

Youth Employment Solutions: The Impact by Civil Society in Ukraine, Moldova, Georgia

POLICY PAPER



Re-granting Project 2020
Working Group 4

Ukraine
Moldova
Georgia

This publication was produced with the financial support of the European Union. Its contents are the sole responsibility of the Open Society Foundation, NGO (Ukraine), Youth Alternative NGO (Ukraine), Georgian Center for Strategy and Development (Georgia), Foreign Policy Association of Moldova (Moldova) and do not necessarily reflect the views of the European Union.

Authors:

Gogita Gvedashvili, David Jinjikhadze (Georgia)

Victoria Rosa (Moldova)

Denys Chernikov, Lyudmyla Kudina (Ukraine)

Contents

Summary	2
Common trends and issues in youth employment in 3 countries	2
Institutions and legislation	7
Stimulus packages	13
Best practices of CSOs, private sector, public authorities and international assistance	15
Country Conclusions	22
Georgia	22
Moldova	23
Ukraine	23
Country Recommendations	25
Georgia	25
Moldova	26
Ukraine	27

Summary

Youth employment policy is a complex area, necessary involving education policy, social policy, and economic policy, which makes it per se hard for national governments to tackle comprehensively. In the conditions, which exceed the routine, e.g. due to Covid-19 related limitations, the problem of youth unemployment becomes yet more acute. The governments of Georgia, Moldova and Ukraine have to deal urgently with youth employment opportunities, decent work and job stability, and access to social protection for young

people. The present document is a joint undertaking of the experts from the three countries, which introduces the reader to the background related to youth employment, guides through the key state institutions and relevant legislation, reviews stimulus packages and presents the best practices of civil society, private sector, public authorities and international assistance. The authors conclude with specific policy recommendations for each country.

Common trends and issues in youth employment in 3 countries

Youth employment is an undoubtedly important issue for Georgia, Moldova and Ukraine in terms of employment opportunities, decent work and job stability, and access to social protection for young people. Instability in employment opportunities and wages was the common feature of the labour market in all three countries, which all had experienced the collapse of the Soviet Union. Today the labour market provides cheap qualified workforce and allows the coexistence of illegal employment and shadow economy, and the lack of social guarantees for the employees.

Youth employment policy in this context becomes a complex enterprise, necessary involving education policy, social policy, and economic policy. During the recent year, due to Covid-19 related limitations, businesses in all three countries suffered a tremendous decline of economic activity without a meaningful compensation from the public authorities. The problem of youth unemployment, which was crucial before the Covid-19 pandemic, has got even more severe since

April 2020. The official youth unemployment numbers were released, although with some delay (see Table 1), and demonstrate clearly that the current level of youth unemployment is at least twice higher in all three countries, compared to the previous period.

There are several reasons why the youth employment policy has to be placed at the top of the decision-makers' agenda. First, the economic decline due to Covid-19 pandemic was forecasted at more than 8%, so there will be even less opportunities for the young people. Second, the deficit of the national budgets in Georgia, Moldova and Ukraine is increasing, meaning that fewer resources will be allocated to support jobs and businesses. Third, the uncertain future of labour migration to Western Europe due to the pandemic suggests there are no extra options for employment of the young people. Last but not least, the lack of jobs may lead to social unrest, especially in small towns, the areas with industrial decline, and the areas with low economic potential.

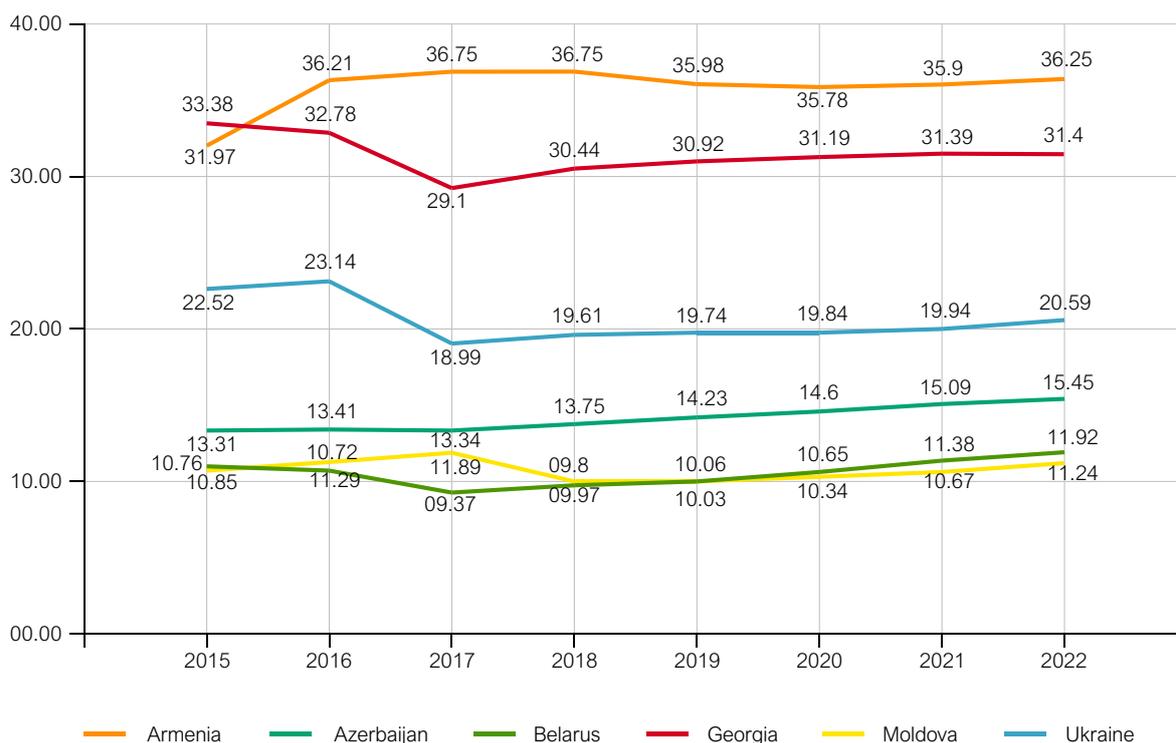
Definition of young people

- Georgia: individuals aged 14 and 29
- Moldova: individuals aged 14 to 35
- Ukraine: individuals aged 14 to 35

Table 1. Unemployment by age groups, %

	15-24 y.o.	25-29 y.o.
Georgia	30	20
Moldova	13	11
Ukraine	20	11

Figure 1: Youth Unemployment Rates in Eastern Partnership Countries 2015-2022 (%)



All three countries share the same background related to youth employment. Youth unemployment is mostly driven by **a mismatch between specialization/skills demand and supply**, which is based on the poorly informed choice of the specialization/profession by the young people (the

demand side), given poor or no professional orientation services, and their expectations with regards to the “safer” employment with the tertiary education diploma, which would also guarantee a secured career pathway. On the supply side, the university system remains unchanged and further impacts the

young people's choice: school graduates are disproportionately interested to learn social sciences and humanities, compared to other subjects. Young people's "rational" choice is not based on their own experience of study or work. Misinformed choices and exaggerated expectations are formed in an environment, where very few opportunities are available for the on-the-job training or the entry/transit job; where youth entrepreneurship has few stimulus; where low information circulates on opening of new companies and required skills; where few opportunities arise to develop young people's soft skills (e.g. communication, entrepreneurship or leadership). Poor coordination between the government, the businesses and the education providers is yet another reason for misalignment of the educational system with the skills needs of businesses. Major employers and educational institutions show little interest in establishing systematic cooperation to address such pitfalls.

