



THE IMPACT OF DUAL EDUCATION ON THE LABOR MARKET

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Abstract

The scientific approach of this paper addresses the problem of the imbalance in the labor market between the educational offer and the labor force demand. One of the problems that led to the imbalance on the labor market and the labor shortage is conditioned by the weak interaction between the professional training system and the actors involved in the hiring process. Under these conditions, we consider that professional education in the dual system becomes a very important mechanism. This allowed the author to analyze the model of dual education at the national level but also the experience of other countries.

Keywords: labor market, deficit on the labor market, educational offer, demand and supply of labor, dual education

Classification JEL: J23, M35

1. INTRODUCTION

The rigors of the labor market demonstrate the need to adjust the traditional model of professional training to the realities of the economy. The dual education model is considered effective, if it works under the specific conditions necessary for it, as shown by the practice of developed states.

The term "dual education" is widely used as a comprehensive term, referring to the fact that teaching and learning in VET (vocational technical education) is characterized by "duality" from two points of view:

- the duality of learning spaces (VET schools/providers and training companies), which share responsibility for providing theoretical and practical training;
- the duality of actors involved (public and private actors), who share responsibility for VET policies and practices [8].

The dual character of learning spaces is the basis of the definitions used in European and international specialized literature. According to UNESCO, "the dual education system is called "dual" because it combines apprenticeship in a company and vocational education in a vocational school in a single course" [14]. Within the company, the apprentice benefits from practical training, which is complemented by theoretical training at the vocational school.

According to CEDEFOP, dual education refers to "periods where learning or training in an educational institution or training center is combined with learning or training at the workplace". CEDEFOP also refers to dual education as work-study, emphasizing that the term "dual education" can be used as a synonym for "work-study",



”apprenticeships” or ”work-based learning”. There are, however, a number of small but significant differences between these terms, as they differ from the point of view of the two aspects mentioned above [13].

II. THE CURRENT SITUATION OF DUAL EDUCATION IN THE REPUBLIC OF MOLDOVA

In the Republic of Moldova, dual education has been applied in the professional technical education system since 2014, at the initiative of the Ministry of Education and Research of the Republic of Moldova in coordination with the Chamber of Commerce and Industry, which carries out the support and monitoring activity of dual education. Education Code of the Republic of Moldova no. 152/2014 establishes that in technical professional education, for certain trades/professions dual education can be applied, under the conditions established by the Ministry of Education and Research through coordination with other relevant central bodies and with interested economic agents. Dual education takes place, in parallel, in technical vocational education institutions and in enterprises or other economic units [1].

With the entry into force of the Law on dual education, No. 110 of 21.04.2022 (hereinafter Law), the detailed and comprehensive legal aspects of dual education in the Republic of Moldova were established. The law fully regulates the organization of dual education, but also the status of the parties involved (Chamber of Commerce and Industry, economic agents), as rules generally applicable to all fields. This normative act is circumscribed by the principles and values promoted by the European Union, and the German experience in the organization of dual education was taken into account when drafting the law.

Until the entry into force of the Law, the way of organizing and conducting technical professional training programs through dual education were established in the Regulation on the organization of technical professional training programs through dual education, approved by Government Decision no. 70 of 22 January 2018, which will possibly be repealed, because a large part of the rules can be found in the Law.

Through the intervention of the new Law, the basic problem is to be partially solved, which aims to reduce the impact on the reduction of the level of employment and the shortage of qualified labor. The problem of labor shortage in the national economy results from the following findings:

- The Republic of Moldova registers the lowest employment rate compared to the EU states and those in the region - only 42% of the country's population is employed. According to EU policies, an employment rate of 50% is considered a high risk for the country's economy.
- Informal employment shows an increasing trend. About 39% of the employed population is informally employed (self-employed, informal employment, employed in households for own consumption). In the last 5 years, the number of informally employed people has increased by about 30%. This situation reduces the share of formal employment. Under these conditions, the phenomenon of ”black work” and ”envelope wages” develops.



- During the year 2022, according to the statistical data of ANOFM, about 11182 vacant jobs are registered. In this sense, there is a slow reduction in the supply of labor, against the background of an increase in the demand for labor.
- The reduction in labor supply is generated by demographic problems, massive migration of young and qualified labor. Demographic decline means that fewer and fewer young people enter the labor market. The major risk that can be identified in the coming years is generated by the continuation of the labor force exodus, in particular, in the countries of the region (Romania, Poland), which in turn face enormous labor force deficits. The largest absorption of labor force from the Republic of Moldova is expected to be in Romania.
- The reduction in the labor supply, especially the skilled one, denotes the harmful impact on the national economy. As a result, a contradiction is registered: the reduction of labor productivity (labor efficiency), the added value in the economy and the increase of labor costs (employers are forced to raise wages).

