

# CENTER FOR ENTREPRENEURIAL EDUCATION AND BUSINESS SUPPORT

## Review of the regulatory framework related to Career Guidance through the labor market perspective

The study proposes an in-depth analysis of the normative framework, governmental decisions and regulations regarding career guidance from the perspective of the labor law of the Republic of Moldova

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## ACRONYMS AND ABBREVIATIONS

<b>LC</b>	<b>Labor Code</b>
<b>ILC</b>	<b>The Individual Labor Contract</b>
<b>CG</b>	<b>Career Guidance</b>
<b>NEA</b>	<b>National Employment Agency</b>
<b>EA</b>	<b>The Employment Agency</b>
<b>NGO</b>	<b>Non-governmental Organization</b>
<b>CV</b>	<b>Curriculum Vitae</b>

## 2. INTRODUCTION

**The key challenges of career guidance:** We live in a world that changes faster than ever, and Governments are facing unprecedented challenges, including the ones on the labor market. Moreover, Governments face massive decline and exodus of the population, with excessive urbanization, aging populations, or rapid population growth - all of which require new and prompt approaches. Technological progress i.e. *Artificial Intelligence, the Internet of Things* are just a few examples of evolving phenomena that will shape differently the labor market in upcoming years. As these changes are irreversible, more and more organizations/companies, whether public, private, others, continue to reiterate the need for people with critical-thinking, motivated, who work efficiently, excel professionally and are flexible enough to cope with unusual, non-standard emerging needs, etc. Under these circumstances, fundamental questions arise: *What do we do today with our human potential to prepare for these changes, innovations? How do we develop skills and make the most of our talents? How do we encourage preferment and what guidance we offer when it comes to career? To what extent are there pre-conditions for career development in one area or another and what we lack the most at national level? How can we address these changes in a constructive way? What are the most effective methods in this regard?*

**Methodology of the Study:** In order to have a clear picture of what is happening on the labor market and what is the legislation regulating these processes, it is important to analyze the policy documents in the field of career guidance/design from labor market perspective and to offer proposals on improving the legal framework. The revision of the legal framework will support the NEA's efforts, as well as other organizations and state structures that invest in the field, ensuring coherence and continuity. Therefore, the study has as key objectives:

- To analyze the legal framework regarding CG from labor market perspective;
- To develop proposals to improve the regulatory legal framework on CG;
- To present and discuss the proposals within five round table meetings focused on professional areas.

### 3. EXECUTIVE SUMMARY

Following the revision of the legal framework regarding CG from the labor market perspective, there are a number of dominant tendencies among which:

- The phrase *career guidance* is missing from all labor market policy documents;
- Vocational training is the main form of career guidance mentioned and stimulated by all the legislation under consideration;
- Increased attention is paid to traditional forms of training, and less to innovative forms such as mentoring, coaching, or other forms of guidance in the workplace;
- Entrepreneurship as a career option is mentioned in multiple policy papers;
- New forms of self-employment and "freelancing" are not present in current policy documents;
- The development of human resources at the institutional level (either a separate department or a responsible person) most often relates to the conclusion of employment contracts, collective training, etc. and less of career guidance;
- There are no instructions, employees' CG guides for human resources managers and employers;

The findings on each of the key documents are equally relevant.

*Labor Code of the Republic of Moldova No.154 of 28.03.2003*<sup>1</sup> devotes special attention to the continuous training of employees (fixed, indefinite term), and indicates many forms of both traditional and non-traditional training (such as apprenticeship, internships, etc.).

- The Labor Code (LC) defends the employee's interests in regulating work relationships in situations where the employee is involved in continuing training, but does not take into account the interests of the employer nor does it stimulate employers to invest in different forms of training. The employer has no right to prohibit employee participation in trainings and must change the working arrangements to foster qualification opportunities, such as to cover partly or fully the costs of training. (art.9, 55, 551, 77, 78, 971, 180, 181, 182, 195, 213, 214, 215, 216)
- The employer is obliged to draft and approve an annual training plan in the amount of at least 2% of the payroll of the enterprise through which it stimulates employee participation in various training programs and methods. (art.213 (3))
- The Labor Code favors career advancement within the entity, recommending employers to promote their own employees first and only then to look outside. (art. 551(5))
- The LC fosters early professional training for young people. Also, the LC endorses the merging of studies with work among young people. The employer has the right to enter into an apprenticeship contract with students who do not intend to have a job, but need to gain work experience at the moment. (art.254)

#### **Recommendations:**

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<sup>1</sup> [Labor Code of the Republic of Moldova No.154 of 28.03.2003. Published: 29.07.2003 in the Official Monitor No.159-162](#)

- Since there is currently no mechanism for guaranteeing employers' investments to train employees, it is relevant to identify ways to reimburse a percent of the costs if the employee leaves shortly after training. (for art.9, 85, 213, 214)
- Promoting the creation and development of professional associations in each sector (for example, compensation of employees' expenses for participation in the activities of Sectoral Professional Associations – for art.9, 213, 214)
- Recommendation of professional evaluation criteria, evaluation period, assessment methods – for art.1361
- Recommendation of career guidance process and tools for employees - a separate chapter
- To include the general course of labor protection and safety among the employees in the curriculum of vocational and higher education institutions, regardless of the sphere of activity. The curriculum of this course should include all aspects relevant to employee rights, training and career advancement.

Another important document is the *Law no. 102-XV of 13.03.2003 on the employment and social protection of jobseekers*<sup>2</sup>: It is outdated and needs to be reviewed, adjusted to international norms and current requirements of the labor market in Republic of Moldova. In this context, a new draft law has been developed and is at the stage of consultation with the key actors in the field.

*Draft law on the promotion of employment*<sup>3</sup> provides support for several socially vulnerable categories, including young people, people with special needs, etc.

The bill describes many new active measures (e.g. self-employment, subsidization, additional support for young people, people with special needs, etc.) and it is much more modern compared to the current law.

### **Recommendations:**

- The access to financing from the public budget for the provision of services of public associations and other organizations in this field is not defined. We recommend listing the services that can be provided by public associations and private companies. This will allow the liberalization of services on the labor market, will allow unemployed people to choose their service provider and consequently will help to increase the quality of services. Among the services provided by NGOs, the piloting of innovative forms of professional training and career guidance can be included.
- Similarly, agencies could create a network of human resources managers for which they would provide training in career guidance and training for employees. Agencies should offer benefits to employers to motivate collaboration with employment agencies.
- Professional training is only for the unemployed. A diversification of the categories of beneficiaries in training programs could contribute to greater mobility of employees and indirectly to increased employment and career opportunities.
- The traineeship in various enterprises for the purpose to cultivate practical skills is effective, provided that the mentors within the enterprise are continuously trained in the field of adult education and apply different methods of adult training. At a first stage in implementing this

<sup>2</sup> [Law no. 102 - XV of 13.03.2003 on the employment and social protection of jobseekers](#)

<sup>3</sup> <http://particip.gov.md/proiectview.php?l=ro&idd=4167>

- form, employers should benefit from a) subsidies to adapt the job place, b) training mentors, c) the services of a community of trainers.
- Developing a system for recognizing competences in the field of training at the workplace (trainers, foremen) and in the field of management (managers, team leaders, coordinators, etc.) could lead to an additional motivation for career advancement and the diversification of career opportunities in the labor market in Moldova.
  - Self-employment field (a new active measure described in the bill) is new for EA and involves entrepreneurship, business launching, and management knowledge. It is recommended to form a separate group of experienced EA specialists, with experience and training in the field of entrepreneurship, or the liberalization of this area by providing funding to consultancy companies, private institutions with experience and that is already providing services in this area. It is appropriate to develop a guide regarding self-employment for EA experts and stakeholders.