In Ukraine, the supply of graduates by Ukrainian universities is imbalanced in view of the market demand: more people are trained in social sciences, legal studies, and management (38% of graduates), compared to engineers (13%), natural sciences and IT (8%) or agriculture (3%). At the same time, the economy shows 10-20% growth in the number of export/import firms in agriculture, industry and services, thus increasing em-

ployment opportunities in these spheres. A dramatic mismatch of demanded and supplied skills was emphasized in agriculture and renewable energy.¹

In Georgia, young individuals aged 14 to 18 mostly choose to pursue tertiary education immediately after their school graduation², due to the absence of clearly-defined future plans, goals, or interests. Almost half of the students choose to study in the capital city. A majority of students select educational programs in the field of social sciences, business or law.³ According to the recent research, only 31% of the employed young Georgians work completely or partially in the profession they were educated for.⁴ The qualifications and working experience do not match the requirements of the labour market. Notoriously weak correlation between academic studies and employment is a serious problem for university graduates in Georgia. Students choose to enter graduate studies as a way of increasing employment opportunities. Obtaining a Master's degree increases the chances of getting a job by at least 70% when compared to an individual with only a Bachelor's degree.⁵ As for vocational education and training (VET) institutions, almost half (47%) of people in formal employment say their field of studies corresponds with their current professional occupation, while another 20% confirms partial compliance.⁶

1 European Training Foundation, 2017, Torino Process Conference 2017. Changing Skills for a Changing World: highlights <https://www.etf.europa.eu/en/publications-and-resources/publications/torino-process-conference-2017-changing-skills-changing>

2 Friedrich Ebert Stiftung, 2016, «Generation in transition: youth study 2016 — Georgia.», 29 Feb. 2016, <http://library.fes.de/pdf-files/bueros/georgien/13150.pdf>

3 GEOSTAT, 2018, Higher and Professional Education, https://geostat.ge/media/18181/umaglesi-ganatileba-%28geo%29_2018.pdf

4 Friedrich Ebert Stiftung, 2016, «Generation in transition: youth study 2016 — Georgia.», 29 Feb. 2016, <http://library.fes.de/pdf-files/bueros/georgien/13150.pdf>

5 EACEA, 2017, "Overview of the Higher Education System" https://eacea.ec.europa.eu/sites/eacea-site/files/countryfiche_georgia_2017.pdf

6 MES, 2018, Tracer Study, [https://www.mes.gov.ge/mesgifs/1584366255_2018-\(Tracer%20Study\).pdf](https://www.mes.gov.ge/mesgifs/1584366255_2018-(Tracer%20Study).pdf)

In Moldova, over a third of young people aged 15-34 are employed (38.4% or 274.000 people), about 2.8% (20.000) are unemployed and the rest, 58.8% (about 420.000), are economically inactive. Among the latter, over 39.0% are included in the National Education System (NES).⁷

Among employed young people aged 15-34 years old, four out of five, that is 80.6% work as employees, and 4.2% of them simultaneously attend formal training within the NES. The employment rate among young people aged 15-34 years is 38.4%. At the same time, for young people aged 15-24, the employment rate is only 19.0%, while for those aged 25-29 and 30-34 the indicator registers values 2-3 times higher, 48.8% and, respectively, 55.0%, being practically higher than the national average, 40.1% for the population aged 15 and over. About a quarter of young people, 24.0% have informal jobs, and among young employees 9.2% work without individual employment contracts. The practice of hiring without completing individual employment contracts, based on verbal agreements is more common among men, 12.1%, than women, 6.0%.⁸

A number of issues arise ***in employment of young people from vulnerable groups***.

In all three countries such vulnerable groups include: persons with disability (due to lack of remote work options), NEET (neither in education nor in employment), and young females (due to gender stereotypes, risk of being fired because of pregnancy and child care), as well as the youth in the rural areas. As for country-specific vulnerable groups, they include:

- *in Ukraine*: internally displaced persons (IDPs) (due to the stereotypes of perception by employers, strong dependence on the shadow schemes);
- *in Georgia*: ethnic minorities (Azeri, Armenian and Russian) who face language barriers, young people with disabilities who suffer from the lack of accessibility to proper infrastructure and education; a heterogeneous group of the NEETs aged 15-29 (30%), and internally displaced young people. Huge disparities between young people in the large urban and rural areas have to be mentioned, as well as differences between young males and females;
- *in Moldova*, however, there has been a positive trend in recent years in decline of young people's share in the NEET category. In particular, the share of youth between 15 and 24 years, who were not in education and neither in employment, decreased from 28% in 2015 to 20% in 2019. Compared to the number of females, the number of males in this category decreased most significantly, from 30% to 17%. To compare, the decrease of females' share in the NEET group was less impressive, from 26% to 23%, during the same period.

Weak protection of labour rights, "shadow" schemes of employment and weak regulation of part-time employment prevent young people from entering the job market. In particular low payment/employment guarantees, risk of being fired after an internship, little opportunities to get a job without experience and risks of combining job and education are important factors driving youth unemployment. Additionally, one of the big-

⁷ National Bureau of Statistics of Moldova, <https://statistica.gov.md/newsview.php?l=ro&idc=168&id=6729>

⁸ Ibidem

gest challenges is **youth immigration**: be it brain drain, seasonal work or educational opportunities, young people choose to leave the country as either job-seekers or students.

In Moldova, more than 50,000 young people aged 15-34 go abroad to work or looking for a job for less than a year. Out of this number, 79.3% are males and 84.2% are young people from rural areas. Young females compose 39.5% of the total number of females who went abroad to work or looking for a job for less than a year. Among males, at the same time, this share is significantly higher: 55.0%.⁹

Most young people from the Republic of Moldova prefer to work in Russia (25.2%), Germany (16.8%), Italy (11.3%), France (10.0%) and the UK (9.0%), with significant gender differences. The share of young females working in Italy is four times higher than that of the young males (29.4% of the total number of females who went to work compared to 6.6% of the total number of males), while Russia, as a destination country, it is more preferred by males than females (28.3% of all males compared to 13.1% of all females).¹⁰ During the past several years, young people have increasingly preferred to work in the European Union countries. Thus, the share of the young people leaving for work in Russia

has decreased from 71.9% in 2015 to 41.9% in 2018, while for Germany it increased from 2.6% in 2015 to 10.1% in 2018, for Italy from 7.7% in 2015 to 12.9% and for the UK from 2.2% in 2015 to 6.2% in 2018.¹¹ This could be considered an indirect impact of the Association Agreement (AA) implementation and an increased popularity of the EU as a safer place in terms of labour protection and social security.

According to the nationwide study “Generation in Transition – Youth Study Georgia”¹², significant number of young Georgians want to leave their home country. Every fifth respondent (21%) said they strongly desired to leave the country, and almost the same number (19%) indicated that they would consider leaving the country. It is noteworthy that the share of those who do not want to emigrate is higher among the older respondents, and especially among those who live in rural areas. The USA and Germany are ranked as the top two most desired destinations (27% and 21% respectively) among those willing to leave the country. The top seven preferred countries for emigration include five EU member states – almost half of the respondents wanted to travel to the EU countries. Better living standards top the list (38%) among the motivating factors of emigration, followed by better educational (17%) and employment (13%) opportunities.

9 Statistica Moldovei, Tinerii în Republica Moldova în anul 2019, <https://statistica.gov.md/newsview.php?l=ro&idc=168&id=6729>

10 Ibidem

11 Ibidem

12 Friedrich Ebert Stiftung, 2016, “Generation in Transition – Youth Study Georgia – 2016”, <http://library.fes.de/pdf-files/bueros/georgien/13150.pdf>

Institutions and legislation

In Ukraine, youth employment policy is split between three ministries: the Ministry of Social Policy (MSP, including the State Employment Service (SEE), and the Social Security Fund), the Ministry of Economic Development and Agriculture (MEDA), and the Ministry of Youth and Sports (MYS). The MYS has quite a broad mandate: it promotes professional orientation, employment of young people and their self-employment, increase of the young Ukrainians' competitiveness on the labour market and their professional development, as well as their obtaining of relevant competencies.¹³ These functions address mostly the area of skills and capacities of the young people; however, the promotion of employment is also on the list.

The employment policy in general, including social dialogue and working conditions, belonged to the competence of MSP until September 2019, when it was transferred to the MEDA. Along with that the SEE¹⁴, remains responsible for implementation of state employment and labour migration policies, including social protection against unemployment, labour market analysis, support in job search and in employees' selection, consulting on starting a private enterprise, provision of professional orientation services, organization of professional training and re-training, and additional support to people who are non-competitive in the labour market. Such separation of functions between different ministries has not produced any meaningful results in employment promotion, including youth employment, and the situation can get worse due to a pandemic shutdown of businesses in spring and summer of 2020.

Ukrainian legislation contains a number of general norms on promotion of youth employment. Many of these were adopted in the beginning of the 1990s and still bear the "soviet" spirit, encapsulated in "labour plattos" or employment quotas. Below are several examples of these general principles and norms:

- The Law 'On Employment of Population' includes a number of benefits and services guaranteed by the state for all categories of employees, including anti-discrimination norms. Moreover, young people enjoy an extra guarantee of 5% employment quota. Failure to secure such a quota may result in a fine for the employer. This law also foresees the activities promoting youth employment, including provision of the first job or internship to the young people.
- The Law 'On Promotion of Social Integration and Development of the Youth' includes two major norms on youth employment. First, the state guarantees a 2-year entry job/first employment for those young people who either graduated from an educational institution or left it, or were dismissed from the military service. Secondly, a network of youth employment centres must be established to specifically promote youth employment. This Law also reconstitutes the norm on the employment quota as mentioned above. According to the Law, the state shall also support creation of youth business centres and business incubators, and apply reduced charges for registration of businesses established by the young people.

