

**LABOUR-MARKET OUTCOME FOR YOUNG MOLDOVAN GRADUATES:
POINTER FOR POLICY AND PRACTICE**

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Labour-market outcome for young Moldovan graduates is analyzed in the paper. The paper highlights the main problems of the labour market facing graduates in the Republic of Moldova. The youth represents the most valuable human resource for economic development of the country. In the Republic of Moldova as well as in many other countries the possibility for young people to enter in employment on such kind of occupation is essentially restricted because of lack of professional experience and necessary qualification. The main directions of national policy in this domain are outlined.

Keywords: young graduates, youth aged 15-24 years, graduates of three main levels of education, youth’s potential, the lack of professional experience, youth job seekers.

Unemployment and low employment rate among youth is one of the most troubled trends at the contemporary labour market. According to the ILO’s data, during the last years, the number of unemployed among youth aged 15-24 years steadily raised all over the world.

According to “Global employment trends for youth: 2012” published by ILO: “The global youth unemployment rate has proved sticky, and remained close to its crisis peak. At 12.6 percent in 2011 and projected at 12.7 percent in 2012, the global youth unemployment rate remains at least a full percentage point above its level in 2007. Nearly 75 million youth are unemployed around the world, an increase of more than 4 million since 2007” [1, p.11]. In many countries, this grim unemployment picture is further aggravated by the large number of youth engaged in poor quality and low paid jobs, often in the informal economy. Many youth are poor or underemployed: some 228 million working poor youth in the world, live on less than the equivalent of US\$ 2 per day [2].

In the Republic of Moldova, according to the data of the National Bureau of Statistics of the Republic of Moldova (NBS RM), unemployment in 2011 was 14.9 percent among youth aged 15-24, whereas in 2001 this index was 16.3 percent, i.e. the unemployment rate among youth was reduced on 1.4 p.p. during observed 10 years (Table 1). However, the reduction on 9.0 p.p. (from 27.9 percent to 18.9 percent) was observed among employed in the researched category. It means that officially registered unemployed youth do not get employment. This restrains the disclosure of youth’s potential, forms social apathy at youth, and becomes a source for criminality, drugs, and illegal labour migration.

**Table 1. Labour market tendencies for youth aged 15-24
in the Republic of Moldova**

	2001		2003		2005		2007		2009		2011	
	thou. pers.	%	thou. pers.	%	thou. pers.	%	thou. pers.	%	thou. pers.	%	thou. pers.	%
Economically active	218.1	33.3	168.2	24.6	152.2	21.8	140.5	20.7	143.4	21.5	141.0	22.3
Employed	182.6	27.9	137.7	20.2	123.7	17.7	120.2	17.7	121.3	18.1	120.0	18.9
Unemployed (ILO)	35.5	16.3	30.5	18.1	28.5	18.7	20.3	14.4	22.1	15.4	21.0	14.9

Source: created by the authors according to the data of NBS RM [7]

The same dynamics through the prism of three main levels of education (higher, secondary specialized and secondary professional education) reveals that the number of employed youth with higher education increased on 13.4 thousand persons, that with secondary specialized education increased on 0.3 thousand persons, and that with secondary professional education decreased on 15.2 thousand persons during the period 2001-2011 (Table 2). At the same time, in the researched period the number of officially unemployed youth with higher education increased on 4.1 thousand persons, whereas that with secondary specialized education decreased on 0.8 thousand persons, and that with secondary professional education decreased on 4.2 thousand persons.

Table 2. The dynamic of economically active youth aged 15-24 by the levels of education, thousand persons

	Level of education	2001	2003	2005	2007	2009	2011
Employed	Higher education	9.5	12.9	12.8	15.3	21.9	22.9
	Secondary specialized education	12.4	9.0	7.6	8.5	8.4	12.7
	Secondary professional education	37.7	29.6	26.3	27.2	24.6	22.5
Unemployed ILO	Higher education	1.3	2.6	3.0	3.8	5.4	5.4
	Secondary specialized education	2.7	1.9	1.3	1.1	1.3	1.9
	Secondary professional education	7.7	7.5	5.9	4.1	5.4	3.5

Source: created by the authors according to the data of NBS RM [7]

A worthy professional occupation is the base of a worthy life for the majority of young people. Unfortunately, in the Republic of Moldova as well as in many other countries the possibility for young people to enter in employment on such kind of occupation is essentially restricted because of lack of professional experience and necessary qualification. As a result, the rate of unemployed youth is higher than for another age groups, and, vice versa, level and quality of work are lower. Studying young people consider the full-time education as the unique form of the work, a kind of postponing the necessity of entrance into the labour market. This strategy reduces pressure on a labour market.