All these problems mentioned above can generate essential problems for the national economy in the coming years. Therefore, it is necessary to develop a set of measures that will contribute to the development of an attractive labor force training system. Under these conditions, the Law on dual education ensures the legal framework necessary for the large-scale development of dual education, which will partially ensure, together with traditional professional education, the labor market with qualified personnel.

In accordance with the provisions of art. 11 of Law no. 110/2022 the Chamber of Commerce and Industry is assigned a series of powers, including:

- the activity of support and monitoring of dual education;
- the establishment of a committee to verify the unit's compliance for participating in the professional training process through dual education;
- drawing up and managing the register of units in dual education;
- other duties and responsibilities [2].

In this sense, the Law establishes the keeping of records of economic units involved in dual education by the Chamber of Commerce and Industry, which, according to the law, ensures the activity of support and monitoring of dual education.

Practice shows that not all units involved in dual education have sufficient resources, especially human resources, to realize the implementation of dual education. As a result, after the initiation of the dual education program, various situations appear, which sometimes even lead to the termination of the partnership between the educational institution and the economic unit, which has a negative impact on the students.

In order not to admit such situations, the Law provides by art. 19 verifying the unit's ability to satisfy the conditions for organizing the professional training program through dual education and the generic and professional skills according to the criteria regarding the unit's compliance for participating in the process of professional training through dual education [2].

The financing of dual education is ensured from the state budget. The vocational technical education institution, based on the financial resources allocated according to the Education Code, ensures the necessary conditions for the professional training of the student. The expenses of the unit, incurred for the organization and realization of dual education, are subject to compensation from the state budget, in a proportion of no more



than 50% of the expenses allowed for compensation, in accordance with the normative acts of the Government.

Considering the positive impact of dual education on the quality of the workforce, the Ministry of Economy is planning for the years 2023-2025, financial means of at least 10 million lei to support economic agents, which participate in the implementation of dual education. In this sense, in accordance with the provisions of art. 20 paragraph (3) of the Law is to be elaborated and implemented by the Government, the compensation mechanism from the state budget for the expenses of economic agents involved in dual education.

The new Law includes rules of a primary nature regarding the principles, the organizational procedure, the participating parties, their rights and obligations within dual education, or this fact will lead to the univocal interpretation and application of this institution, removing some confusions that previously existed in the legislation.

The efficiency of the educational process and work practice within the educational institutions will allow the introduction of new disciplines to ensure the labor market in the Republic of Moldova with qualified specialists in the existing fields of activity and in new ones.

The perspectives of the organization of dual education in the Republic of Moldova in accordance with the new legislation assume a series of benefits for students: professional training in a real work context based on the equipment within the unit/economic agent; social package offered to students from vocational technical education through: payment of the scholarship, accommodation in the institution's dormitory, for secondary vocational technical education - free food; professional training remuneration, the size of which cannot be lower than the guaranteed minimum amount of the salary in the real sector; greater opportunities for employment and career advancement.

At the same time, dual education is also advantageous for economic agents who have the opportunity to participate in the training of the workforce in accordance with their own needs; to select students in the process of conducting the admission competition; participate in the assessment of students' skills upon completion of the professional training program; to select the best candidates after the completion of the training period, with a view to employment.

The adoption of the new law on the organization and proper functioning of dual education obviously represents a step forward in the effort to identify viable solutions for the many problems faced by both technical vocational education and economic agents in securing the workforce.

CONCLUSIONS

One of the problems that led to the imbalance on the labor market and the labor shortage is conditioned by the weak interaction between the professional training system and the actors involved in the hiring process. This is amplified by a low level of anticipation of jobs and the necessary competence for the priority areas of economic development, as well as the lack of involvement on the part of local public authorities.



Under these conditions, we consider that professional education in the dual system becomes very important, given the fact that it offers young people both theoretical knowledge and practical experience, and economic agents - qualified staff.

For seven years, the Republic of Moldova benefited from support from Germany and Switzerland for the development of dual education, obtaining impressive results: 71% of dual education graduates found work immediately, compared to 43% of the technical education system. Given the fact that the Republic of Moldova adopted the Dual Education Law, this is a factor that speaks of the serious intention of all parties involved to develop dual education on a large scale.

We need three important conditions for young people to be able to contribute to the development of the country: a favorable environment for investments in creating jobs, economic agents to invest in our country and qualified people, or the good functioning of dual education in the Republic of Moldova depends, largely due to the economic situation in the country.

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