**Law no. 179 of 21.07.2016 on small and medium-sized enterprises (SMEs)**

- Provides multiple launching measures in the entrepreneurship field (art.7, 10, 11, 12, 13, 14, 15, 16)
- Supports the establishment and development of centers and organizations providing information, advice, counseling and training services (art.17, 18)
- Supports the inclusion of entrepreneurship education in the study program (art.16)
- Supports continuous professional training (art.17)
- Supports funding programs for SMEs at initial and development stage (art.14, 15)

**Recommendations:**

- The law is a very good one, but idealistic. It is necessary to describe a specific funding mechanism/service for training activities (for art. 17), but also to all other support measures for small businesses and people who want to start an entrepreneurial activity.
- It is recommended to facilitate the exchange of experience and cooperation between businesses, to associate enterprises to organize training sessions, mentoring networks, exchange of experience between managers (for art.17 (4)).

**Law No. 845 of 03.01.1992 on Entrepreneurship and Enterprises<sup>4</sup> and Law No. 93 of 15.07.1998 about Entrepreneurial Patent.** These laws promote entrepreneurship and self-employment as a career option.

- The number of self-employment activities performed by individuals is decreasing, the Ministry of Economy intending to stop the activity of patent-based entrepreneurship.
- The Tax Code of the Republic of Moldova regulates the retail trade practiced by the natural person.

**Recommendations:**

- Regulating forms of self-employment and freelancing (separate chapter in Law No. 845)
- The law can be supplemented with articles to stimulate youth or the unemployed who are interested in starting entrepreneurial activities through microfinance, consultancy and tax incentives in the first years of the enterprise.

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<sup>4</sup> [Law No. 845 of 03.01.1992 on Entrepreneurship and Enterprises.](#)

- Also, the law could provide measures to stimulate the exchange of experience and cooperation between enterprises, the association of enterprises to organize training sessions, mentoring networks, the exchange of experience between managers.

***Tax Code of the Republic of Moldova No. 1163 of 24.04.1997***<sup>5</sup>: allows deduction of expenses incurred and determined by the employer for the employee's transport, food and professional training, in the manner established by the Government. **(art.24 (19))**

- The law does not impose taxation on transport, food, and training, nevertheless, it does not encourage the organization of various forms of professional development, such as mentoring, apprenticeship or additional facilities for employers who budget more than 2% of the wage fund for training activities. Allows deduction of the expenses incurred for granting private scholarships (art.24 (21))
- Establishes the tax regime for self-employed individuals in the retail sector (Ch.102)

**Recommendations:**

- Deduction of expenses for joining/participating in the activities of Professional Associations (art.24).
- Enumeration of tax incentives for SMEs (mentioned in law No. 179 art.12, art.15) – (currently, the fiscal facility is the reduced tax rate on income from operational activity).

***National Employment Strategy for the years 2017-2021***<sup>6</sup> notes:

“The factors that make it difficult to fill vacancies are the low level of qualification of potential employees, the inadequacy between the level of education and the workplace and the low level of wages offered, as well as the migration of the labor force, especially of the qualified persons. According to the forecast by the National Employment Agency, the lack of investments in the sectors requiring skilled labor and the discrepancy between the knowledge acquired and those demanded by the employers will maintain the current trends of under-utilization of the human capital. This is, among other things, a result of the gap between the educational system and the labor market needs. Thus, a better technical vocational education system, increasing the adaptability and flexibility of the workforce to the changing demands are essential to meet the current challenges.” Therefore, the strategy aims at radical restructure/reformation of the education system in Moldova to make it correspond to market needs. The document also implies increasing the attractiveness, relevance, and inclusion of the vocational training system, promoting adult access and participation in the lifelong learning process, as well as raising awareness regarding the importance of lifelong learning.

***Draft Law on Sectoral Committees for Vocational Training (approved at first reading)***

- It will ensure the creation of a platform for communication and cooperation between the social partners and the public authorities;
- It will encourage the participation of partners in the development of policy documents at national and sectoral level in the field of vocational training; to the endorsement of curricula in

<sup>5</sup> [Tax Code of the Republic of Moldova No. 1163 of 24.04.1997](#)

<sup>6</sup> [Annex 1 to the National Employment Strategy for 2017-2021](#)



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technical vocational education; to identify the activities for which occupational standards are to be developed.

**General Recommendations:**

- To include the phrase "career guidance" in public policies.
- To diversify the cooperation between economic agents and educational institutions. (Educational institutions could provide advice, training, expertise, joint projects, etc. which would increase the quality of education and adjustment of education to labor market requirements)
- To develop innovative adult educational systems in every sector - through professional associations, the Chamber of Commerce, employers and trade unions.
- To recommend incentives for employers who constantly organize courses, provide opportunities for growth and hire graduates without work experience.
- To develop CG tools and new employee motivation systems based on CG (financial motivation crisis) for Human Resource managers and business managers.

## 4. THE IN-DEPTH ANALYSIS OF THE LEGAL FRAMEWORK/REGULATIONS REGARDING CAREER GUIDANCE THROUGH LABOR MARKET PERSPECTIVE

### Labor Code of Republic of Moldova No.154 of 28.03.2003

**Article 3. Coverage of this Code.** The provisions of the present code apply to:

- a) employees-citizens of the Republic of Moldova, working in the Republic of Moldova on the basis of individual labor contract, including those with a contract of continuous professional training or professional qualification;

*It is recommended to include the apprenticeship contract in order to increase the number of employers providing opportunities for professional development also to this category of "employees".*

**Article 5.** Basic principles of regulation of labor relations and other relations related directly to them. The main principles of regulation of the labor relations and other relations directly related to them, the principles resulting from the norms of international right and from those of the Constitution of Republic of Moldova, are the following:

- g) provision of employees with equality in work promotion, taking into consideration the work productivity, qualification and length of service in the specialty, as well as in professional training and improvement, excluding any type of discrimination;

*Finding: Career advancement and professional development of all employees (ensuring equality) is recognized as a basic principle.*

**Article 9.** Employee's main rights and obligations (1) Employee shall have the right:

- h) for professional training, improvement, in accordance with the present code and other normative documents;

- f1) to ensure equal opportunities and treatment for all persons on the basis of their profession when employed, for vocational guidance and training, for promotion to work without any discrimination; [Art.10 para. (2), letr. f1) introduced by LP168 of 09.07.10, MO160-162/07.09.10 art.586]

*Finding: The Code mentions the right to vocational training of all employees, ensuring equal opportunities, but the priority to advancement in the service is provided only for employees who conscientiously and efficiently fulfill their work obligations (Article 205 of the LC).*

**Article 55. Definite term individual labor contract**

Individual labor contract can be concluded for a definite term, according to the art. 54 paragraph (2), in any of the following cases:

d) for the period of professional instruction and training of the employee in another entity;

*Finding: The LC guarantees the employee's right to study in other units, while retaining the job and other rights under the ILC. This opportunity for growth and professional development in other entities/businesses is seldom used by human resources managers, managers and business associations.*

**Article 55.** Guarantees for fixed term employees

(1) Less favorable treatment of fixed-term employees in relation to permanent employees performing equivalent work at the same establishment is not allowed, if such treatment is based exclusively on the duration of the employment and has no objective justification.

(2) The prohibition provided in para. (1) shall apply at least:

b) training opportunities;

(4) To improve professional skills, career development and professional mobility of fixed-term employees, the employer will facilitate their access to adequate training opportunities, in accordance with the provisions of this Code (Title VIII).

*Finding: The Code favors the development of professional competencies for both employees on a fixed term and on an indefinite period on the ILC basis. The employer can not limit access to training for any kind of employee.*

*Recommendation: Human resources managers as well as business leaders must encourage the development of employees' skills regardless of the form of employment.*

(5) Employer will inform fixed-term employees about vacancies within the unit, within 5 working days of their occurrence, so that those employees can access permanent positions on equal terms with other employees. Information on vacancies will be brought to the attention of employees and their representatives at unit level, through a public announcement placed on a general access panel at the headquarters of the unit (including each of its subsidiaries and representations as well as on its website, if appropriate).

