

COMPARISON OF ISRAEL AND MOLDOVA OF HIGHER EDUCATION LABOR MARKET AND ITS CHALLENGES

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Abstract

In the article the author compares some of the factors of supply and demand for labor in higher education in Israel and the Republic of Moldova. Under conditions of rapid growth of technologies, the demands of employers to the employees also change rapidly. The labor market is the main entity who determines modern demands towards the education services. The higher education market supplies the labor market with the professional human resources (specialists) that companies and industries need to function effectively. Any higher education institution must take into account the situation on the labor market, both today and in the future. The author compared Higher education market in Israel and Moldova, identified challenges in the labor market in the field of education and proposed possible solutions based on international experience.

Keywords: *labor market, Higher education, human resources, education system, challenges and solutions*

1. Introduction

Solution of problem of agreement between labor market and education system is one of main preconditions for successful functioning and progressive development of any national economics. Lack of concordance of demand for human resources structure and its supply causes various negative consequences: unemployment within capable population, reduction of level and quality of life, excessive stratification of society, worsening of moral climate within society. Successful functioning of labor market greatly depends on agreement between educational proposals and labor market demands.

Europe Union developed reforms for education system. For example, there are strategies and practices for support of education system called “lifelong learning” [1]. Main principles of this system are formulated in “Memorandum on lifelong learning”, which was prepared by Europe Union commission in 2000 [1]. In this paper, “lifelong learning” was defined and it was pointed out that this system should be open for any innovations, based on equal opportunities and react actively on any social and economic changes. “Lifelong learning” consists of three directions of educational activity: formal education within institutions, graduation of which will bring to certifications and diplomas issuing; “non- formal education” which does not grant any official certification but does include learning at the place of work, within civil social organization, various unions and political parties; “informal education”

which is related to self-development in everyday life (events, tourism, exhibitions). In the frame of proposed concepts, all the three kinds of education should be accepted as equal. It is proposed to unite them into a uniform system, by building up a normative base for lifelong education and development of qualified evaluation of learning outcomes and quality of education. Higher education institutions get a special role in this reform [1].

In Israel, main factors for demand for teachers and lecturers are population growth in the education system and demand for certain professions in the Higher education. Main factors of supply are salary, job conditions, satisfaction from job and appreciation by the management [2].

In the Republic of Moldova the 21-st century, most of the population is still convinced that Higher education is necessary for a successful person [13]. People strive to increase their status by getting a Higher education. They believe in its ability to guarantee better employment and social conditions. In the author's opinion, this is one of major challenges. Education value deteriorated, since education quality is much lower, and over qualification in Israel is severe, so Higher education diploma does not guarantee good employment conditions anymore.

2. The degree of investigation of the Higher education challenges at the present moment, the purpose of the research

In the economic literature, the educational services market is considered as a well-established expression, as a type of market. Estimates of the current processes and the future of higher education in Israel are based on various opinions and points of view of scientists, leaders and experts [5]. Israeli authors highlight various aspects of the economic impact on universities and focus on a number of problems and the state of education in the country [2]. The work of teachers is complex and requires great investment and perseverance, charisma and confidence [9].

3. Methods and materials applied

Scientific and public sources of information regarding labor market in Israel and Moldova were used in order to analyze challenges of supply and demand at the labor market of Higher education. Today, it is highly important for the labor market professional structure to be adjusted to the economics market demands. There is a number of exogenous factors regulating labor relations, helping to form viable mechanisms in order to help the employers and employees meet each other's requirements and demands, and finding out the reasons of in-agreement between them. Main method chosen by the author is analysis of two economies' education markets, based on scientific and statistical sources, in order to compare them and suggest how they can contribute to each other's problem solutions.

The author used office and field research methods. Office research was conducted by the method of studying different sources of information using analysis, deduction and a graphical method. Field research involved collecting primary information for the purpose of carrying

out this study using the: observation method, comparative method, description and critical evaluation of dynamics.

4. Results obtained and discussions

Currently, Moldova labor market keeps a tendency of high level of unemployment in formal sector and high ratio of employment in non-formal sector, especially for youth. Low development of modernization, technological progress and low salary in national economics bring about non-agreement between level of preparedness of youth and labor conditions, which in turn causes young people to leave abroad looking for a job.

Employers still insist on higher education for some professions that do not need it at all. The labor market of Moldova stimulates these aspirations. Today, in order to get a simple job of a seller, a potential employee needs to be educated. This attitude is quite similar to Israeli one [5].

As a result, young people in Moldova do get diplomas of Higher education, but there are not enough qualified professionals. There is a plenty of Higher education institutions in Moldova. The choice is diverse- there are both state and private institutions within the country and a wide variety abroad. In Israel there is also a plenty of academic institutions.

During the 31 years of Moldova independence, its Higher education system changed greatly. Academic institutions had to solve many problems, which were previously solved for them by the state. Consequently, the major part of these problems required monetary investments, which brought about commercialization of Moldavian education [12]. Academic institutions had to survive and needed money for this purpose. And in cases the state reduced or cancelled out its support, the money could be obtained only from the students. To attract more students, the Higher education had to become more available for all. As of today, the number students almost constant and number of academic institutions in Moldova is decreasing, as is presented in the following figures.