¹³ Cabinet of Ministers of Ukraine, 2014-2020, Regulation on Ministry of Youth and Sport of Ukraine, <https://zakon.rada.gov.ua/laws/show/220-2014-%D0%BF#n8>

¹⁴ Ministry of Social Policy of Ukraine, 2019, Regulation on State Employment Service, <https://zakon.rada.gov.ua/laws/show/z0733-19#Text>

- Youth employment is also mentioned as one of the main areas of public policy for employment and job creation until 2022 (government ordinance #1396-p¹⁵ as of 24.12.2019).

At the implementation level¹⁶, the relevant activities are focused on both “inclusiveness of the labour market” and the youth employment. In particular, youth employment support supposedly focuses on career development training, reaching balance between skills supply and demand, development of proposals on stimulus for job creation, and promotion of youth entrepreneurship.

The impressively long action plan aimed to promote the youth employment outlined in the acting Ukrainian legislation, did not, however, translate into a well-developed and self-sufficient policy agenda. In terms of concrete policy instruments the situation is quite the opposite, especially compared to, e.g. norms and instruments addressed to people with disabilities. If the latter target group can refer to specific tax benefits, budget grants or soft loans, the youth employment policy cannot benefit from any of these.

At present, the MYS is responsible for development of the youth policy. Among other instruments, the MYS analyses youth needs, and implements programmes of youth civil society organizations (CSO) support, including support of the projects promoting modern competencies and skills, necessary for employment. But when it comes to the direct support for youth employment, the MYS has no such instruments, whereas it implements a number of budget programmes to promote sports, including support to teams and capital subsidies to finance construction of

sport venues. Therefore, the key body in the sphere of promotion of youth employment (as stipulated by law), this ministry should consider developing a special programme to address job creation and professional orientation.

In Georgia, the complex reforms of youth policy were implemented after the Rose Revolution in 2003 and the launch of the process of Europeanization of Georgia. The Georgian Law on Higher Education, adopted in December 2004, provided the legal basis for reforms, defining the roles and responsibilities of all players involved in higher education, the levels of higher education, the rules for admission, licensing/authorization and accreditation procedures, types of educational institutions and introduction of the credit system. In 2015, Georgia joined the UN Sustainable Development Goals (SDG) and, thus, committed to decreasing the number of NEETs by 8% and reducing the level of unemployment to 9,5%. Existing challenges are still on the agenda, and there are no significant achievements that could bring strong and tangible results.

It should be mentioned that part of the existing legal framework is not time-bound (except the SDGs) and provides policy-makers with a great leeway to adjust their commitments. In spite of the improvements of the legal framework on youth policy, an effective implementation of the existing regulations and state policies still remains a challenge. Failure to deal with the fundamental problems of youth policy often hinders the achievement of the long-term and sustainable outcomes.

Parallel to the development of the legislation framework, different public institutions took

¹⁵ Cabinet of Ministers of Ukraine, 2019, Main Directions of Public Policy in Areas of Employment and Job Creation, <https://zakon.rada.gov.ua/laws/show/1396-2019-%D1%80#n10>

¹⁶ Cabinet of Ministers of Ukraine, 2020, Activities Implementing Main Directions of Public Policy in Areas of Employment and Job Creation, <https://zakon.rada.gov.ua/laws/show/216-2020-%D1%80#Text>

on various roles and responsibilities to enhance the youth policy and adopt a more result-oriented approach. The interplay of macroeconomic, educational and employment policies have had a crucial role on the way youth policy issues are handled in the country. Primarily, the following key state institutions are the major actors in youth policy planning and execution.

- **The Ministry of IDPs from the Occupied Territories, Labour, Health and Social Affairs of Georgia (MoH)** is the major institution within the Government of Georgia (GoG) commissioned to regulate the country's labour and employment. Some programs have been carried out by the government since 2014 to support job seekers registered on the www.worknet.gov.ge platform with short-term training, internships, and wage subsidies to increase the employability of the registered. In 2019, the GoG established Employment Service Agency (ESA) and introduced the Employment Support Service Development along with the National Strategy 2019-2023 for the Labour and Employment Policy of Georgia that prioritizes young people as a target group.¹⁷ It should be mentioned that the effectiveness of the MoH's program has been questioned due to the low employment rate (annual rate of 11% to 12%) being able to find a job.¹⁸
- **The Ministry of Education and Science of Georgia (MoES).** MoES is among the main institutions responsible for setting the employment trajectory for the young people. Over the recent years, MoES has been mainstreaming vocation-

al education and training as the shortest route to employment by introducing comprehensive strategy documents, legislation and programs tailored to the needs of school students, work-based learning practices and partnerships with the private companies.

- **The Ministry of Economics and Sustainable Development of Georgia (MoESD)** is the chief ministry responsible for regulating the economic activity, developing human capital, and creating a conducive environment for sustainable economic growth in the country. Even though the employment policies have been outside the domain of the MoESD, the ministry employs different fiscal instruments to promote entrepreneurial activity towards new jobs' creation, including Enterprise Georgia and Georgia's Innovation and Technology Agency (GITA).
- **The GoG established LLC Youth Agency (henceforth the Agency)** in 2019 after the abolishment of the Ministry of Youth and Sports Affairs (MYoSA) and its subordinate public organizations¹⁹. Due to the absence of effective mechanisms of coordination with other stakeholders and the lack of political will as well as competencies required for the implementation of the youth policy, MoSYA's intervention remained rather limited. With a view to optimize public resources and set a joint vision for youth policy, the GoG established the Agency which, among others, is responsible for the economic empowerment of youth. The Agency is mandated to elaborate a strategy for the development of youth-oriented economy,

¹⁷ GoG, 2019, "Ordinance on the Establishment of LLC Youth Agency" <https://matsne.gov.ge/ka/document/view/4642829>

¹⁸ European Training Foundation, 2018, "Youth Transition to Work in Georgia" <https://www.ETF.europa.eu/en/publications-and-resources/publications/youth-transition-work-georgia>

¹⁹ GoG, 2019, "Ordinance on the Establishment of LLC Youth Agency" <https://matsne.gov.ge/ka/document/view/4642829>

provide support for study-to-work transition by creating an enabling environment for start-ups and supporting initiatives, including the allocation of financial resources to both commercial and social undertakings. The Agency has already rolled out a comprehensive 3-year reform package, which includes a grant program for youth organizations, development of youth work as a profession, hobby education or out-of-school education systems, formation of youth council with youth SCO representatives, technical assistance and capacity-building for municipalities. It is still early to evaluate the Agency's effectiveness due to the short period of its activity, however, it prepares a solid ground to make a step ahead for more positive changes.

- **The Sports and Youth Issues Committee of the Parliament of Georgia (Parliamentary Committee)**, until very recently, was mainly focused on the issues of sports and less on the youth policy. However, the work of the committee started to gain traction with the establishment of the State Youth Policy Monitoring and Development Working Group, which includes representatives of the country's legislative and executive branches as well as CSOs, experts, international and donor organizations. Currently, the committee is working on a new Youth Policy Concept for 2020-2030 which puts a strong emphasis on the economic empowerment of the young people, particularly in terms of countering the unemployment among the youth, decreasing the number of young NEETs, and eliminating disparities in employment opportunities.
- **Local Self-Governments (LSGs)**. Apart from the national public institutions designated to regulate the implementa-

tion of the youth policy, the departments or various youth centres are common in local self-governments. The Law on Local Self-Governance of Georgia and international agreements mandate municipalities to implement measures for the promotion of youth policies, including employment at the local level²⁰. Recent studies have confirmed the prevalent narrative about LSG's negligence in youth policies, as the examples of Tbilisi and Imereti Region show. The bottom line is that the municipalities are not taking the youth policy obligations seriously. The research clearly demonstrated the lack of competencies, low level of autonomy of decision-making authorities, problems of budgeting and support for municipalities²¹.

Yet, lack of coherence and coordination make it difficult to speak of a comprehensive youth policy. First and foremost, the state's employment policy is, to a large degree, supply-oriented, meaning that the emphasis is made on training of the unemployed and matching their qualifications with the requirements of the existing vacancies. However, as shown by a labour market analysis, job creation in Georgia is constrained by low-skilled and low-productivity generation of workers. There is a weak connection between the efforts made by the MoESD to support the formation of high-skilled jobs and MoES to modernize VET and programs carried out by the MoH. Moreover, the VET should not be viewed as a panacea since there are limits to how far the youth employment policy can go with the vocational education programs due to the structural limitations of the labour market.

The Youth Agency started off with the vertical coordination of youth policies with LSGs as well as non-governmental organizations.