*Finding: The Code favors the promotion of employees within the unit for both those employed on a fixed term and those employed for an indefinite period under equal conditions.*

*Recommendation: Human resources managers, as well as business executives, have to consider the hiring of unit staff as a priority.*

**Article 60.** Trial period. (1) In order to verify the employee's professional skills, at conclusion of the individual labor contract, can be established for the employee a trial period of maximum 3 months and

maximum 6 months – for persons with key positions. In case of employing non-qualified workers, trial period shall be established as an exception and cannot exceed 30 calendar days.

*Finding: LC stimulates career advancement within the entity, so more employees could benefit from the trial period for leading positions.*

*Recommendation: Revision of the trial period for non-qualified workers who undergo a qualifying course during the probationary period.*

**Article 77.** Suspension of the individual labor contract upon the parties' agreement The individual labor contract shall be suspended upon parties' written agreement, in case of:

b) attending a professional refresher or training course, with work activity stoppage, for a period of more than 60 calendar days;

*Finding: The LC provides for the possibility of interruptions of employment relationships for a specific period of time, for example, for the period following a course by the employee, after which the ILC can be restored. Thus, the LC ensures employees' right to vocational training for a longer period of retention.*

**Article 78.** Suspension of the individual labor contract at the initiative of one of the parties

(1) The individual labor contract shall be suspended at employee's initiative in case of:

c) attending a professional course outside the entity, according to the art. 214 par. (3);

*Finding: This article may be revised with details of the procedure and the deadline, or with the number of days in advance the employee has to notify in writing about the suspension of the ILC. It is also important to clarify what are the employer's rights and actions in this case.*

**Article 97.** Guarantees for part-time employees

(3) The employer: b) shall ensure, in accordance with the provisions of Title VIII, access for part-time employees to professional training to increase their professional opportunities and professional mobility;

*Finding: The LC provides the same rights for part-time or full-time employees. LC could indicate certain tax incentives for employers who regularly organize courses, provide opportunities for growth and development for employees.*

**Article 130.** Wage structure, conditions and systems of labor remuneration

(2) Labor remuneration of the employee depends on the demand and offer of labor force on the labor market, work amount, quality and complexity, working conditions, employee's professional skills, his work results and/or results of the entity economic activity.

*Finding: This article provides the stimulation of professional growth in an abstract way, i.e. it depends on .... It might be relevant to include in the future a specific period (3-5 years) during which employers review their wage policy to match it either to current labor market conditions or to organizational changes (or to a number of other factors mentioned in the article).*

**Article 136.** Non-tariff payroll systems

(2) The employer determines the criteria and rules for assessing the employee's individual professional performance, through negotiation with the representatives of the employees. The employer assesses the employee's individual performance.

*Finding: The employer individually sets the performance criteria important for the organization he / she heads; and in cases where the company / organization has a trade union, then it is also obliged to discuss them with the representatives of the employees. Both employers and human resources managers should set performance criteria that foster professional development and career advancement.*

*Recommendations: This article could list some key factors that should be considered, such as the training and development of a guide on establishing the general professional assessment criteria, the recommended period, the proposed methods.*

**Article 180.** Guarantees and compensations granted to employees who combine work with studies in professional secondary education institutions

(1) Employees who study successfully, without stopping their work, in professional secondary education institutions, regardless of the ownership type and legal form of organization, accredited in accordance with the law conditions, shall be entitled to, in the manner established by the Government, additional leaves with keeping for them, integrally or partially, the average wage.

(2) Employees who combine work and study in non-accredited professional secondary education institutions are established guarantees and compensations mentioned in the collective or individual labor contract.

*Finding: CLC empowers people who combine studies with work and stimulates them by giving them the right to additional leave and partial salary maintenance.*

*Recommendation: The need to inform students and employees studying about this possibility through secondary educational institutions.*

**Article 181.** Guarantees and compensations granted to employees who combine work with study in general secondary education institutions

For employees who study in general secondary education institutions (gymnasiums, lyceums, high-schools) are established a reduced duration of working time, as well as additional leaves with full or

partial keeping for them of the average wage, other guarantees and compensations in the manner established by the Government.

*Findings: The LC proposes several solutions to stimulate employees to complete their general studies, but LC does not provide tax incentives for employers who stimulate employees to complete their studies.*

**Article 182.** Manner of granting guarantees and compensations granted to employees who combine work with study

(1) Employees who combine work and study shall be entitled to guarantees and compensations at receiving for the first time of the education of the respective level.

(2) To the additional holidays given to employees, combining work with study, can be attached the annual paid holidays, under the written agreement between the employer and the employee.

(3) Employees combining work with study in educational institutions for receiving the second or third specialty (trade), can be given certain guarantees and indemnifications in the way, stipulated by the collective or individual labor contract.

*Finding: Lack of tax incentives for employers who stimulate employees to continue their studies.*

**Article 195.** Guarantees and compensations granted to employees who attend, at the initiative of the employer, a professional training course

(1) Employees who attend, at employer's initiative, a professional training course, with work activity stoppage, keep their workplace (position) and their average wage and shall be entitled to guarantees and compensations stipulated by the legislation in force.

(2) For employees who attend, at employer's initiative, a professional training course in another locality, with work activity stoppage, the expenditures for the trip shall be compensated in the manner and conditions stipulated for the employees sent on trip for work purpose.

*Finding: Lack of facilities for employers paying the cost of training for employees. The lack of a mechanism for capitalizing on the investments made by the employer in the training of employees. E.g., reimbursement of a percent of the costs if the employee leaves after X period of time after training.*

*Recommendation: Informing employees about their right to claim compensation for training and travel expenses.*

**Article 254.** Working norm for employees up to 18 years of age

(1) For employees up to 18 years of age, the working norm shall be established starting from the general working norms, proportionally to the reduced working time established for the respective employees.

(2) For employees up to 18 years of age employed after graduating from gymnasiums, lyceums, high-schools, polyvalent professional schools and vocational schools, the employer shall establish reduced working norms, according to the legislation in force, collective conventions and collective labor contract.

*Finding: LC favors early vocational training for young people. LC also supports young people who combine studies with work. At the same time, there are no tax incentives for the graduates to be employed.*

**Article 212.** Main notions.

- (1) By professional training is understood any training process as result of which employee acquires a qualification, attested by a certificate or diploma issued according to the law conditions.
- (2) By continuous professional training is understood any training process as result of which employee, having already one qualification or profession, enlarges his professional knowledge by extending his knowledge in a certain field of main specialty or by assimilation of new methods or techniques applied in the respective specialty.
- (3) By technical training is understood any training system by which an employee assimilates the methods of application of the technical and technological means in the work process.

**Article 213.** Rights and obligations of the employer in the field of professional training

- (1) Employer is obliged to create necessary conditions and favor the professional and technical training of employees who are following up a training in production field, who are improving or studying in education institutions, without his work activity stoppage.
- (2) Within each entity the employer, legal entity, together with the representatives of employees, draws up and approves annually the plans of professional training.
- (3) The conditions, methods and duration of the professional training, the rights and obligations of parties, as well as the amount of allocated financial means for this purpose (at a rate of at least 2 percent from the entity fund of waging), are established in the collective labor contract or collective convention.
- (4) In the event that participation of employees in the courses of professional trainings or probations is initiated by employer, all the related expenditures are borne by him.
- (5) In case of sending the employee away from work for a short period, for professional training, his individual labor contract continues to be effective with keeping his average wage. If the respective period exceeds 60 calendar days, the individual labor contract is suspended, the employee benefiting from an indemnity paid by employer according to the provisions of the collective labor contract.

