO). [↑](#footnote-ref-1)
2. The drafting of the new Employment Promotion Law was at its final stages when this assessment was carried out. [↑](#footnote-ref-2)
3. National Bureau of Statistics, *Social statistics 2005-2016*, available at http://statbank.statistica.md/pxweb/pxweb/en/30%20Statistica%20sociala/30%20Statistica%20sociala\_\_03%20FM\_\_03%20MUN\_\_MUN010/?rxid=b2ff27d7-0b96-43c9-934b-42e1a2a9a774 . [↑](#footnote-ref-3)
4. ILO, *Labour market transitions of young women and men in the Republic of Moldova*, ILO, Geneva, 2016 [↑](#footnote-ref-4)
5. The Agency was established in 2003 and replaced the State Employment Service. [↑](#footnote-ref-5)
6. The new employment legislation was at the last stages of drafting in January 2017, when this assessment was conducted. [↑](#footnote-ref-6)
7. Article 29, draft law on *Employment support and insurance against unemployment.* [↑](#footnote-ref-7)
8. The Republic of Moldova ratified ILO Convention N.181 on Private Employment Agencies in 2001. [↑](#footnote-ref-8)
9. The number of staff actually on payroll, however, is 298 (maternity leave, unfilled job posts). Staff data are updated to February 2017. [↑](#footnote-ref-9)
10. The structure of the NEA is downloadable at http://www.anofm.md/organigrama. [↑](#footnote-ref-10)
11. This task is different from the responsibilities of the Ministry of Finance and the Court of Auditors (examination of revenue or expenditure accounts, regularity of transactions and soundness of financial management). [↑](#footnote-ref-11)
12. Counsellors are classified into *“specialist”, “specialist principal”* and *“specialist superior”.* [↑](#footnote-ref-12)
13. This planning method has been used since 2013, when Government Regulation 94/2013 on the evaluation of collective performance was approved. [↑](#footnote-ref-13)
14. Article 2 of the 2003 *Law on Employment and Social Protection of Jobseekers.* [↑](#footnote-ref-14)
15. The *Law on Employment and Social Protection of Jobseekers* (2003) prescribes that registered unemployed receiving the unemployment benefit or the re-integration allowance have to report every two weeks if the distance between the domicile and the employment agency is 10 kilometres or less. In all other cases, unemployed are required to report in person to the employment agency every month. [↑](#footnote-ref-15)
16. NEA Order No 35 of 2016 details the timeframe for developing the IEP and its content. The IEP is developed for all categories of unemployed irrespective of their profile. [↑](#footnote-ref-16)
17. Currently, NEA staff has access to the registers of the population, of enterprises, and of the tax inspection (only to verify license holders). Access to the Social Insurance Institute is currently under negotiation, while access to the cadastre is not envisaged. [↑](#footnote-ref-17)
18. See for example “Vocational training for the unemployed 2016” and “Job offers in 2016”. [↑](#footnote-ref-18)
19. In 2016 the sample of enterprises, selected randomly, consisted of 3,335 firms (i.e. 10 per cent of the total of number of enterprises reported by the National Bureau for Statistics (main indicators of enterprise activities). See, *Prognoza Pieţei Muncii, 2016*. [↑](#footnote-ref-19)
20. See CEDEFOP, *Building on skills forecasts. Comparing methods and applications*, Research paper No18/2012 for a summary of the methods used by European countries in skills anticipation and forecasting. [↑](#footnote-ref-20)
21. Usually, the data of employers’ surveys run by the PES are benchmarked against the data of the *Job Vacancy Survey* conducted quarterly or annually by the National Institute of Statistics. These surveys measure the total stock of job vacancies across an economy and detect the unsatisfied demand for labour. In this sense, they act as the mirror image of unemployment. See ILO, *Data requirements for youth labour market analysis: A training package*, op.cit. [↑](#footnote-ref-21)
22. The draft *Employment Promotion Law* envisages that all registered unemployed receive a IEP, whereas this plan is generally considered as a gateway to intensive individualized assistance and active labour market programmes. [↑](#footnote-ref-22)
23. Staff estimates indicate that approximately 30 per cent of all registered unemployed are in category 4 (unqualified and not motivated), most of whom are social assistance claimants. [↑](#footnote-ref-23)
24. The NEA had psychologists in their organizational structure till 2005. Since then, basic vocational guidance has been provided by front staff. Higher-level career and vocational guidance is not currently available. [↑](#footnote-ref-24)
25. Such career exploration tool could be based on existing material. See for example V. Corbanese, G. Rosas, *Surfing the labour market. Job search skills for young people*, ILO, Geneva, 2012, downloadable at http://www.ilo.org/wcmsp5/groups/public/---ed\_emp/documents/instructionalmaterial/wcms\_231722.pdf. [↑](#footnote-ref-25)
26. The form for vacancy notification could be simplified, if NEA staff had full access to the administrative databases that record information on enterprises and revenues. Also, employers could be exempted from listing the occupational code for the vacancy, as this could be done by the counsellors when discussing with employers their specific needs. [↑](#footnote-ref-26)
27. It has to be recalled that low-paid work represented 25 per cent of total employment in 2015. At the same, over 48 per cent of enterprises reported difficulties in finding workers with the required level of qualifications. See Government of Moldova, *National Employment Strategy 2017-2021*, Chisinau, 2016 and National Confederation of Employers of Moldova, *Key constraints of the business environment*, Chisinau, 2013. [↑](#footnote-ref-27)