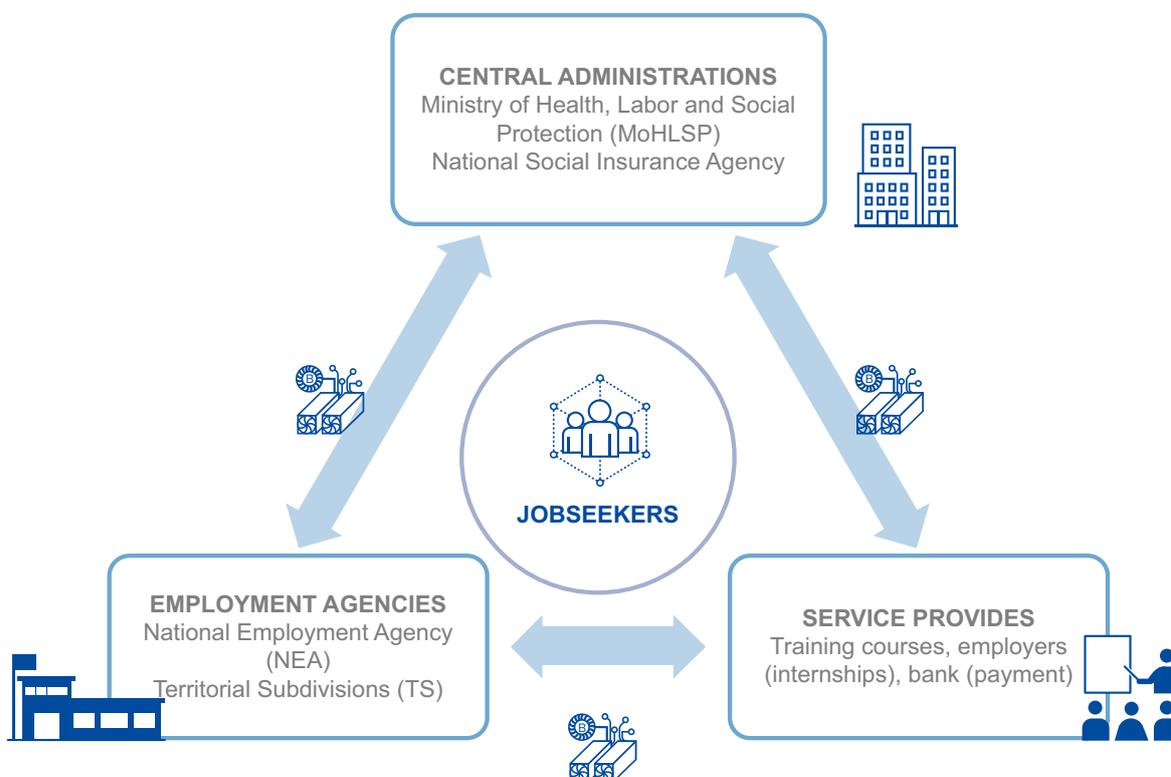
20 GoG, 2014, "Organic Law of Georgia Local Self-Government Code" <https://matsne.gov.ge/en/document/view/2244429>

21 Friedrich Ebert Stiftung, 2020, "Youth Policy Implementation at the Local Level: Imereti And Tbilisi" <http://library.fes.de/pdf-files/bueros/georgien/15957.pdf>

Impending introduction of the Qualifications Framework and Rules of Certification of a youth worker shall be viewed as a positive step in the field of non-formal education. The beginning is reassuring, nevertheless an operable plan behind the vision of the youth economic ecosystem and horizontal cross-sectoral coordination has not been established so far. Noteworthy, the roles and duties granted to the agency parallel with the ones of ESA, EG and GITA. Since the agency is mandated to coordinate its action plan among different ministries and public legal entities, it is crucial to present a clear vision on how to overcome the path dependence considering the lack of strong tradition for managing cross-sectoral policies in general. Furthermore, the existing annual budget allocated to the agency's disposal seriously limits the extent of youth development opportunity in the country, especially taking into account the agency's multifunctional nature.

Currently **Republic of Moldova** undergoes a deep reform process, adjusting its key policies to the EU standards. The Association Agreement with the EU, signed in 2014, has set up a new standard as well as new priorities for development assistance. Thus, one of the chapters included in the Single Support Framework for EU support to Moldova (2017-2020) include direct reference to development of young generation's skills, strengthening the coordination between the education and training system and the labour market and stimulation of competitiveness, research and innovation as enablers to economic development, while also targeting social inclusion in education and labour. A special attention is dedicated to vocational education and training systems (VET) and NEET (Not in Education, Employment, or Training) rate.²²

In Moldova, the 2016 Youth Law Nr. 215 defines youth as individuals aged 14 to 35.



22 Programming of the European Neighbourhood Instrument (ENI) – 2017-2020, Single Support Framework for EU support to Moldova (2017-2020), https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/single_support_framework_2017-2020.pdf

However, over time the term “young people” was defined differently. Based on the old Youth Law as of 1999 Nr. 279 the youth represented the category of individuals aged 16 to 30. The National Bureau of Statistics uses both age groups (of 15 to 24 and of 15 to 29) for its employment statistics, while the National Employment Agency (NEA) defines the youth category for its employment services as those aged between 16 and 29.²³

In the Republic of Moldova, there are two major institutional stakeholders which are responsible for the delivery of labour market programs, as well as several other state and non-state actors involved in providing the core services among which trainings, and payments which are usually outsourced:

- the Ministry of Health, Labour and Social Protection (MoHLSP);
- the Employment Agency (through the National Employment Agency (NEA), and its 35 Territorial Subdivisions (TS));
- central ministries and national agencies, including the Ministry of Education, Culture and Research, National Social Insurance Agency;
- civil society organizations.

The legal framework regulating youth and youth employment policies is comprised of several main defining policy documents:

- ***The 2016 Youth Law Nr. 215*** – The document is considerably improved compared to its previous version and includes provisions which impose creation of the National Agency for the Development of Youth Programs and Activities under the Ministry of Education, Culture and Re-

search. The Agency was set up only in August 2020, and the lack of political will, financial and human resources and general understanding of youth policies could be considered some of the reasons for delay. The main goal of the Agency is to oversee the implementation of youth-related policies and develop proposals of youth programmes and capacity development of related personnel. Additionally, the Law introduces the notions of “informal” and “non-formal education”, a position of a “specialist in youth affairs” and “youth participation structure”. Of course, the document makes reference to volunteering due to the fact that in 2010 a specific Law on Volunteering Nr. 121 was adopted. Even though the new law was considerably modernized and adjusted to the best practices of the Council of Europe, one important provision was not taken into account: the financial and goods protection. The 1999 Youth Law made very clear reference in art. 22 that the state guarantees the protection of the infrastructure intended for working with the youth, and grants preferential conditions for their lease and maintenance. Moreover, it banned the possibility to alienate and transmit infrastructural objects belonging to the youth work institutions for purposes other than training, education and culture. The new Law doesn’t make any reference to the protection/ securing of the infrastructural objects which makes possible the alienation of properties for purposes other than education.

- ***The Labour Code of the Republic of Moldova Nr. 153 as of 2003***.²⁴ The Labour Code of the Republic of Moldova defines

²³ Youth Transition to Work In Moldova, https://www.researchgate.net/publication/330313251_YOUTH_TRANSITION_TO_WORK_IN_MOLDOVA

²⁴ Labour Code of the Republic of Moldova, https://www.legis.md/cautare/getResults?doc_id=122741&lang=ro#

the “young specialist” as the graduate of the higher education institution, specialized secondary or professional secondary education in the first three years after her or his graduation. Special provisions are foreseen only for individuals under 18 years old, otherwise the Code applies to youth the same provisions as to all other categories. The present Labour Code regulates the labour conditions for people under 18 paying specific attention to: medical examinations, working hours (not more than 24 h/per week – 5h/per day to young people between 15 and 16 years old and 35h/per week – 7h/per

day to young people between 16 and 18 years old), forbidden activities, dismissal protection.²⁵ The Code provides separately for contracts addressing on-the-job training and continuous training, and professional qualification (art. 215-221). The above-mentioned articles aren’t designed specifically for youth but could be attributed to them. Antidiscrimination provisions can also be observed, the age criteria being specified. Due to Covid-19 pandemics adjustments have to be introduced to the current version of the Code, as it does not reflect enough on the remote (working at home).

Stimulus packages

In Ukraine, the young people who graduated from the secondary schools, vocational training and higher education institutions, and dismissed from military service, if registered as unemployed receive a minimum social support for unemployment (about 60 EUR/month, which is twice less than the official approved cost of living) during 180 days, paid by the Social Security Fund. In 2019 MSP/SEE drafted several programs aimed at promotion of employment in case of restructuring of businesses, focused on re-training, and targeting the employment of the IDPs (using the EU state aid rules). However, these programmes so far have not been included into the state budget, and there are no drafts regarding similar actions towards youth employment.