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*Finding: The employer is obliged to draft and approve an annual training plan in the amount of at least 2% of the payroll of the enterprise through which it stimulates employee participation in various training programs and methods.*

**Article 214.** Rights and obligations of employees in the field of professional training

(1) Employee shall have the right for a professional training, including for obtaining a new profession or specialty. This right can be performed by concluding, in written form, of some new contracts of professional training (art.215, 216 paras. (3) and (4)), additionally to the individual labor contract.

(3) In the event that employee comes with the initiative of participation in the professional training, with his work activity stoppage, organized outside the entity, employer shall examine the written request of the employee together with the representatives of employees.

(4) Within 15 calendar days from the date of request registration, employer will decide in what conditions he can allow the employee to participate in the professional training according to para. (3) and if he bears, integrally or partially, its costs.

*Finding: The employer is not entitled to prohibit employee participation in vocational training, but must change the work arrangements to foster qualification opportunities and bear a part or all of the costs of training.*

**Article 215.** Contract of professional qualification

(1) Contract of professional qualification is a special contract concluded in written form, added to the individual labor contract, according to which the employee is obliged to attend a professional training course, organized by employer, in order to obtain a professional qualification.

(2) Professional training at the level of the entity is made according to the contract of professional qualification by an instructor or teaching master, appointed by employer, chosen from the qualified employees with professional experience and authorized in the manner stipulated by the law.

*Finding: It is unclear whether failure to meet the conditions of the professional qualification contract may lead to the termination of the ILC. There are no clear conditions when the employee can suspend/cancel the professional qualification contract.*

**Article 216.** Apprenticeship contract and contract of continuous professional training

(1) Employer shall have the right to conclude an apprenticeship contract with a person who is searching for a workplace and who doesn't have a professional qualification.

(2) Apprenticeship contract, concluded in a written form, is a civil right contract and is regulated by the Civil Code and other normative documents that comprise norms of civil right.



(3) Employer shall have the right to conclude a contract of continuous professional training with any of the entity's employees.

(4) Contract of continuous professional training which is concluded in written form is a document additional to the individual labor contract and is regulated by the labor legislation and other normative documents that include norms of labor right.

*Finding: The employer has the right to enter into an apprenticeship agreement with students who do not intend to have a job, but they need experience, or to write their bachelor's thesis. Likewise, employees could apply for an apprenticeship contract to deepen their existing professional qualifications or to qualify for a senior management/manager position.*

**Article 217.** Contents of the apprenticeship contract and of the continuous professional training contract

(1) Apprenticeship contract and contract of continuous professional training will include:

- a) name and surname of the parties;
- b) indication of profession, specialty and qualification which the apprentice or employee will obtain;
- c) employer's obligations regarding creation of training conditions stipulated in the contract;
- d) contract term;
- e) obligation of the person to attend the professional training course and to activate according to the obtained profession, specialty, qualification during the period stipulated by the respective contract.
- f) conditions of labor remuneration during apprenticeship or continuous professional training.
- g) the conditions for covering (reimbursement) of expenses incurred by the parties (by one side) during apprenticeship or continuous training in the case of employee dismissal (art.85, art.86 align. (1) lit. g)-r)) before the expiration of the contract term according to letter e).

(2) Apprenticeship contract and contract of continuous professional training can also comprise some other clauses determined by parties, which do not contradict with the legislation in force

*Findings: The apprenticeship contract and the contract of continuous professional training could be promoted as forms of training to foster career advancement (for developing trainer skills, management skills on certain aspects of the company, etc.)*

**Article 218.** Duration of apprenticeship and of the continuous professional training

- (1) Duration of apprenticeship and continuous professional training should not exceed, during the week, the duration of the working time established by the present code for the respective age and profession at execution of the corresponding works.
- (2) The time needed by the apprentice for participation in the theoretical activities related to professional training shall be included in the working time.
- (3) Employees involved in the continuous professional training in the entity can be temporarily dismissed from the work stipulated by the individual labor contract or can work part-time or on flexible regime of working time, with the written consent of employer.
- (4) With respect to employees involved in continuous professional training is forbidden:
  - a) work performed in hard, harmful and/or dangerous conditions;
  - b) additional work;
  - c) night work;
  - d) detachment which is not connected with professional training.
- (5) Term of apprenticeship and continuous professional training starts running at the date mentioned in the contract, extending with the period of medical leave and other cases stipulated by the contract.

*Findings: The employer cannot force employees to recover their unpaid workload because they attended a training course. LC guarantees the right to sick leave and rest, including training period.*

**Article 219.** Application of the labor legislation in the course of apprenticeship and of the continuous professional training

- (1) As regards the apprentices and employees who concluded a continuous professional training, the labor legislation, including legislation regarding labor protection shall be applied.
- (2) The clauses of the apprenticeship contracts and continuous professional training contracts which contradict with the legislation in force, provisions of the collective conventions and of labor collective contracts shall be deemed null and inapplicable.
- (3) employer will provide, by a corresponding control, carried out together with the representatives of employees, the efficiency of the apprenticeship system and of any other system of personnel training and their proper protection.

*Finding: LC defends the apprentice's interests, so clauses of apprenticeship contracts that contravene legislation and collective labor agreements are considered null.*

*Recommendations: A general course of work safety and security of employees shall be added in the curriculum of vocational and higher education institutions, regardless of the*

*sphere of activity. The curriculum of this course should include all relevant aspects, including employee rights, professional training and career advancement.*

**Article 220.** Ceasing of the continuous professional training contract

The continuous professional training contract can cease for reasons stipulated by the present code for individual labor contract ceasing or for other reasons stipulated by the legislation in force.

*Finding: The ceasing of the individual labor contract also stipulates the right of the employer to terminate the professional training contract, but it is not stipulated if he can retain from the salary of the employee the course price for his benefit and which would be the procedure.*

*Recommendations: Including an article that would protect the employer's interests against employees who benefited from funding for professional training but did not bring economic benefits to the company.*

**Article 221.** Ceasing (termination) of the apprenticeship contract

Apprenticeship contract shall cease (terminate) for reasons stipulated by the Civil Code.

*Finding: If the apprenticeship agreement provides remuneration, it must be guided by the LC, otherwise the promotion of such a training model will be avoided by employees.*

**Article 270.** Documents which are presented at conclusion of the extra-job individual labor contract

(2) When employing for an extra job on one position or profession which requires special knowledge, employer shall have the right to demand from the respective person to present the diploma or another document that confirms the professional studies or training, or the extract from the labor book, but when employing for performance of works with hard, harmful and/or dangerous work conditions – additionally, the certificate regarding the character of work conditions at the main workplace and the medical certificate.

*Recommendation: To inform employers on the existence of the online platform to verify diplomas: <http://ctice.md:8082/verif/>, or within the Public Services Portal: <https://servicii.gov.md/>*

**Article 348.** Object of labor jurisdiction

The object of labor jurisdiction is the settlement of individual labor litigations and collective labor conflicts related to carrying on collective negotiations, conclusion, execution, modification, suspension or ceasing of the collective and individual labor contract, of collective conventions stipulated by the present code, as well as settlement of collective disputes related to economic, social, professional and cultural interests of employees, that appeared on different levels between social partners.

*Finding: If the person who has an apprenticeship contract or attends a vocational training course is paid, it automatically falls under the LC.*

*Recommendation: to include in this article people with whom an apprenticeship agreement has been concluded or undergoes a vocational training course.*

**General conclusions with reference to the Labor Code:** LC devotes special attention to the continuous training of employees and indicates many forms of both traditional and non-traditional training (such as apprenticeship, internships, etc.). The Labor Code defends the employee's interests in regulating work relationships in situations where the employee is involved in continuing training, but does not take into account the interests of the employer nor does it stimulate employers to invest in different forms of training. Career advancement through associations, employers' associations, trade unions is not mentioned in the Code. This requires further analysis and solutions to stimulate career advancement both from the employer's perspective and from the employee's perspective, which tends to new responsibilities in managerial or training positions.