The high share of youth among the unemployed is partially determined by a high share of youth in the structure of population in the age capable of work, but the significant rupture between a share of youth aged 15-24 among employed and their share among unemployed testifies the crisis on a youth labour market. It is necessary to consider that unemployment in the country could be essentially more in last years, if not the youth labour migration.

If many of the graduates are unable to find a decent job at home, they are the most active participants in labour migration both legal and illegal. It is possible that the formation of the youth emigration flows is one of the directions of the State youth policy in the labour market, because it is believed that the young people who worked abroad, return home with the work experience, necessary professions and earned money to start there own business.

It is possible, that youth migration resolve the unemployment problem in the country, but it also raised a number of very serious problems, such as:

- the country loses a significant part of the economically active young people include skilled professionals;
- remittances not used for the creation new jobs;
- so-called “tradition of migration” is created for the subsequent generations,

when young people are ignore the structure of traditional family values and changes his life plans. The negative consequences of migration are revealed in families disruption, children abandonment;

Ü mechanical diminution of young people and negative socio-demographic factors are formed the depopulation process in the country.

There are special groups of risk within unemployed youth. Mainly they are those who entered the labour market for the first time: graduates of educational institutions of the different level without professional experience. Complexities of job placement for such graduates are formed both at the sphere of education, and at the sphere of labour. One of the reasons of complexities with job placement is the disconnection of specialization and qualification of graduates with labour market needs.

A problem among the employed youth aged 15-24 is low quality of the educational services submitted by the majority of professional organizations of different levels. The downward of education quality means that the graduates are not capable to start working without preliminary training. At the same time, the employers don't trust in professional training of young specialists, and don't want to invest in post-training for new workers. One of the main demands to the person for vacancy is work experience that is a certain assurance of the specialist to fulfill their responsibilities. As a result, there is the obvious "vicious circle" when the job placement for specialization of graduates (including professional) is often hampered due to lack of work experience for the specialization. At the same time, they cannot gain such experience because nobody takes them due to the absence of work experience.

One more reason is the lack of the mechanism of work placement for graduates. As a rule, the graduates found a job by themselves, or with the help of relatives. Unfortunately, this workplace is often not corresponding with the obtained specialization that devaluates the obtained education.

As the result, the state educational system in the country doesn't assist in resolving of the youth employment problems. Reducing of state funding for education provoked growth of commercial educational services. It has gave the chance to save the education system, to satisfy the demand of youth on educational services, to organize the study on some new specialties, to restrain a significant number of young people introduction to the labour market. At the same time, it generated unbalanced output of specialists versus needs of the labour market, and growth of inequality in access to the professional education.

The data from Table 3 confirm that in the period 2001-2011 among the employed youth aged 15-24, the number of agricultural specialists, with higher, secondary specialized, and secondary professional education was reduced. Besides this, among the employed youth of this age, the number of graduates with the secondary specialized education has decreased: at industry, transport and communications in 1.7 times, at public administration, education, health, and social work in 2.9 times. At the same time, in 2011 in comparison with 2001 the number of employed specialists with higher education increased at construction in 5.0 times, at transport and communications in 5.7 times, at wholesale and retail trade, hotels, and restaurants in 3.4 times, at industry in 2.6 times, at public administration, education, health, and social work in 1.4 times. The growth trend of specialists with secondary specialized education is also observed at construction, wholesale and retail trade, hotels and restaurants. Thus, the existing labour market assumes preferable specializations in economic activities with the various educational level on the certain period.

Table 3. The dynamic of employed youth aged 15-24 by the types of economic activity and the levels of education, thousand persons

Types of economic activity	Level of education	2001	2003	2005	2007	2009	2011
Agriculture, hunting, forestry, fishery	Higher education	0.7	0.3	0.1	0.2	0.9	0.4
	Secondary specialized education	1.6	0.6	0.6	0.4	0.5	0.9
	Secondary professional education	13.8	6.2	4.9	3.8	4.3	4.3
Industry	Higher education	1.1	2.2	1.5	1.7	2.1	2.9
	Secondary specialized education	1.7	1.6	1.4	1.2	1.1	2.1
	Secondary professional education	8.2	6.3	7.0	6.2	5.3	4.8
Construction	Higher education	0.1	0.3	0.1	0.4	1.2	0.5
	Secondary specialized education	0.3	0.2	0.1	0.4	0.3	0.9
	Secondary professional education	1.9	1.8	1.6	2.8	2.3	2.4
Wholesale and retail trade, Hotels and restaurants	Higher education	1.9	2.1	2.8	2.9	4.8	6.5
	Secondary specialized education	2.3	1.9	1.7	2.3	2.8	2.6
	Secondary professional education	5.8	7.2	5.7	8.4	6.7	7.5
Transport, communications	Higher education	0.3	0.1	0.4	1.9	1.5	1.7
	Secondary specialized education	0.8	0.9	0.6	0.3	0.2	0.4
	Secondary professional education	1.2	2.1	1.9	1.9	1.5	0.7
Public administration, Education, Health and social work	Higher education	4.6	5.0	5.1	4.0	6.0	6.3
	Secondary specialized education	4.9	3.7	2.4	2.7	3	5.1
	Secondary professional education	5.6	4.5	3.6	2.0	2.3	1.9
Other types of economic activity	Higher education	0.7	2.9	2.8	4.0	5.4	4.7
	Secondary specialized education	0.9	0.1	0.8	1.0	0.5	0.6
	Secondary professional education	1.1	1.5	1.6	2.1	2.2	1.0