Additionally, one of the reasons behind a weak response to Covid-19 economic crisis

and employment issues which are connected to it (as well as a limited number of options for youth employment promotion in general) is that the state has not modernized the mechanism of public support for businesses. In particular, Ukraine still has to develop a coherent approach towards the promotion of economic activities and attracting foreign direct investments. According to Ernst and Young (EY) research²⁶, “the weight of national stimulus packages and their impact” is a primary factor for decision-making in choosing a particular country for investors. The EU-Ukraine Association Agreement includes a number of norms regulating the introduction of the EU state aid rules, which could have fostered modernization of such stimulus or development of the new packages. However, the government of Ukraine has been so far quite reluctant in preparing the relevant laws based on the EU norms.

25 Article 253-257 of the Labour Code of the republic of Moldova

26 Ernst and Young, 2020, How Can Europe Reset the Investment Agenda Now to Rebuild its Future?
https://assets.ey.com/content/dam/ey-sites/ey-com/en_gl/topics/attractiveness/ey-europe-attractiveness-survey-2020-v3.pdf

The Law On Employment of Population envisages compensations of the unified social contribution for employers, which provide the first job for the young people in the following amounts of the universal social contribution (USC) per employed person: 50% in case an individual was employed for 12 months, 100% in case an individual was employed for 24 months. This particular instrument needs more transparency in terms of how many young people were employed, how many businesses received such compensation, and what are aggregated numbers of compensation per region. From news published by some regional employment service centres²⁷, we can assume that the average annual compensation to all employers in some regions (which, together with young people also covers other risk categories) is below 100 000 EUR, which is distributed among 150-250 businesses per region, providing jobs to up to 500 people in total.

Another law, On Promotion of Social Establishment and Development of Youth in Ukraine, envisages two categories of stimulus:

- a quota for businesses to employ young people (to be adopted by the local authorities or local self-governments),
- a subsidy (dotation) to create a first job.

As for the quotas, there is still little or no information on how they are adopted and employed. As for the subsidies, there are no direct expenses in the form of the budget programmes or tax benefits, which implement this legal norm. In particular, the annual breakdown of budget losses due to tax exemptions, submitted to the parliament to-

gether with the draft law on the state budget, has no data on specific exemptions targeting the young employees, whereas there are a number of benefits for e.g. people with disabilities. In terms of budget grants or soft loans, the state budget foresees no such programmes.

In Moldova, the 2018 Law on employment promotion and unemployment insurance Nr. 105²⁸ (which replaced Law no. 102 as of 13.03.2003 on employment and social protection of the job seekers) includes some progress, including implementation of active labour market measures compared to passive ones, as was the case in the previous version of the law. The new Law amended and systematized the conditions, the payment period, the amount and the basis for calculating the unemployment benefits. According to the Law, an individual can claim the unemployment status starting at the age of 16 until the retirement age. Article 23 of the Law places the youth (aged 16 – 24) in the category of people in need for additional support in employment. The Law does not place the youth into a separate category, nevertheless, its provisions cover their necessities as follows: professional counselling; vocational training; qualification, retraining, advanced and specialization courses; on-the-job training, professional internship and job subsidy. Allocation of subsidies to an employer who will employ a previously unemployed individual from a vulnerable group, including for creation and adaptation of workplaces for persons with disabilities, in an important legal innovation. Additionally, the new Law provides for on-the-job training for the registered unemployed without a profession, as well as for subsidies to support local initiatives that create new jobs.

27 Ukrinform, 2019, 'Service Explained What Exemptions Are Envisaged for Employers'
<https://www.ukrinform.ua/rubric-kyiv/2831899-u-sluzbi-zajnatosti-rozpovili-aki-pilgi-peredbaceni-robotodavcam.html>
<https://denzadnem.com.ua/khmelnychchyna/45821>

28 The 2018 Law regarding employment promotion and unemployment insurance Nr. 105,
https://www.legis.md/cautare/getResults?doc_id=112528&lang=ro

Best practices of CSOs, private sector, public authorities and international assistance

The role of partnerships between CSOs, public authorities, and business, with involvement of international assistance programs and projects, is indeed the most valuable input into promotion of youth employment in all the three countries, given the limited policy space for fiscal and tax stimulus.

Such initiatives, as analysis have shown, focus on the following priorities:

- Matching demand and supply in the labour market by promotion of partnerships between business, educational institutions and authorities (both national and local) with CSOs as facilitators of such interaction. Such a format helps universities to better understand the current trends in labour market demand and adjust their curricula and training. On the other hand, companies take commitments to provide the entry jobs or internships/on-the-job training to the young people.
- Career building advice and professional orientation services, which are provided by employment centres and interested CSOs.
- Development of soft skills, job search and other relevant skills, which help young people to find their first job.

Ukraine

There is a number of initiatives, which concentrate on all three of the above mentioned priorities:

1. EU Career Days, a nation-wide annual series of events organised by the EU

Delegation to Ukraine in partnership with major universities in the regions. Each EU Career Day includes:

- Panel discussion with business representatives and business associations, academia, local government and media on what skills and knowledge are requested by the labour market and how the education institutions are meeting this demand, and how the use of the EU standards can help.
 - Career fair, where students meet their potential employers.
 - Series of training sessions on soft skills for the young people.
2. Ukrainian Youth Pact is a joint initiative of the MYS, CSOs, companies and universities. Participants cooperate in order to create more job opportunities, on-the-job training and mentorships. More than 120 companies have now joined the initiative, and about 600 agreements with educational institutions were signed. Since 2016, companies, which participate in the initiative, provided more than 30 thousand jobs to young people. MYS annual plan is to provide 1,500-2,000 more jobs and involve 20 to 30 more participating institutions into the initiative.

3. Global Alliance for YOUth²⁹, which offers the first job experiences, educational programmes and support for start-ups. Launched by Nestle, this initiative embraces more than 20 companies in Ukraine.

It covers a number of business initiatives, including those implemented by Life mobile

29 The Global Alliance for YOUth, Who are we?
<https://www.globalallianceforyouth.org/homepage#whoarewe>

operator, Ukrtelecom, KPMG, Philip Morris, CRH Holding etc.

A number of local initiatives focusing on career development and soft skills development.

“21st century skills” festival, organised in the Chernihiv region, helps the young people to choose their profession. The event has different locations, where participants in teams can test and develop their skills, including learning and innovative skills; creativity; critical thinking and problem solving; communicative and teamwork skills; working with information, media and computer skills; informational and media literacy.

Various EU-funded programmes and projects are active in youth employment area:

EU4Skills³⁰ (EUR 58 million, 2019-2023) is a programme to support the reform of vocational education and training in Ukraine, supported by the EU and its member states (Germany, Finland, Poland and Estonia). The Programme aims at modernising vocational education and training institutions, purchasing equipment, establishing Centers of Excellence, training school managers and teachers in seven pilot regions: Chernivtsi, Lviv, Mykolaiv, Poltava, Rivne, Vinnytsia and Zaporizhzhia.

International Labour Organisation (ILO) projects, funded by the EU:

- ***Entrepreneurship Training for Youth in Ukraine***³¹ (2020): aims to create more and better jobs targeting youth with low

educational attainment and/or limited work experience. The young people will receive training in entrepreneurship to equip them with the skills and up-to-date knowledge to start their own businesses. The project will also strengthen the role of the State Employment Service (SES) of Ukraine and Technical and Vocational Education and Training schools as main facilitators of the administrators of the training

- ***Towards safe, healthy and declared work in Ukraine (2017-2022)***³²: The long-term objective of the project funded by the European Union is that male and female workers in Ukraine enjoy safe, healthy and declared work. The expected short-term impact is an improved compliance of Ukraine with the key international and European standards on occupational safety and health (OSH) and labour relations. The two outcomes to be achieved are (1) legal framework on OSH is brought closer to the international labour standards and (2) systems and procedures for a roll out of labour inspection services are in place.
- ***Inclusive labour markets for job creation in Ukraine (2017-2022)***³³: The program will modernize the services of the Ukrainian public employment services enabling them to offer more effective and inclusive active labour market policies. A strong skills component aims at closing the skills mismatch by better aligning the skills of new labour market entrants with the demand from the private sector. The

30 Ministry of Education and Science of Ukraine, 2019, EU Programme «EU4Skills» Supports Ukraine in Reforming System of Vocational Education and Training
<https://mon.gov.ua/eng/news/eu-programme-eu4skills-supports-ukraine-reforming-system-vocational-education-and-training>

31 ILO, Entrepreneurship Training for Youth in Ukraine,
https://www.ilo.org/budapest/what-we-do/projects/WCMS_736371/lang--en/index.htm

32 ILO, Towards Safe, Healthy and Declared Work in Ukraine
<https://www.ilo.org/budapest/what-we-do/projects/declared-work-ukraine/lang--en/index.htm>

33 ILO, Inclusive Labour Markets for Job Creation in Ukraine
https://www.ilo.org/budapest/what-we-do/projects/WCMS_617840/lang--en/index.htm

program also supports social dialogue mechanisms to solve critical issues such as informal employment, wages, or gender discrimination.