#### **Law no. 102 of 13.03.2003 on the employment and social protection of jobseekers**

The law regulates measures to achieve strategies and policies to maintain a high level of employment and adapting the workforce to the requirements of the labor market, on the social protection of persons seeking employment, preventing unemployment and combating its social effects.

*Extract from the Informative Note on the draft law on the promotion of employment 2017: Law no.102-XV of 13.03.2003 on employment and social protection of jobseekers is outdated and needs revision, adjustment to international standards, to the labor market circumstances in the Republic of Moldova. Thus, most of the active employment measures provided by the current law (e.g. subsidizing labor costs, financial support for job creation) are not implemented being considered bureaucratic and inefficient by the beneficiaries (unemployed, employers). Although the law is outdated, it is still in force and there are no guarantees with regard to the content that will remain in the draft law 2017.*

#### **Article 4.** Social protection measures for people seeking employment

(2) Active measures include incentives for employment, professional orientation of the adult population and vocational training of jobseekers. These measures are addressed to jobseekers as well as to employers.

*Recommendations:*

- *Providing training courses for both unemployed and those who are employed, but want a re-qualification.*
- *Stimulation and inclusion of legal persons in social protection measures.*
- *Employers' subsidies for employing and training the unemployed.*

#### **Article 12.** Outplacement services

- (1) For the purposes of this law, outplacement services provide for the following activities:
- a) information about the legal provisions regarding the social protection of jobseekers and about provision of employment and training services;
  - c) career re-orientation within the unit or short-term courses;

*Finding: In most cases, employees are not informed about the providers of these services.*

*Recommendations: to publish a brief guide on employees' rights to employment and dismissal, as well as other rights as set out in ILC.*

**Article 16.** Services to achieve employment opportunities

The increase of employment opportunities for jobseekers is achieved by:

- b) information and professional counseling;
- c) advice and assistance for launching an entrepreneurial activity;
- f) guidance and training;
- g) internships.

*Findings: The law provides career development measures through internships, guidance, training or even through advice and assistance for launching an entrepreneurial activity. Financial support must be provided for the launching of entrepreneurial activity.*

*Recommendation: Self-employment is a first career step for entrepreneurial activity, which should be included as a separate occupation option.*

**Article 18.** Information and professional counseling services

(1) Information and professional counseling are a set of services offered free of charge for jobseekers and are aimed at:

- a) providing information on the labor market and the evolution of occupations;
- b) assessment and self-evaluation of the personality for integration or reintegration;
- c) developing self-reliance and self-confidence to decide on one's own career;
- d) training regarding methods and techniques for finding a job.

(2) Information and professional counseling are carried out within the agencies as well as the private sector agencies authorized under the law.

(3) Information regarding labor market, establishment of the educational path, assessment and self-evaluation of the personality is accomplished through self-information, by providing individual or group counseling services offered by the agencies in the labor clubs.

(4) Career counseling and training regarding methods and techniques of seeking a job and presentation at interviews in order to get a job are carried out within agencies, informational and career counseling centers or upon request, in other organized forms of training.

*Finding: The law provides more direct services aiming to raise awareness of the educational path and career growth. At the same time, the services described are traditional, with low efficiency.*

*Recommendation: mentoring, apprenticeship, internship, etc. may be offered. Attracting private institutions and businesses to the training and retraining of unemployed people in exchange for facilities.*

**Article 19.** Services on consultancy and assistance of entrepreneurial activity:

- 1) Consultancy and assistance for starting an entrepreneurial activity is provided, upon request, to non-employed persons, in the form of legal services, marketing, financial, efficient management methods and techniques and other forms of consulting services.

- 2) The services provided in para. (1) shall be provided by the agencies in collaboration with the employers' and trade unions or, as appropriate, by private agencies, professional organizations, foundations and associations.

*Finding: Support in launching entrepreneurship could be of greater interest to people who have a job, because they would have greater potential for launching a business. Thus, this type of service must be offered to all categories of citizens of the Republic of Moldova. It is not clear the mechanism for financing such activities in the current law, in particular the support offered by the partner organizations mentioned.*

*Recommendation: the self-employment activity, which would be closer to the needs and possibilities of an unemployed person, should be indicated separately.*

**Article 25.** Organization of professional training:

- (1) To increase professional mobility and to integrate or reintegrate into the labor market, the unemployed are entitled to undergo qualification, retraining and development (further professional training), organized by the National Agency for a maximum period of 9 calendar months.
- (2) Professional training programs are developed according to nationally approved occupational standards.
- (3) Professional training is carried out on a contractual basis with public or private educational institutions, authorized under the law.
- (4) The methodological norms for the organization and development of the professional training for the unemployed, their professional integration are elaborated by the Ministry of Labor, Social Protection, and Family, jointly with the Ministry of Education, and approved according to the legislation in force.
- (5) The agencies' professional training services are provided free of charge.
- (6) The professional training of unemployed is carried out in accordance with their individual wishes and skills, taking into account the current and future demands of the labor market.
- (7) The way of organizing professional training is set by the Government.

*Recommendation: To diversify training forms by stimulating innovation in this area. Funding innovative pilot training projects for adults. To involve as many service providers as possible to stimulate competition. Financing via vouchers – thus, the beneficiaries will be able to select more qualitative (more expensive) courses by ensuring the financial difference through their own contribution, which in turn will contribute to the diversification of courses and the emergence of more courses in the field of occupation, entrepreneurship, management, training of trainers, freelance training, etc. and in the field of new professions (graphic designers, programmers, etc.).*

**Article 26.** Training beneficiaries:

- (1) Access to training is the result of professional guidance or intermediation.
- (2) Persons registered with agencies, from the age of 16, who whether has or doesn't have a job (profession) and cannot be employed because of the lack of relevant jobs in his field have access to professional training.



(3) Priority is given to graduates of boarding schools, orphaned children, children left without parental care and those under guardianship, children from families with many children, single-parent families and victims of domestic violence, victims of trafficking in human beings, people with disabilities, veterans of all categories and persons released from places of detention or social rehabilitation institutions.

(4) Unemployed persons receiving unemployment benefit or professional integration or reintegration allowance who receive training receive unemployment benefit or allowance for integration or reintegration into the amount and for the period previously established.

(4<sup>1</sup>) Unemployed persons receiving professional training and not receiving unemployment benefit or professional integration or reintegration allowance shall be granted a non-taxable monthly allowance, during the training, in the amount of 10 percent of the average salary for the previous year, at the date of payment.

(5) The financing of the orientation and training activity of the unemployed both insured and uninsured is carried out from the account and within the limits of the state social security budget allocated to the Unemployment Fund, approved annually in the established manner.

(6) The persons referred to in this Article may benefit from one-time free-of-charge training services for each case of their registration as an unemployed person.