Source: created by the authors according to the data of NBS RM [7]

The Moldovan legislation regulates youth employment at its labour market. This problem is also observed international documents ratified by our country, such as the United Nations Millennium Declaration, that declares, in particular in the Chapter III: *Development and poverty eradication*, item 20: “We also resolve: to develop and implement strategies that give young people everywhere a real chance to find decent and productive work” [3].

To resolve problems that appeared in the period of transition, in 1999 the Parliament of the Republic Moldova has approved the Law on youth [4], and in 2009 the Government has approved the National strategy on youth on 2009-2013 [5]. These documents determine the main policy directions concerning youth, and have mark the specific priorities of this social category.

In 1994 the Republic Moldova adopted its Constitution, which warrants to each citizen the right to a worthy life. It is proclaimed in article 43 item 1 of the Constitution of the Republic Moldova that “each person has the right on labour, free choice of the work, fair and satisfactory labour conditions, and the right to be defended against unemployment”.

It is said in the Labour Code of the Republic of Moldova, chapter two, article 5,

The main principles of regulation of the labour and others directly linked with them relationships: „Basing on norms of international law and according to the Constitution of the Republic of Moldova, the main principles of regulation of the labour and others directly linked with them relationships are:

a) Freedom of labour including the right on labour which each freely select or on which the right to dispose of the capabilities to labour agrees voluntary, to select a profession and occupation;

b) Prohibition of the forced (obligatory) labour and the discrimination in the sphere of labour;

c) Protection of unemployment and aid in job placement ... “ [6].

However, the modern tendencies existing at the youth labour market with hold hopes of youth of implementation of the said rules because choice of places and types of economic activity is not based on positive individual characteristics but on socially-economic factors and conditions. The situation in the sphere of youth employment remains unsatisfactory and has the negative character. “The youth represents the most valuable human resource for economic development of the country. But, unfortunately, this category of the population takes small part in the economic activity of the country” [5].

The international experience testifies that the labour market cannot exist outside of the competitive economy grounded on a private property and democratic public institutes. The market performs a tough selection of the most capable and enterprising. The feature of a youth labour market is a comparatively low youth competitiveness compared with elder age groups. The youth should compete with elder and more skilled generation. Many young people cannot resist the rules of a competitive game in the conditions of the market. This problem is very acutely faced to teenagers, youth of student's age, and young specialists without working experience. Rather equal start is not yet a guarantee of equal possibilities of young people at the labour market of modern Moldova.

The technological progress, rising demand on high-qualified labour, and the higher price of such kind of labour indicate to youth the necessity to put investment in a good education to be then included in production with greater effectiveness. Thus, the key precondition in reaching the material prosperity is education. The importance of education is considered by modern Moldovan youth as a condition of life success. Therefore, education can be treated as an investment in the future, which will in the perspective allow to get worthy work and to improve the social and economic status. All this determines eventually status of youth in the country.

Conclusions

The problem of youth employment is extremely actual and will remain actual in the future. It is determined by that the future of our country is in modern youth hands whose solutions will influence on further social and economic evolution of the state. Perfection of possibilities of youth employment will promote economic, political, and social development of country's future. Therefore, problems of youth employment and unemployment are often a subject of numerous discussions and researchers. In this connection it is necessary to activate cardinally a state policy in relation to the generation which is entering in its independent life, to learn its problems and to determine concepts of an effective youth policy of the state. The main task of the state in the sphere of labour is the control of equal possibilities in the fulfillment of right on work and choice of profession, including the preparation for the professional labour activity. The solution of this problem will allow youth to use effectively its potential in country's economic development. To reach stable development of society, it is

necessary that the youth employment policy be harmonized with the general scheme of the social and economic development of the state.

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