EU member-states funded (bilateral) projects:

- Fit for Partnership with Germany – promotes managerial competencies, provides learning modules in Ukraine and internships in Germany;
- Development of vocational education opportunities in the western regions by Education Center of Bavaria Economy (Bildungswerk der Bayerischen Wirtschaft (bbw) gGmbH);
- Inclusive Labour Market for Job Creation in Ukraine, implemented by the Danish Neighbourhood Programme (DANEP) together with the MSP, aims to promote regulation of the labour market, trilateral partnership, social dialogue and sustainable entrepreneurship.

Georgia

In Georgia, there are over 100 CSOs specializing in youth policy, however only few of them focus on the issue of the economic empowerment of the youth. In a majority of cases, the youth topic is a cross-cutting priority for CSO programs.

The National Council of Youth Organizations of Georgia (NCYOG) is a non-governmental umbrella organization, uniting 45 children and youth organizations all over the country. The organizations aim to create a favourable environment and conditions for the development and cooperation of non-governmental youth organizations, leading to the increase of youth's participation and social activity. The organization is not, however, actively engaged in policy-making and advocacy of youth-related issues.

The policy dialogue among the CSOs and the decision makers was more active in the Sports and Youth Issues Committee of the Parliament of Georgia. A special working group on youth policy in the Committee includes around 60 organizations that are actively engaged in promoting legislative changes and advocating different initiatives. For example, the Committee together with the partner CSOs are working on the legislative initiatives which aim to develop the "Single Window" principle to ensure more effective cooperation among the employers and the employees, to create a more fair and result-oriented work environment for the volunteers. The CSOs enjoyed a dynamic consultation process with the Committee members while developing the Youth Policy Concept for 2020-2030.

In Georgia, CSOs are mainly empowered by international donors and partner countries, which gives them an opportunity to provide services to young people, exercise policy advocacy, and develop interpersonal skills needed for employment and entrepreneurship. In the big cities CSOs are more active, and a significant number of young people spend their spare time attending the training sessions, volunteering, and learning vocational skills. Moreover, in some municipalities, CSOs provide technical assistance and capacity-building to local governments in the implementation of youth policies. Importantly, the CSOs provide the international assistance organizations, such as embassies or international foundations, with insight into the local context.

Persisting key challenges that are characteristic of the Georgian civil society sector and impede the development of the youth field include the following:

- Heavy reliance on foreign funding and acute inadequacy of local financial sup-

port make the work of CSOs less sustainable. It is especially true for small-scale grassroots organizations operating beyond the capital city. Alternative financing sources may come from the state budget or corporate donations; however, due to the absence of respective legislation, these opportunities are very limited;

- Despite the availability of several platforms for policy dialogue, the cooperation between CSOs, as CSO-state cooperation initiatives, are not systematic and sustainable. Lack of collaboration and coordination interferes with the achievement for more efficient and sustainable results;
- The majority of CSOs do not engage in strategic planning due to the lack of the necessary resources, incentives, and competencies. Also, a lack of watchdog activities, constant monitoring, and evaluation of the youth policy results in the poor accountability and effectiveness of the youth policy;
- The majority of Georgian CSOs failed to establish a membership-based system to build close ties with the general public, including the youth groups³⁴.

A cross-country study conducted by the World Bank shows that Georgian employers named job-related competencies to be the most deficient, as well as crucially important, along with problem-solving skills and openness to experience for typical white-collar jobs. Despite the relative discontent with the employment readiness of the young people, only 7% of firms provided training for their white-collar workers, with the same indica-

tor being much lower for blue-collar workers. Moreover, the percentage of firms cooperating with educational and training institutions is rather small in Georgia³⁵.

On the whole, over the last 12 years the recognition of corporate social responsibility has been gradually increasing, but the private sector in Georgia lacks incentives and awareness on the benefits of investing in training and development of its own personnel, and the young people are no exception to that. Representatives from MoES highlighted the lack of skills on behalf of the private sector needed to engage with VET institutions, whether it is curriculum development or work-based learning. Rather as an exception than a rule, a handful of private companies have been active in piloting innovative youth-aimed initiatives, producing good practices such as skill-building, start-up funding, digital learning platforms or youth-led projects.

Georgia has experienced important support from international organizations in the area of youth development in terms of capacity-building, technical assistance, funding and knowledge sharing. The assistance has laid a foundation to civil society organizations to deliver services, which otherwise would not have been available, enhanced public institutions and propelled them by providing resources for the implementation of complex reforms.

In Georgia, the EU has been the largest provider of international assistance in different areas for youth development. The comprehensive support allocated to Georgia by the

34 Head of EU Delegation and Heads of EU Member State Embassies in Georgia, 2018, "EU Roadmap For Engagement With Civil Society in Georgia"
<https://csogeorgia.org/storage/app/uploads/public/5cd/dc3/6b3/5cddc36b36e40129876779.pdf>

35 World Bank Group, 2015, "Skills Gaps and the Path to Successful Skills Development: Emerging Findings from Skills Measurement Surveys in Armenia, Georgia, FYR Macedonia, and Ukraine"
<http://documents.worldbank.org/curated/en/205051468038032990/pdf/Skills-gaps-and-the-path-to-successful-skills-development-Final.pdf>

EU aims at approximating the country to the relevant EU policies and practices envisioned by the Association Agreement. The EU has also invested in the development, implementation, monitoring and evaluation of policies led by the Ministry of Education, MOH, MoESD, and services provided by CSOs in the field of employment, with the focus on young people. In particular, the EU has been promoting the modernization of the education and training systems as well as the quality of higher education, VET and non-formal education areas, including labour and economic policies. A recent assistance in the area of youth development by Youth and Education Package is a complex scheme embracing the areas of labour and education policies.

Together with the EU, there are other well-established donors and programs in Georgia. UN agencies, GIZ, Millennium Challenge Compact (MCC) by the US, Swiss Agency for Development Cooperation, The World Bank, Friedrich Ebert Foundation, DANIDA are especially notable. To what extent the benefits of the international assistance reach the intended final beneficiaries largely depends on the effectiveness of GoG's policies. After all, it is up to the leadership of the country to make the best use of the foreign assistance, to assimilate western models and best practices into the peculiarity of the Georgian context. However, reinforced financial support in cases of superficial compliance with the declared policies may conceal detrimental rent seeking behaviour and profiteering. The absence of an effective donor coordination mechanism, tailor-made actions and data collection in the youth field make it difficult to judge the degree to which the donors leverage result-based policy implementation devoid of political agenda.

Moldova

In the Republic of Moldova there are several initiatives that can be identified at national level, and being implemented both by central and local governments with the support of the international community. Additionally, as part of the commitments taken under the AA agreement specific budgetary programs target the youth employment. These initiatives involve both adjusting the legal framework and practical assistance, thus one could observe education and training programs, as well as support for employment and social participation.

- Currently, the Ministry of Education Culture and Research oversees the programme on development of **Youth Centers** with the support of UNFPA. In December 2017, The Ministry and the UNFPA signed a co-financing agreement for the development of youth services at the local level for a five-year period (2017-2022). The national priorities for the youth sector development outlined in the strategic documents, such as the National Youth Strategy 2020, the Association Agreement with the European Union 2017-2019, the Government Action Program of the Republic of Moldova 2016-2018, constitute the basis for the partnership. Also, in 2017 a **Joint Fund**³⁶ worth about USD 1.5 million was set up by the two stakeholders. In 2018, the Swiss Government joined the Fund with an additional financial contribution of USD 1 million. The Joint Fund aims to increase the level of civic participation and involvement of young people in local communities development of the network of Youth Centers in the country and partnerships created

36 UNFPA Moldova, Joint Fund for the Development of Youth Centers and Strengthening Participation and Civic Engagement among Young people in the Republic of Moldova for 2017 -2022. Project's fact sheet, <https://moldova.unfpa.org/en/publications/joint-fund-development-youth-centers-and-strengthening-participation-and-civic>

between the School, Youth Center and other stakeholders/local actors being a priority action. Additionally, based on an open call of proposals the Ministry is also providing funding for youth initiatives and projects and youth at district and municipal level. Currently, 44 youth centres in districts and rural areas have benefited from support.

- UPSHIFT Moldova is a social innovation program for young people aged 15 to 24, with a specific focus on the most marginalized and vulnerable youth, especially the NEETs. The aim of the programme is to develop life skills needed to identify and solve social problems, using both learning elements and the opportunity to work together in a supportive environment. UPSHIFT Moldova is a program implemented by TEKEDU with the support of UNICEF Moldova, and was launched in 2019 in Singerei district. Six teams obtained funding and support for the implementation of their ideas in 2019. In 2020 nine teams of adolescents received small grants from UNICEF and the Organisation for small and medium enterprises sector development (ODIMM).
- In October 2018 a Governmental decision was issued for the approval of the **“START for Youth Program: a sustainable business at home”**. The decision was a result of the 2016 Law on small and medium enterprises (SMEs) nr. 179 and the AA provisions on supporting small and medium enterprises (SMEs) and the youth. The Organisation for small and medium enterprises sector development, in coordination with the Ministry of Economy and Infrastructure, was appointed as the implementing agency. The

programme offers two types of support: a “business voucher” – a 10,000 Lei certificate for consultancy and training, and up to 180,000 Lei for financing an investment project. It is open for young people between 18 and 35 from both rural and urban areas. At present, there are 128 investment project support contracts signed, and 95 businesses created in rural areas.