*Recommendation: Professional training must be a priority for all categories of unemployed, thus increasing the chances of employment. The Agency services must provide training for all categories of Agency beneficiaries. Developing a general course on Personal Development, career advancement and motivation for studies could be recommended to all unemployed people in socially vulnerable categories. Developing a course on self-employment (or several courses on self-employment areas) could provide a career alternative for those who do not want to be hired or dream to work on their own. Also, it is recommended to diversify the training courses forms and content, to cover all the needs of the various categories of beneficiaries of the Employment Agency.*

#### **Law No. 845 of 03.01.1992 on Entrepreneurship and Enterprises**

*Finding: In the law there are no articles that provide/refers to training, education, career etc.*

*Recommendation: The law can be supplemented with articles to stimulate youth or the unemployed who are interested in starting entrepreneurial activities through microfinance, consultancy and tax incentives in the first years of the enterprise. Also, the law could provide measures to stimulate the exchange of experience and cooperation between enterprises, the association of enterprises to organize training sessions, mentoring networks, the exchange of experience between managers.*

#### **Tax Code of the Republic of Moldova No. 1163 of 24.04.1997**

##### **INCOME TAX Chapter 1 GENERAL PROVISIONS**

##### **Article 19. Fringe benefits:**

Taxable benefits provided by the employer shall be deemed:

- a) payments offered by the employer to the employee for reimbursing personal expenditures, as well as payments to the employee provided for other persons, except for payments to the state social security budget and compulsory state insurance premiums, of the payments referred to in article 24 para. 20, as well as payments related to expenses incurred and determined by the employer for the employee's transport, nutrition and professional training, as determined by the Government;

### Chapter 3 DEDUCTIONS RELATED TO ENTREPRENEURIAL ACTIVITY

#### Article 24. Deduction for expenses related to entrepreneurial activity

(19) It is allowed to deduct the expenses incurred and determined by the employer for the employee's transport, food and professional training, in the manner established by the Government.

(21) It is allowed to deduct the expenses incurred for granting private scholarships, as established by the Government.

*Finding: The law does not impose taxation on transport, food, and training, nevertheless, it does not encourage the organization of various forms of professional development, such as mentoring, apprenticeship or additional facilities for employers who budget more than 2% of the wage fund for training activities.*

*Recommendation: The training forms indicated in the Tax Code are limited, which may stop employers from diversifying them. It would be good to developed classification / description of various forms of professional and career advancement training with a listing of eligible deductible expenses.*

## **Draft Decision of Government, REGULATION on the organization and administration of dual education,**

### Chapter I. General Provisions

2. Dual education is an alternative form of vocational education and training and is organized by providing the theoretical and practical training within the vocational school and economic operator, in order to acquire knowledge, skills and competences for professional qualifications for ISCED level 3, ISCED 4 and ISCED 5, according to the National Qualifications Framework of the Republic of Moldova.

3. Dual education has the following specific characteristics:

- 1) It is organized at the initiative of economic operators, interested as potential employers;
- 2) It provides practical training, under the responsibility of the economic operator, in authentic working conditions, with the monthly payment of the apprenticeship salary;
- 3) It ensures participation of the economic operator in the appraisal and certification process of the apprentice.

*Finding: The regulation provides the legal framework and minimum wage for apprentices, who are in the process of training, by guaranteeing all the rights that arise from an ILC: seniority, social and medical insurance. The project will promote new forms of training. At the initial stage, implementation of this project will require major*



*development partners' support to involve a large number of enterprises, training a large number of mentors within companies, etc.*

## Chapter VI. Financing dual education

83. Dual education is funding from the state budget or other legal sources, for the training components of the VET, and where appropriate, the training components of the economic operator from its sources or other legally constituted sources.

84. The economic operator will calculate and pay the income tax deducted from the apprenticeship salary, as well as statutory social insurance contributions and statutory social insurance contributions, as required by the legislation in force. Where appropriate, the operator will provide accommodation, transportation and food for the apprentices. The expenses of the economic agent related to the organization and carrying out of the dual education program are tax deductible, under the conditions stipulated by the law.

*Finding: The state's obligation is not determined on the partial financing or subsidization of the economic agent for training activities. There is no provision for mentors training or adjustment of spaces for organizing mentoring or internship activities.*

## Draft law on the promotion of employment, 2017

### Chapter I **Article 4.** Purpose and tasks of employment policy

(1) The purpose of employment policy is to increase the level of employment and reduce social exclusion in the labor market.

(2) Employment policy tasks are:

- a) To correlate labor supply and demand;
- b) To increase employment opportunities for jobseekers;
- c) To support job creation.

(3) Any discrimination on grounds of race, nationality, ethnic origin, language, religion or belief, sex, age, disability, opinion or political affiliation, wealth or social origin shall be prohibited in the application of this Act.

*Finding: There are no tasks to stimulate vocational training and career advancement. Tasks related to special assistance for vulnerable categories of employment are not mentioned.*

### **Article 5.** Labor market services, measures to promote employment and labor market monitoring

(1) Labor market services include:

- a) registration of vacancies and job seekers;
- b) information of employers and jobseekers;
- c) counseling and professional guidance;
- d) labor intermediation;

- e) establishing the profile of the unemployed;
  - f) elaboration of the individual employment plan of the unemployed;
  - g) outplacement services.
- (2) Measures to promote employment include:
- a) active measures on the labor market;
  - b) programs to facilitate employment;
  - c) unemployment benefits.
- (3) Labor market monitoring includes:
- a) records of jobseekers, unemployed, job vacancies, labor market analysis and forecasts
  - b) assessing the impact of services on the labor market and measures to promote employment.

*Finding: not included*

**Article 6.** Unemployed who require additional support on the labor market

- (1) Under the present law the following categories of unemployed require additional support on the labor market:
- a) young people aged 16-24;
  - b) people who do not have a profession/trade;
  - c) people with disabilities;
  - d) long-term unemployed;
  - e) people aged 60 and over;
  - f) persons released from detention;
  - h) victims of trafficking in human beings after psychological and social rehabilitation;
  - i) people struggling with substance use, after social and psychological rehabilitation;
  - j) victims of domestic violence;
  - k) other categories at risk of social exclusion.
- (2) Territorial employment agencies provide additional services to facilitate the integration of the persons specified in para. (1) into the workforce.

*Finding: Several socially vulnerable categories, including young people, can benefit from additional support.*

**Article 13.** Roles of non-governmental organizations;

- (1) Public associations, other organizations representing the interests of jobseekers, may participate, with consultative role, in the activities of the tripartite councils of the National Agency and the territorial agencies.
- (2) The organizations referred to in para. (1) of this Article are entitled to submit proposals for improving employment policy.
- (3) The organizations referred to in para. (1), providers of specialized services for employment promotion may, on the basis of contracts concluded with the employment agencies, provide services financed from the state budget, only if they meet the criteria for organizing the work placement established by the National Agency.

*Finding: The access of the public associations and other organizations to the services offered on the labor market is not clearly defined.*

*Recommendation: It is recommended to list the services to which public associations and other organizations have access, this would allow the liberalization of services on the labor market, and would enable unemployed jobseekers to choose their service provider. Among the services provided by NGOs can be the piloting of innovative forms of professional training and career guidance.*

**Article 14.** Recording job vacancies and jobseekers;

- (1) Employers inform territorial agencies of vacancies and the conditions for their employment.
- (2) Territorial Agencies register vacancies and publish them.
- (3) Territorial Agencies register vacancies and jobseekers according to the registration procedure approved by the National Agency.

*Finding: Most employers do not use the services of territorial agencies. Employers typically use the services of private companies, or publish their ads on their web pages.*

*Recommendation: Territorial agency specialists should be proactive and assess the needs of employers, to address employers as a client, to provide recruitment services for employers, to consult employers in creating training opportunities for employees and company managers. Additionally, agencies could create a network of human resources managers for which they would provide training in career guidance and coaching for employees. Agencies should offer different benefits to employers to motivate collaboration with employment agencies.*

**Article 15.** Information of employers and jobseekers;

- (3) Jobseekers are informed of:
  - a) conditions for labor market services and measures to promote employment;
  - b) job vacancies and the conditions for their employment;
  - c) search methods for a job;
  - d) training opportunities;
  - e) demand and supply on the labor market;
  - f) labor market trends.

*Finding: To inform the unemployed about the various opportunities for career advancement in the professional sector specific to the unemployed who appealed for the services.*

**Article 17.** Counseling and professional orientation;

- (1) Counseling and professional orientation aims to support the job seeker in identifying educational and professional opportunities.
- (2) Counseling and professional orientation includes:
  - a) counseling on the choice of profession;
  - b) professional orientation.

