

# PROJECT FACTSHEET

Moldova April 2018

## REVITALISING LABOUR MARKET IN MOLDOVA



Trained by professionals, young participants are qualified to work as soon as they finish their training courses.  
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**With Moldova facing high unemployment and a slowdown in growth, the SDC is funding a project designed to offer young job seekers alternatives to emigration and to improve the country's economic situation. Switzerland is supporting reforms aimed at training a qualified workforce and improving the investment climate. This will not only promote demand-driven training but also help create new jobs in the private sector.**

Moldova is facing severe economic difficulties. For several years now, economic growth has been largely driven by the contributions of emigrants sending cash back home to their families. Remittances are declining, however, as more and more families join their relatives in the host country. Such « jobless

growth » has caused the employment rate to contract over the years – from 55% in 2000 to 41% in 2016. One of the biggest challenges to reaching the poverty reduction goal is the exceptionally high level of youth unemployment. With no job prospects or career opportunities, 26% of the working population and 68.5% of the 15-24 age group are working abroad or planning to do so. This outflow of labour resources is depriving the country of human capital, skills and innovation. The two main obstacles to social and economic development in Moldova are:

- 1) the lack of a suitably qualified workforce;
- 2) a poor investment climate.

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### DEMAND-DRIVEN TRAINING

The SDC contributes to the « Sustainable Economic Development » programme run by GIZ. Dual vocational education and training (dVET) was introduced in 2014, with five companies offering a total of 190 positions. A further 49 companies joined them the following year, offering another 860 positions. The programme has already helped to create 1,900 jobs, with another 4,000 in the pipeline.

The goal is to raise the employment rate to 44% by 2021. There will be a particular focus on vulnerable or excluded groups such as the rural population, women and young people, returning migrants and ethnic minorities. The SDC takes the lead in this area. It works to formalise the procedures for cooperation among employers, job seekers, placement agencies, training institutions and public authorities. It encourages more private-sector involvement in the development of training programmes, drawing on the particularly successful strengths of the Swiss VET system.

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## INVESTMENT STIMULATION

Improving young people's skills is undoubtedly an important and necessary measure, but this only makes sense if the economy can follow up with jobs. The SDC actively promotes private sector development so that businesses can offer a competitive salary and stimulating work as an alternative to emigration. Thus, with a view to improving business environment and attracting private sector investment, the authorities are encouraged to:

- introduce regulatory reforms conducive to local and international investment;
- strengthen the capacities of state institutions to provide business investors with the services they need.

## PROJECT AT A GLANCE

### Project title

Sustainable Economic Development

### BACKGROUND

Moldova is facing severe economic difficulties. For several years now, economic growth has been largely driven by the contributions of emigrants sending cash back home to their families. Remittances are declining, however, as more and more families join their relatives in the host country. Such « jobless growth » has caused the employment rate to contract over the years – from 55% in 2000 to 41% in 2016.

### OBJECTIVES

One of the biggest challenges to reaching the poverty reduction goal is the exceptionally high level of youth unemployment. The goal is to raise the employment rate to 44% by 2021.

### TARGET GROUPS

Unemployed youths, particularly within certain vulnerable or excluded groups such as the rural population, women, returning migrants and ethnic minorities.

### RESULTS TO DATE

More than 50 companies have joined the dual apprenticeship system, offering a total of 1,050 positions. The programme has helped to create 1,900 jobs, with another 4,000 in the pipeline.

### PARTNER:

GIZ (German Agency for International Cooperation)

### Duration

01.12.2017 - 31.12.2021

### Budget

5,350,000 Mio. CHF

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## IMPRINT

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