The Moldova Skills for Jobs Conference took place on May 14-15, 2019 in Chișinău. The event sought to discuss skills-related constraints to productive employment and how those may be addressed to expand job opportunities in Moldova. Furthermore, the conference sought to re-invigorate skills development policy debate and support it by various research and analytical outputs commissioned by the World Bank and other development partners.

The conference gathered about 120 participants from the public sector, businesses, academia, development partners, think-tanks and representatives of civil society. It covered a broad range of issues, including drivers of Moldova`s productivity growth, transformation of jobs landscape brought by the technological changes, labor mobility and country`s connectivity to various markets, transition of the youth from education to productive employment, types of skills missing at Moldova`s labor market, and policies to foster development of relevant skills (see conference agenda enclosed).

Key points of discussion can be summarized as follows:

* ***General remarks***: The conference participants, including representatives of the public and private sector, confirmed the skills agenda is critical to fulfil Moldova`s growth potential. They also acknowledged the importance of collaboration between the government, the training institutions from the formal education system and beyond, and the businesses to tackle the skills issues. Moreover, the participants appreciated comprehensiveness of the event`s agenda that covered multiple skills and jobs-related issues and the quality of its technical content.
* ***Digital transformation of jobs***: Following the presentation of key findings of the Digital Jobs study, the discussion focused on the factors that drove enhanced productivity of Moldova`s ICT sector, including fiscal incentives, conducive business environment, availability of professional labor force. The challenge is, however, to sustain and scale up this newly established ICT ecosystem. Maintaining sector`s competitiveness would require spur of innovation, collaboration of private and public sector, supported by development partners, an education system that develops digital skills, as well as adaptability, resilience, creativity--the so-called soft skills. The discussion also considered the business and jobs opportunities offered by the digitalization. Technology and digital skills tend to change modus operandi of many firms and their interaction with clients. Moreover, young, technologically advanced generations can be agents of change at the firm level. The task of the firm would be then to invest into developing their technical skills. Future generations of labor force are likely to require a set of basic competences, including foreign language, STEM and digital ones and soft skills like communication, team work, stress resistance and should be ready to learn and adjust their skill set during the lifespan.
* ***Connectivity and Labor Mobility***: The studies presented in this part of the conference emphasized development opportunities brought about by global move of commodities, technologies and labor. The discussion then focused on the labor mobility and how Moldova can benefit from exporting a large share of its labor force. The consensus was that in many cases the returning labor migrants do not bring only hard currency to the country, but also stronger human capital. It is important to be able to take advantage of that at the local labor market. To that end, the government has developed a procedure to recognize skills of returned migrants that along with other existing tools, like bilateral labor agreements, is meant to support their efficient re-integration in the home country. Moreover, Moldova can benefit from the Global Skills Partnership platform that has been launched recently to help countries to validate and recognize the skills acquired abroad. Importantly, in anticipation of labor immigration, the country started to prepare the legislation on the rights of foreign workers and their integration into local labor market. The discussion also touched upon the data to inform migration policies. It was acknowledged that Moldovan government collects a lot of data on migrants and their profile. However, hardly any national strategy document has benefited from this wealth of data. The government needs to enhance the capacity to analyze and interpret migration data for policy making. Finally, the discussion mentioned the important contribution of the local businesses in managing labor mobility by attracting/retaining workers with highly demanded skills.
* ***Youth Activation***: The conference provided an overview of the labor market characteristics for the young labor force (15 to 24 and 25 to 34 y.o.) as well as the challenges of school-to-work transition in Moldova. After leaving education, young people seem to suffer in their transition, particularly rural residents, females, poor households, lower/un-educated, and those with ethnic/linguistic diversity or health problems. The youth struggle in the labour market by being either underemployed, inactive or unemployed, especially in their first entry jobs, if they are not already working as ‘overqualified’ or as ‘emigrants abroad’. Large number of NEETs and relatively high unemployment among youngsters are of a great concern for an ageing country like Moldova. As a way forward, the event featured successful projects implemented in Moldova and other Eastern European countries that helped bring students/ young jobless people into productive employment. The projects concerned dual VET education and training platform for on-line jobs. In addition, the conference provided an opportunity for the young Moldovans to share their first-job stories and their views of what can help facilitate school-to-job transition of their peers. The participants recognized that although their technical knowledge seemed adequate for the jobs they pursued, lack of understanding of all job requirements including soft skills and their rights put them in vulnerable position. What could help in developing the lacking skills is engagement in civil activism, participation in community networks, establishing contacts with peers who had gone through similar difficulties. Among the recommendations the discussants mentioned the need in career guidance early in the education process, more teachers with practical (non-teaching) experience in the tertiary education, teaching students their labor rights.