- (3) Counseling on the choice of profession is intended to help the person in assessing and self-assessing the personality for professional guidance.
- (4) Professional orientation aims to develop the skills and self-confidence of jobseekers to make the decision about their own career.

*Recommendation: instead of "Counseling and professional orientation" to include career guidance and counseling. to amend the paragraphs with:*

*(1) Career guidance and counseling aims to support the job seeker in identifying educational and professional opportunities.*

*(2) Career guidance and counseling includes:*

- a. Information on the professions and the specificity of the labor market;*
- b. Self-knowledge;*
- c. Consultancy on developing personal marketing tools;*
- d. Counseling for decision making on career development.*

*(3) Information on professions and the specificity of the labor market aims to support the person in the correlation of professional interests with the demands of the labor market.*

*(4) Self-knowledge aims to support the person in evaluating and self-assessing the personality in order to correlate skills, aptitudes, etc. with professional interests.*

*(5) Consultancy on developing personal marketing tools: CV, cover letter and interview support for integration into the workforce.*

*(6) Counseling for decision making on career development aims to help jobseekers to make their own career decisions.*

**Article 18.** Profiling of unemployed person:

(1) Territorial Agencies assess the employability of the unemployed and establish his/her profile, for the purpose of planning services and appropriate measures to promote employment.

(2) Unemployed profile is established taking into account:

- a) training, professional experience and skills of the unemployed;
- b) the period of unemployment;
- c) the medical conditions of the unemployed;
- d) the type of disability.

**Article 19.** Development of the individual employment plan for the unemployed

(1) The individual employment plan for the unemployed is determined on the basis of its profile.

(2) In the case of a person with disabilities, the individual plan of employment also takes into account his/her individual needs.

(3) The individual employment plan includes services and measures to promote employment to which the unemployed is to be subjected for the purpose of integration into the labor market.

*Recommendation: The Profile and Individual Plan are among of the most important documents related to Career Guidance, as a result of this, it is required a more detailed description of the content of this plan and enumeration of the activities to which the beneficiary must participate, from the perspective of professional training and career guidance. For a more appropriate adjustment of the development process of profile and plan, beneficiaries could be divided into several categories, as well as, to motivate beneficiaries to choose career advancement, self-employment, etc.*

**Article 20.** Outplacement services

(1) Outplacement services are granted to the persons who have been notified about the reduction of number of staff and include:

c) training opportunities.

*Recommendation: Outplacement services should include career guidance services.*

**Article 24.** Active measures on the labor market

(1) Active labor market measures are granted to increase the employability of the unemployed and include:

a) professional training;

b) subsidized employment;

c) support for job creation and adaptation;

d) assisted employment of people with severe disabilities;

e) incitement of labor mobility;

f) professional rehabilitation of the person with disabilities.

(2) Territorial agencies distribute the unemployed to active measures according to the provisions of the present law.

(3) For the purpose of effective integration into the workplace, the unemployed can be involved simultaneously in 2 active measures, but not more than once every three years, from the date of the last two active measures.

(4) Not eligible for active measures under this law are employers who:

a) are inactive, in bankruptcy or liquidation process;

b) have debts to the national public budget;

c) have debts to employees.

*Recommendation: personal development and career guidance can be mentioned as active measures. To assume also innovative forms as mentoring and internship to professional training.*

**Article 25.** Professional training and its forms:

(1) Professional training is organized for the unemployed, for the purpose of qualification, retraining, refinement, specialization and further reintegration into the labor market.

(2) The professional training of the unemployed can be carried out by the natural and legal persons of public or private law, authorized according to the law.

- (3) Professional training is achieved by:
  - a) qualification, retraining, development, and specialization courses;
  - b) on-the-job training within the unit;
  - c) internship.
- (2) The way of organizing the professional training of the unemployed is determined by the specialized central body.

*Finding: Forms of professional training are limited by the current law.*

*Recommendation: other innovative forms of training could also be indicated to stimulate service providers to diversify their training programs. Professional training is indicated only for the unemployed. A diversification of the categories of beneficiaries in training programs could contribute to greater employee mobility and indirectly to employment increase and career advancement opportunities.*

**Article 26.** Professional training of the unemployed through qualification, retraining, development, and specialization courses:

- (1) The Territorial Agency directs the unemployed to qualification retraining, development and specialization courses (training courses) as a result of counseling and professional guidance.
- (2) The unemployed who are unable to work because of the lack of suitable work places are trained.
- (3) Training courses for the unemployed are carried out on the basis of the contract between the territorial agency, the vocational training provider and the unemployed.
- (4) The selection of professional training providers is carried out according to the legislation in the field of public procurement.
- (5) Unemployed enrolled in training courses benefit during the training period of a non-taxed monthly scholarship in the amount of 15 percent of the average salary in the previous year, which is granted proportionally to the frequent attendance at training courses.
- (6) Unemployed people can benefit one-time from the free training courses within 24 consecutive months.
- (7) The duration of the professional training course is determined, according to the legislation in force.
- (8) Territorial Agencies cover the following expenditure related to the training of the unemployed:
  - a) training;
  - b) accommodation, in the amount of 80% of the average rental price of the dwelling in the place where the training takes place;
  - c) transportation, in case the unemployed person is referred to professional training courses in another locality;
  - d) scholarship.

*Finding: this article allows participation in qualification, retraining, development, specialization only for the unemployed.*

*Recommendation: diversification of target groups into training programs.*

**Article 27.** On-the-job training within the unit:

- (1) On-the-job training at the unit is organized for the unemployed by the territorial agency, based on the training agreement concluded between the employer, the training provider, the unemployed person and the territorial agency.
- (2) The on-the-job training contract provided for in para. (1) shall include the obligation of the unemployed person to work within the unit in accordance with the provisions of the contract.
- (3) The on-the-job training program at the workplace is developed by the training provider jointly with the employer and is approved according to the legislation in force.
- (4) The unemployed involved in the on-the-job training benefits from a non-taxable monthly grant, according to the provisions of art. 26 para. (5).
- (6) The procedure for organizing on-the-job training within the unit is established by the central specialized body.

*Finding: on-the-job training is an effective way of training provided that selected mentors have special training and are motivated financially or non-financially to carry out this task.*

**Article 28. Internship:**

- (1) The internship is organized for unemployed persons directed by the territorial agency in order to acquire practical skills in the profession.
- (2) Employers who hire indefinitely and train the unemployed for the purpose of acquiring practical skills in the profession held, receive a monthly grant equal to the minimum country pay, paid for a period of up to 6 months, used for the remuneration of the mentor, according to the legislation in force.
- (3) Employers referred to in para. (2) are required to maintain employment relationships for a period of at least 12 months from the date of the end of the period in which they receive the grant.
- (4) Employers who, on their own initiative, discontinue the individual work contract with the persons employed before the deadline provided in para. (3) are obliged to reimburse in full the subsidies received for each person.
- (5) The provisions of para. (4) do not extend to persons whose individual employment contracts have been dissolved due to the violation of the labor discipline, according to the legislation in force.
- (6) Employers are entitled to receive subsidies for each person employed, once in a period of 36 consecutive months, irrespective of the number of employment contracts completed.

*Finding: Internship in various businesses, with the goal of building practical skills in the profession, is an effective form of training provided that mentors within the enterprise are continuously trained in the field of adult education and apply various methods of adult education. At a first stage of implementation of this form, employers should receive subsidies for adapting workplaces, the training of mentors, and the services of a coach of trainers.*

**Article 29. Certification of knowledge and skills acquired in contexts of non-formal and informal education:**



- (1) Certification of knowledge and skills acquired in contexts of non-formal and informal education is carried out for the unemployed who have such competencies, identified as a result of counseling and professional guidance.
- (2) Certification of knowledge and skills acquired in contexts of non-formal and informal education is carried out by authorized institutions in accordance with the legislation in force.
- (3) The Territorial Agency covers expenditure on certification of knowledge and skills acquired in contexts of non-formal and informal education, based on contracts concluded with the unemployed and the authorized institution.
- (4) Unemployed persons registered with the territorial agency may benefit from the service specified in para. (1) once for each registration case of the status of unemployed.
- (5) Examination procedure of the application for the certification of knowledge and skills acquired in contexts of non-formal and informal education shall be determined by the central specialized body.