International organizations active in Moldova in the field of youth employment policy:

- In 2017-2019 the International Labour Organization has implemented the ***Technical support on employment policies for youth, women and migrants programme in Moldova***. The project aimed to improve employment policies with particular attention to females and young people, with a budget of 998,560 USD. The implementation of the National Employment Policy, the design and implementation of the Territorial/Local Employment Pacts and the implementation of the recommendations coming from the functional audit of the Public Employment Service represented the focus of the intervention. The approach of the intervention was based on the involvement and participation of the job-seekers and employers in implementing the measures to promote more and better jobs, and for tackling inequalities in the labour market³⁷. ***The Local Employment Partnership (LEP)***, implemented by ILO, reached out to 600 young NEETs in the Cahul region, selected as a pilot region due to complex labour market challenges that it faces. 282 young NEETs are already registered as unemployed to benefit from active labour market measures, which is a great achievement taking

37 Technical support on employment policies for youth, women and migrants in Moldova, https://www.ilo.org/budapest/countries-covered/moldova/WCMS_630209/lang--en/index.htm

into account that economic inactivity is a major challenge in Moldova. To date, this partnership created 135 jobs, 20 start-ups and 2 cooperatives. Additional small businesses and jobs are in the pipeline in this rural region, where the rate of inactive youth is the highest in Moldova (25%). The Local Employment Partnership engages public and private partners trying to find common solutions for labour market challenges in their community. In the case of Cahul, 20 partners, including educational institutions, micro-finance banks, the employment service, and the local enterprises came on board.³⁸

- The German Agency for International Cooperation (GIZ) Moldova, within the German cooperation framework, has implemented the project "Structural Reform in Vocational Education and Training (VET)". The framework of the project supported the set-up of a working group, composed of representatives from the line ministries, business associations, individual companies and technical vocational training

providers, with the aim of negotiating and elaborating the regulation on organization and conduct of Dual Vocational Education and Training in Moldova. The final document was approved by a Government decision, on 11 January 2018. One of the novelties of the document is that for the first time it introduces the term of "apprenticeship salary" as remuneration to those who go through on-the-job training within a company.³⁹ According to the Donor Committee for Dual Vocational Education and Training website, during the school year 2017-2018, about 50 companies initiated implementation of dual programmes in collaboration with about 20 technical vocational education providers, more than 600 trainees currently benefiting from these programmes. Other donors have also pursued vocational education and training activities in the Republic of Moldova, among them the Austrian Development Agency (Youth Employment and Qualification)⁴⁰ and LED⁴¹.

38 ILO Local Employment Partnership creates new jobs for youth in Southern Moldova, 05 March, 2020, https://www.ilo.org/budapest/whats-new/WCMS_737659/lang--en/index.htm

39 Moldova: New Regulation on Organization and Conduct of dual Vocational Education and Training (VET) <https://www.dcdualvet.org/en/moldova-new-regulation-on-organization-and-conduct-of-dual-vocational-education-and-training-vet/>

40 <https://www.dcdualvet.org/en/portfolio-items/project-example-ada-moldova/>

41 <https://www.dcdualvet.org/en/portfolio-items/project-example-led-moldau/>

Country Conclusions

Georgia

Over the last decades, Georgia has made considerable progress in terms of the youth policy modernization and development. Despite significant achievements, the country is still in a transition stage and faces many challenges to create more benefits and welfare for the young people, as well as the whole society. Due to the structure of the Georgian economy, the employment opportunities available in the country are at variance with salary and career growth expectations of the young people. When weighing the opportunity cost of taking a blue-collar job in the country against emigrating to do the same type of work for better remuneration, young people's choice tilts toward the latter. No wonder that youths are the ones who emigrate most frequently. The government policies have been aiming at developing SMEs, and investing in human capital as a measure to address the shortcomings of the economy. Despite the presence of funding mechanisms to start one's own business, only a small fraction of young people avails those opportunities. Therefore, the emphasis should be made on creating decent jobs for the young people in productive sectors of the economy while ensuring a social protection system.

The existing gap between the qualification provided by schooling and higher education, and the requirements posed by employers, remains a serious issue. Overall, the labour policies have mostly been focused on bridging the gap between the available vacancies and a workforce supply. The labour regulations and programs, carried out by the government, highlight the need of young people for specialized programs, training and funding. The efforts have been made to shape youth employment outcomes through differ-

ent public employment services and subsidies. In its endeavour to establish stronger ties between school and work, the MoES has been making incremental steps towards modernizing, promoting the VET systems and work-based learning, while creating partnerships with the private sector. Nonetheless, the impact of these policies has been minuscule and can be regarded as being at a very early stage of development.

International agreements signed by Georgia and reverberated through the national strategies, however did not lead to effective policy action, on the instance of the National Youth Policy 2014. The experience with the Revised European Charter on the Participation of Young People in Local and Regional Life shows that the ratified international agreements may stay dormant unless backed by a financial support. Nevertheless, the financial opportunities presented by the EU for the AA implementation do not guarantee the efficient policy implementation.

Influencing youth transition requires an integrated approach involving different levels of government and various sectors. Previous efforts for youth policy-making in Georgia mostly failed to accommodate the complexity of cooperation and were largely limited to stand-alone initiatives. At the local level, the municipalities, in spite of being mandated to develop and implement local youth policies, have not demonstrated a strong commitment in this direction.

The abundance of international support available for Georgia makes the work of civil society organizations more effective. However, only a few large CSOs work in the area of youth economic empowerment, while the lack of local resources thwarts the sustaina-

bility of small organizations. On the positive note, there are signs that youth unemployment issue is coming increasingly to the fore of policy. The Youth Agency has recently introduced platforms for youth and CSO engagement as well as funding schemes giving the priority to regional organizations. Furthermore, a growing number of large private companies and business associations in Georgia have been mainstreaming innovative corporate-social responsibility (CSR) projects in the field of youth empowerment as well as work-based learning.

Looking at a bigger picture, Georgia is at the inception stage of developing policies towards a quality youth policy. In the meantime, the state of demographic transition and high rate of youth unemployment indicates the urgency for the governmental action. Considering acuteness of the youth unemployment issue and the rigidity of the social and economic mobility, more shall be done in order to develop coherent youth-oriented policies, engage CSOs in the policy-making process, bridging the knowledge gap, fixing the coordination issue, promoting entrepreneurship and introducing relevant regulations.

Moldova

The developing policy framework related to the young people as a segment of the general population is a sign of the increasing attention, which is partly due to the enhancement of the Moldovan and the EU relations. Youth employment became a relevant part of the reconceptualizing of the employment policies in Moldova, the focus from passive to active labour market measures bringing more advantages to Moldovan young people. Identifying NEETs as a priority category for support represents a progress in the reform processes tackling youth and employment policies.

Despite this, the Republic of Moldova faces a series of problems linked to the socio-economic development of the country, directly impacting the young people's life. The massive migration processes, increased unemployment, high level of corruption, education shortages and institutional deficiencies being among the key factors.

The development of secondary legislation still remains to be a priority for the full implementation of the primary legislation regulating employment. Assigning budgetary funds according to policy priorities and training of professionals represent 2 additional conditions for successful fulfilment of the reform processes.

Ukraine

Ukrainian case demonstrates a difference between a normative dimension of youth employment (legislation, strategic and policy documents) and its actual implementation. Despite this policy area being cherished by legislation as a kind of priority, stakeholders in civil society and in the government share the consensus that youth employment policy is not a special, self-sufficient policy area. In fact, it is being addressed within the general framework of the employment policy, and partially within the framework of the youth support activities.

Numerous legal norms on support of youth employment are not translated into meaningful policy instruments. During Covid-19 related limitations, Ukrainian business and society observed a deep split between the EU approach to sustain jobs and businesses and the national reality, when very few support schemes were provided to Ukrainian companies and employees. Institutional reforms, such as transfer of powers from one ministry for another in terms of employment policy has yet to prove its effectiveness.

Therefore, the gap between the normative reality and the implementation practice is being fulfilled by the actions of civil society, business, international projects and educational institutions. These actions are focused on a dialogue among stakeholders to match the demand and supply in the market, to provide young people with career advice, first job or on-the-job training, and develop their soft skills. These initiatives are mostly informal, but in some cases they are being formally supported by the authorities. Such initiatives provide an example of what can become a basis for a future youth employment policy, if supplemented with more systemic professional orientation activities and

meaningful schemes of public support to business.