28. See National Employment Agency, *Annual Report of Activities 2015* (available in national language only). [↑](#footnote-ref-28)
29. The job loss circumstances that entitle an individual to claim the unemployment benefits are spelled out in article 30 of the *Law on Employment and Social Protection of Jobseekers,* 2003*.*  [↑](#footnote-ref-29)
30. The re-integration allowance is no longer envisaged under the draft *Employment Promotion Law*. [↑](#footnote-ref-30)
31. “Adequate (corresponding) job” is defined (art. 2 of the *Law on employment and social protection of jobseekers*, 2003) as a job that (i) is aligned to the education, qualifications, work experience and health of the individual, (ii) is located at a reasonable distance from the residence and (iii) guarantee a salary that is at least equal to the minimum wage. [↑](#footnote-ref-31)
32. See World Bank, *Poverty and Shared Prosperity in Moldova: Progress and Prospects,* World Bank, Washington D.C., 2016. [↑](#footnote-ref-32)
33. The information of the annual statistical report is not disaggregated by age-group. [↑](#footnote-ref-33)
34. As of 2017, all training providers will have to be accredited to partner in the implementation of ALMPs. [↑](#footnote-ref-34)
35. Art. 26 of the draft *Law on employment and insurance against unemployment.* [↑](#footnote-ref-35)
36. See Mojsoska-Blazevski N., Petreski M., *Impact evaluation of active labour market programs in Macedonia: Key findings*, ILO, Budapest, 2015. [↑](#footnote-ref-36)
37. ILO, *Glossary on key terms on learning and training for work*, ILO, Geneva, 2006. [↑](#footnote-ref-37)
38. Art. 32 of the draft *Law on employment and insurance against unemployment.* [↑](#footnote-ref-38)
39. The selection of self-employment beneficiaries is typically done on the basis of the score received during self-employment training and the quality of the business plan submitted. The selection is also entrusted to a commission that includes experts of the Business Development Agency or the Ministry for enterprise development. [↑](#footnote-ref-39)
40. The UNDP, for example, provides assistance to the Small and Medium-size (SME) Development Agency to manage an entrepreneurship development programme that includes individualized assessment, entrepreneurship training and access to grant facilities. [↑](#footnote-ref-40)
41. Not all the employees listed in the staff structure actually in actual service (maternity leave, unfilled vacancies etc.). [↑](#footnote-ref-41)
42. This calculation is based on the number of registered unemployed in 2015, i.e. 50,612 individuals, 32.2 per cent of whom are aged 16 to 29. [↑](#footnote-ref-42)
43. In 2015, the total amount disbursed for passive policies equalled €3 million or 0.028 per cent of GDP; the direct costs of employment services amounted to less than € 20 thousand and administrative costs equalled €1.5 million. [↑](#footnote-ref-43)
44. The average amount allocated by EU countries to active labour market policies is 0.5 per cent of GDP. [↑](#footnote-ref-44)
45. In 2010, the NEA provided services and programmes to 65,800 registered unemployed. By 2015 the number of unemployed receiving services and programmes had increased to over 75,000. [↑](#footnote-ref-45)
46. This finding is common across a number of countries like Sweden, UK, France and the Netherlands. See Blasco S., Rosholm M., *The Impact of Active Labour Market Policy on Post-Unemployment Outcomes: Evidence from a Social Experiment in Denmark*, IZA DP No. 5631, 2011. [↑](#footnote-ref-46)
47. National Employment Agency, *Annual Report of Activities 2015*, op.cit.. [↑](#footnote-ref-47)
48. Or the other way around. The results of training programmes, for instance, are low immediately after the end of the programme, but tend to increase over time. [↑](#footnote-ref-48)
49. As the NEA is currently implementing just one active labour market programme, an impact evaluation is at present unwarranted. [↑](#footnote-ref-49)
50. For an overview of current trends in the functional organization and mandate of Ministries of Labour see Ludek Rychly, *Ministries of labour: Comparative overview: history, mandate, challenges world-wide database and organizational charts*, ILO Geneva, 2013. Phan, T; Hansen, E; Price, D. *The public employment service in a changing labour market*, ILO, Geneva, 2001 explores the relations between the PES and the ministry in charge of employment (p. 111 seq) <http://www.bollettinoadapt.it/old/files/document/15574THUY_HANSEN_PRIC.pdf>). [↑](#footnote-ref-50)
51. Some European employment services use HR-XML (human resources-related data exchange) to electronically transfer curricula vitae and vacancies in a seamless way from private to public employment services. The system allows to exchanging CVs and vacancies over the internet in agreed electronic formats. Examples of PrEAs involved in this system with the PES include Adecco, Manpower and Ranstad. Employers using HR-XML include Microsoft and Oracle. [↑](#footnote-ref-51)
52. See European Commission, *Performance Management in Public Employment Services. Analytical Paper*, Brussels, 2012. [↑](#footnote-ref-52)
53. The number of participants is derived from the 2015 statistical bulletin of the Agency (*Raport Statistic privind măsurile de ocupare şi protecţie socială a persoanelor aflate în căutarea unui loc de muncă, realizate de către agenţiile pentru ocuparea forţei de muncă**ale Republicii Moldova în ianuarie – decembrie 2015).*  [↑](#footnote-ref-53)
54. If this information is no longer available in the Agency records, it will have to be asked again during interviewing. The questionnaires appended to this note will have to be changed to include a section for the collection of these variables. [↑](#footnote-ref-54)