*Finding: There are a large number of foremen and managers in the labor market, who have advanced within companies without attending courses or non-formal training.*

*Recommendation: Development of a system for recognition of competences in the field of training at the workplace (trainers, foremen) and in the field of management (managers, team leaders, coordinators, etc.) could lead to an additional motivation for career advancement and diversification of career opportunities in the Moldovan labor market.*

### **Article 33. Self-employment assistance:**

- (1) Self-employment assistance is organized for the unemployed, who launch an entrepreneurial activity and creates him/herself a job.
- (2) The persons specified in para. (1) receive a grant to cover the expenses necessary to launch the entrepreneurial activity and the endowment of the created job.

*Finding: Self-employment field is new for EA, and requires knowledge in the field of entrepreneurship, business launch and management.*

*Recommendation: training of agency specialists in these areas (legal services, marketing, financial, efficient management methods and techniques, self-employment). To liberalize this area by offering access to private agencies, consulting companies, private institutions that have experience and already provide services in this field. To develop aa guide regarding self-employment for EA experts and stakeholders.*

## **National Employment Strategy for 2017-2021**

Priority areas for the effective reintegration of migrants returning to the labor market and social life in Moldova are the development of a mechanism for recognizing qualifications, certification of migrant workers' work experience of and retraining facilitation.

*Recommendation: The development of a mechanism for recognizing qualifications and certification of experience for all categories of employees (including training and management) will help diversify opportunities for career growth.*



The factors that make it more difficult to fill vacancies are the low level of qualification of potential employees, the inconsistency between the level of education and the workplace and the low level of wages offered, but also labor migration, especially of skilled workers. According to the forecast made by the National Agency for Employment, lack of investment in sectors requiring skilled labor and the discrepancy between knowledge acquired and those required by employers will maintain current trends of under-utilization of human capital. This is, among other things, a result of the gap between the educational system and the labor market needs. Thus, a better vocational technical education system, increasing the adaptability and flexibility of the workforce to the changing demands are essential to meeting the current challenges.

*Finding: This ascertainment of the strategy aims at a radical restructuring/reformation of the education system in Moldova in order to make it conform to the requirements of the labor market. The declining number of young people who continue their studies in Moldova is an evidence that the country's population is already aware of this. At the moment, there is a decrease in the number of people involved in the educational process, the highest decrease being registered at the level of technical vocational education institutions.*

Other issues mentioned in the strategy, which correspond to the objectives of the study:

- The need to strengthen and extend the collaboration of vocational education institutions with employers and professional associations in order to promote training programs at the workplace, as well as the participation of employers in the curriculum development process;
- Failure to train specialists with labor market needs generates imbalances in the labor market and supply shortage of labor, the inefficiency of capitalizing financial resources in technical vocational education, the quality of the trained workforce decreases and the decrease in the employment rate of vocational education graduates on the labor market.
- The factors that make it difficult to fill vacancies are the low level of qualification of potential employees, the inconsistency between the level of education and the workplace and the low level of wages offered, as well as the migration of the workforce, especially of the qualified persons.
- The private sector should be consulted and encouraged to provide private training initiatives, for people with disabilities inclusively.

Priority 2. Development of human capital for increased employment opportunities:

The specific objectives for priority 2 aim to increase the attractiveness, relevance, and inclusion of the vocational training system, promoting adult access and participation in the lifelong learning process, and information about the importance of lifelong learning.

Directions for achieving these goals include:

- 1) To strengthen the link between the labor market and the vocational training system in the Republic of Moldova;
- 2) To improve the image of vocational technical education and promote it;

- 3) To improve the graduates' practical skills using internships, apprenticeships in the workplace to facilitate the transition from school – to labor market;
- 4) To ensure the access of vulnerable groups to education and training;
- 5) To improve the legal framework on lifelong learning;
- 6) To enhance the awareness of the importance of lifelong learning and promoting of its benefits and career management for all actors: employees, employers, educational institutions, universities, etc.;
- 7) To foster cooperation and establish partnerships between research and development institutions, public authorities, educational institutions, and businesses.

*Finding: The strategy implies the increase of the attractiveness, relevance, and inclusion of the vocational training system, promote access and participation in the learning lifelong process for adults, and information about the importance of lifelong learning. In order to achieve this objective, it is necessary to reform the training methodologies in the vocational-technical education institutions by applying active teaching/learning/assessment methodologies specific to adult education. Current methodologies are one of the primary reasons that adults avoid further training.*

#### Priority 3. Better governance of the labor market

Directions for achieving these goals include:

- 1) To strengthen the capacity of the Ministry of Labor, Social Protection, and Family to develop and coordinate the implementation of employment policies;
- 2) To modernize of the National Employment Agency at national and local level;
- 3) To regulate better the work of private employment agencies;
- 4) To improve enforcement of labor law through development of the State Labor Inspectorate;
- 5) To develop the social dialogue for a better impact on the labor market;
- 6) To reform funding and labor market governance;
- 7) To diversify services and expand personalized employment packages for vulnerable groups;
- 8) To improve gender-sensitive monitoring and evaluation of employment measures;
- 9) To improve activation measures of welfare recipients capable of work;
- 10) To regulate better nonstandard forms in the labor market.

*Finding: Priority 3 implies the reformation of agencies and services offered to different target groups. An active collaboration between development partners and public institutions in the field of employment is desirable for a correct guiding of the reform in this field.*

#### Priority 4. Unlocking the potential of migration for sustainable development.

The identified actions for priority 4 include:

- 1) To strengthen the institutional and legislative framework needed to manage the labor migration process;
- 2) To diversify opportunities for legal employment of migrant workers;
- 3) To empower economically the migrants to channel remittances as investments in the real sector of the economy and creating employment/self-employment opportunities.

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*Finding: Creating self-employment opportunities should be targeted to all categories of beneficiaries because this is one way of diversifying career and is recognized as one of the growth/interest directions in all European Union countries.*

## 5. CONCLUSIONS AND GENERAL RECOMMENDATIONS

Following the revision of the legal framework regarding CG from the labor market perspective, there are a number of dominant tendencies among which:

- The phrase *career guidance* is missing from all labor market policy documents;
- Vocational training is the main form of career guidance mentioned and stimulated by all the legislation under consideration;
- Increased attention is paid to traditional forms of training, and less to innovative forms such as mentoring, coaching, or other forms of guidance in the workplace;
- Entrepreneurship as a career option is mentioned in multiple policy papers;
- New forms of self-employment and "freelancing" are not present in current policy documents;
- The development of human resources at the institutional level (either a separate department or a responsible person) most often relates to the conclusion of employment contracts, collective training, etc. and less of career guidance;
- There are no instructions, employees' CG guides for human resources managers and employers;

### **General recommendations:**

- To include the phrase "career guidance" in public policies.
- To diversify the cooperation between economic agents and educational institutions. (Educational institutions could provide advice, training, expertise, joint projects, etc. which would increase the quality of education and adjustment of education to labor market requirements).
- To develop innovative adult educational systems in every sector - through professional associations, the Chamber of Commerce, employers and trade unions.
- To recommend incentives for employers who constantly organize courses, provide opportunities for growth and hire graduates without work experience.
- To develop CG tools and new employee motivation systems based on CG (financial motivation crisis) for Human Resource managers and business managers.

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