Unlike Georgia and Moldova, Ukraine did not undergo an institutional reform in the sphere of youth policy (e.g. by setting up a special agency). Some changes in the state employment policy mechanism (e.g. transfer of powers from one ministry to another) has not brought any meaningful results yet. Therefore, the patchwork of initiatives by CSOs, business sector projects, the university programs and the international projects will continue to jointly fulfil the gap and provide services and support for youth employment.

Country Recommendations

Georgia

- **“Mainstreaming” cross-sector initiatives.** A holistic approach is a precondition to successful youth policy since no single entity is capable of fully providing youth services at all levels. Many sectors need to work together when devising policies to influence outcomes. Therefore, it is essential to design a model for better coordination with the clear lines of accountability that are going to work for Georgia. The GoG’s Inter-Agency Coordination Council could be reactivated and empowered with issue-specific working groups. Sector ministries could assume responsibility for the bulk of policies and allocate needed human and financial resources that affect youth in their respective domain.
- **Tailoring services to the needs of young people.** Beyond the enhancement of the current public services whether it is education, employment guidance or funding schemes, more committed efforts are needed in terms of adapting the existing services to the needs of the young people of different age categories. Young people as a heterogeneous group require distinct approaches regardless of the nature of the service. In this regard, using youth-friendly language and means of media to communicate the value of youth-targeted programs and projects is of crucial importance.
- **Establishing the National Framework.** A well-articulated set of national objectives for youth, developed in collaboration with the relevant ministries and stakeholders is vital in managing the coordination. Operationalizing goals, objectives and setting quality indicators will enable monitoring and evaluation of implementation.
- **Valorise, prioritize and provide central governmental backing.** Subordinating the Youth Agency to the direct supervision of the prime minister sends an important message towards valorisation of the youth policy in Georgia. This should enable the agency to break through bureaucratic logjams at all levels of governance. This trend should be reinforced to obtain increased funding and put the agency in a central position of youth policy coordination among other relevant ministries.
- **Elaborating a youth employment strategy.** Develop a comprehensive youth employment strategy and respective action plan tailored to the needs of all groups of the Georgian youth. This strategy should be linked to the general economic development strategy and reflected in the broader youth policy framework. Whether it is youth policy or youth employment policy it is important to have them both integrated in planning the national policy. For instance, SME Development Strategy or National Strategy for Labour and Employment Policy of Georgia could feature the issues and an action plan related to young people.
- **Make the knowledge economy a priority.** The development of human capital in the country should prioritize youths when investing in the promotion of SME and Information and Communications Technology (ICT) industries. However, human capital development should be reinforced by establishing strong bonds and linkages between academia and the private sector. Therefore, more investments are needed in the research and development (R&D) and science development in the country. Georgian young people with technical backgrounds and foreign uni-

versity degrees should be empowered and encouraged to pursue their practices to contribute to the development of the country.

- **Enhance the local self-governments.** Local self-governments should be empowered to take leadership and increase effectiveness on implementing youth policies at the municipal level. They should have to take more efforts on capacity building of the local staff that works on youth policy and increase the annual budget to spend on youth and high-quality programs.
- **Empower Public Private Partnership.** Introduce performance-based incentives by contracting out active labour market policy services to CSOs and companies. There are a few organizations in Georgia that are showing promising results in terms of employment services and could benefit from such policies. As the experience of countries like the UK and Australia demonstrates, a performance-based payment system is the most cost-effective solution.
- **Genuinely open institutions for young people.** Despite the commitments made by GoG to implement the Open Government Partnership and make public institutions more open, much remains to be done in this direction. Capacity building, institutional stability and political will are necessary to not only ensure proactive provision of information by public organizations but to provide workable platforms for consultations, feedback, and cooperation with youth.
- **Enhance the cooperation with CSOs.** Creating effective coordination mechanisms and ensuring more systematic and sustainable policy dialogue among state institutions and CSOs will significantly contribute to more efficient and result-oriented youth policy development.

- **Develop the capacity for the policy dialogue and watchdog activities.** CSOs should enhance their capacities for more effective policy dialogue and advocacy. They should be empowered with the opportunities for permanent monitoring and evaluation of the youth policy strategies and ensure more accountability and transparency of the state institutions.
- **International Donors.** In order to increase effectiveness of the support by international donors, it is important to carry out a comprehensive assessment of how current assistance strategies serve young people and what are the lessons learned. They should have to enhance coordination across sectors with the engagement of the state and non-state actors to ensure a more tailor-made and needs-based approach. The international donors should advance evaluation of the programs and policies carried out by their beneficiaries.

Moldova

- **The primary legislation should be enforced by a well-designed secondary legislation.** Regardless of the fact that recently both youth and employment sectors have developed or updated the legal framework according to European standards, the lack of secondary legislation providing for the full implementation of the laws is hindering the potential effect of the reform processes.
- **Youth as a specific category in employment policies should be considered.** Even though young people are described as a specific category in policies tackling employment, the provisions refer mostly to age limits imposed for different activities and not necessarily address specific passive and active labour market measures.

- **Better observe the migration waves and offer social assistance to young people coming from families with parents being the working migrants.** Increased social and psychological support should be offered to young people coming from families with parents working abroad due to their specific family conditions which lead to shortages related to social inclusion, school drop-out or low educational performance, incapacity to take career decisions.
- **Independent audit of the programmes designed to support youth policies.** The political factor seems to play an important role in shaping the youth programmes in Moldova. Thus, it is imminent to have transparent and independent audit of the governmental programmes in order to ensure the equal participation, fairness of the decision-making process and full implementation/sustainability of the selected projects or potential financial support.
- **Strive for compliance of the donors' agenda to national needs.** An enhanced coordination of the national institutions policy framework with the donors' priority agenda for development could pave the way for a more constructive and efficient implementation of the reform agenda.
- **Design efficient inter-institutional communication mechanisms.** A strategic communication action plan should be designed in order to improve the connection among stakeholders: central authorities and local authorities, central authorities/local authorities and the donors' community, central authorities/local authorities and civil society/business community, regular reunion of stakeholders.

area, to move from declarative norms to modern and effective mechanisms of formation, implementation and monitoring of the youth employment policy. This entails a comprehensive redesign of the policy itself, including defining the core questions: what is the youth employment policy in the context of other policies; what are its objectives; what are the responsible institutions and their functions. The relevant ideas and proposals shall serve as a basis for a framework policy document in the field of youth employment policy. Policy priorities can be based on interrelated components of youth employment promotion, including professional orientation, analyzing the market demand, update of the curricula, development of skills and knowledge, support for creation of the entry jobs, on-the-job training and start ups. These priorities can serve as a blueprint for national and local level policymaking. Local authorities, in particular, should have objectives defined in the context of regional policy mechanisms, which allow promoting such services by the national government or local funded projects.

- **Anti-crisis response mechanisms** must be developed at all levels of government, in terms of providing support to secure jobs and prevention of businesses shutdown. The EU experience and EU norms in public support, in state aid to undertakings must be used for that. More opportunities shall be created in micro grant support for start-ups, SMEs, social entrepreneurship and creative industries.
- **Labour market forecast** (for 3-5 years ahead) shall be introduced with a focus on professions and skills demanded from the young people. Current informal initiatives involving business, universities and CSOs can provide some background for that. Professional orientation must start in

Ukraine

- **Legislation** should be renewed to make youth employment policy a self-sufficient

secondary school. Professional and career advice must be based on such market forecasts.

- At the **regional and local level**, youth employment objectives should be linked with the economic **development objectives**, and the LSGs (hromadas) shall have access to budget resources to achieve such objectives. More public

support opportunities shall be created for startups, social entrepreneurship and SMEs, as these can provide more jobs for the young people. For that, the key stakeholders could rely on the relevant European practices and standards.

- Support to **dual education** (combining work and studies), foremost in the vocational education sphere.



EASTERN PARTNERSHIP
Civil Society Forum



Funded by
the European Union



**National Endowment
for Democracy**
Supporting freedom around the world

The project benefits from support through the EaP Civil Society Forum Re-granting Scheme (FSTP) and is funded by the European Union as part of its support to civil society in the region. Within its Re-granting Scheme, the Eastern Partnership Civil Society Forum (EaP CSF) supports projects of its members that contribute to achieving the mission and objectives of the Forum. Grants are available for CSOs from the Eastern Partnership and EU countries. Key areas of support are democracy and human rights, economic integration, environment and energy, contacts between people, social and labour policies



Open Society Foundation, NGO
12 Sagaydachnogo str., office 221,
Kyiv, Ukraine 04070

(044) 425 77 09
info@osf.org.ua
www.osf.org.ua