* ***Skills Mismatch***: The conference shared with the participants analytical insights from the recent Bank studies on skills demand and supply, and how the mismatch between the two inhibits expansion of firms. The discussion delved on the importance of collecting and analyzing the skills data to inform national policies. In that regard, the recent establishment of Moldova`s Labor Market Observatory was mentioned as a critical milestone. The discussants also contemplated about how best to develop/enhance the socio-emotional skills that the employers frequently report as missing. This was raised as a particular concern for the poor low skilled adults who experience multiple labor market barriers, including lack of soft skills. Furthermore, the government representatives listed several reforms/policy measures launched to reduce skills mismatch and improve skills relevance. These include new employment strategy and law with broad range of labor market services and interventions, revisions in the national school curricula to start developing digital and people skills early in the education cycle, establishment of the national qualification framework and mandatory basic competences to be delivered by the education system, creation of education quality assurance mechanism, launch of dual VET system and implementation of career guidance in the tertiary education, teacher reforms and greater autonomy in higher education. The participants agreed that although many good policies are in place, their implementation is uneven and likely to take time. The discussion once again emphasized the need to establish good partnership between education institutions and businesses. In this respect, the private sector representative mentioned examples of successful collaboration with one of the universities for skills certification and establishment of an innovative learning platform.
* ***Higher Education for Better Skills and Innovation***: The conference highlighted the role and challenges of higher education to deliver skills required at Moldova`s labor market. Furthermore, it discussed how higher education sector can support innovation and help improve productivity of the national economy. Participants agreed on the need to start the reforms in the higher education that would lead to increase in quality, efficiency, and relevance of the system. The discussion highlighted the current constraints in the universities such as – the dilapidated infrastructure and noncompetitive salaries of the teaching staff; and noted an important ingredient of the future success – the change in the financing mechanism from input- to results-based funding of universities. A critical role in the reforms process has the quality assurance entity, that shall evaluate the programs and ensure transparency and accountability of the system for a better-informed Government and student decisions. Turning to the leading role of research and development (R&D) in innovation, the discussion noted country`s progress in start of the reforms in this area by establishing a competitive funding mechanism that enables universities and private sector to incorporate this component in their activity. It was noted, however, that universities are yet to take lead in this sector. They should encourage their teaching staff to engage in scientific activities and keep their knowledge and skills up-to-date. Finally, participants mentioned lack of adult learning programs in the country and that expanded life-long learning opportunities both in the formal education and beyond would be important to enable workers to adapt their skills to catch up with technology advances.
* ***Take-aways:***
  + In Moldova, a child born today can expect to acquire about 60% of their human capital potential by age 18; therefore, there is time to address the risks to poor health and poor education that prevail in the country and turn the situation around.
  + Moldova have developed and put into implementation many good policies to improve quality and relevance of the skills of Moldovans.
  + The reforms in education and other sectors should continue. Moreover, their implementation should accelerate to catch up with the changes in jobs` landscape fueled by technology advances and increase country productivity in the face of demographic challenges.
  + Higher education has a leading role in economic and social development of the country. The weak connection between higher education and the labor market harms Moldovan individuals and institutions. Thus, is imperative to start the reform at this level of education, in order to improve its efficiency, quality and relevance.
  + Skills development agenda requires effective cross-government collaboration.
  + Partnership with private sector is critical to design and implement policy solutions for acquisition and continuous adjustment of skills in line with evolving demand.
  + Greater focus should be placed on developing the socioemotional or the so-called soft skills that constitute an essential part of the skills gap.
  + Greater utilization of the existing data (e.g. on migration, labor market, education outcomes etc.) could help refine policies and adjust their implementation in a timely manner.
  + Mobility of labor offers great opportunities not only to individuals, but also to countries. Being a home country to many labor migrants, Moldova can take advantage of their skills built abroad.
  + The global network of connectivity, in all forms, matters for economic prosperity and good jobs, and its diversity makes countries more resilient to economic shocks.
  + Labor migration contributes to Moldova`s connectivity with the rest of the world. The more connections/dimensions of the connectivity a country has, the greater is its growth potential.
  + Moldova`s ICT sector fuels its economic growth and gets it up to speed with a global digital transformation. However, sustaining and expanding the sector would require continuous improvements of business climate and skills.
  + A young Moldovan entering the workforce today may look to retire in the 2060s. By 2040s, there is a 15% chance that her job could become obsolete and a 60% chance that the skills required to perform the job will change significantly due to technological advances. Moldova can do more to equip its workers of today and tomorrow with the soft skills and digital skills that position them to take advantage of coming technological change, rather than being substituted by it.
  + Digital skills can enhance significantly employment opportunities of people and business opportunities of firms. Moldova`s efforts to build these skills early in education cycle are likely to pay off in the future. However, it is important to come up with interventions to improve these skills among the current labor force, especially the vulnerable groups of population.
  + Moldova’s innovation ecosystem is obsolete. Investing in human capital development by building the basic skills of the future workforce and improving the higher education system is paramount to boost innovation and ultimately economic growth in Moldova.