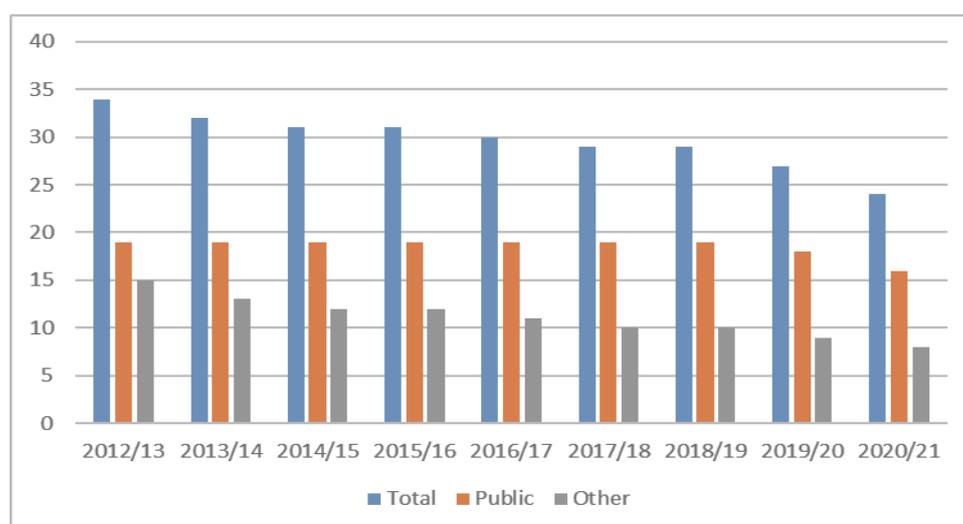


Figure 1. Number of Higher education institutions in Moldova by forms of ownership and years

Source: elaborated by the author based on [6]

Figure 1 presents data on a number of Higher education institutions in Moldova by forms of ownership. This figure demonstrates that the number of both state and private institutions is reducing.

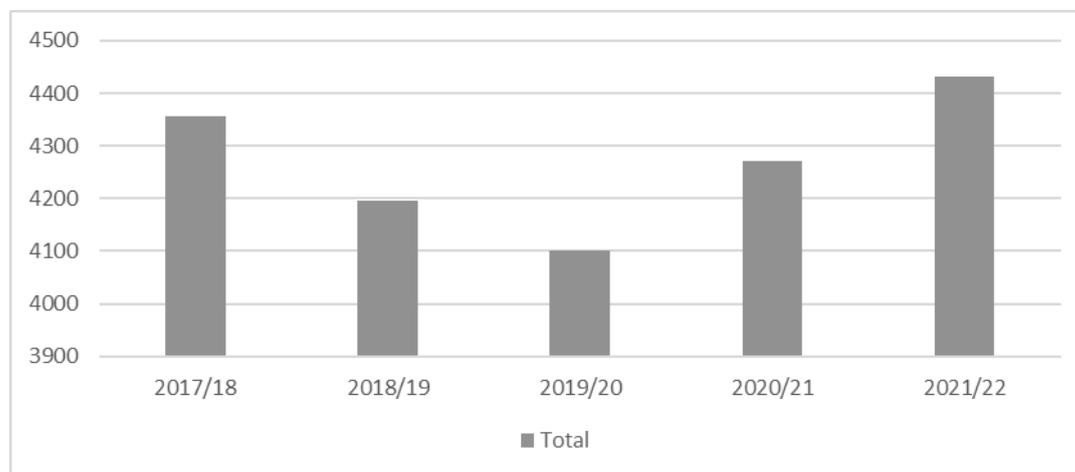


Figure 2. Number of students in Higher education institutions of Moldova during 2017-2022

Source: elaborated by the author based on [6]

Figure 2 presents a number of students of Higher education institutions in Moldova. A general number of students is reduced starting from the 2017/2018 academic year to 2019/2020. Last two years there has been an increase in the number of students.

Of course, social crises contributed also to education system and its labor market. Economics education became especially demanded since the transition of Moldova to market-based relations [12]. It was thought that economic specialist diploma will open more doors, and as a result, this profession became highly demanded. The majority of academic institutions did not have a material-technical basis and a qualified teaching staff for that, but they did rush to satisfy this huge demand and began to establish economics faculties, which must have influenced quality of teaching and learning. The ever-growing competitiveness also pushed them in this direction, since the Higher education was treated as a commercial sector. The quality of education reduced, since the main focus was made upon profitability and not on training good human resources.

A similar phenomenon existed in Israel at the same period. In Israel, the demanded profession was related to Information Technologies (IT), for High-tech companies which developed very rapidly in the 1990s- 2000-s and were ready to employ “almost everyone” [8].

In May of 2005, the Moldavian government decided to transit into new education standards of Bologna convention countries [10]. Israel did not join the Bologna convention; however, its higher education started to open up to cooperate with other countries. In addition, like in Moldova, there were professions with too few and too many candidates [5].

Additionally, today education in colleges and universities both in Moldova and Israel is only a basic platform enabling a student to navigate in her future profession. This platform is usually superficial and does not grant a student an acquaintance with all the possible sides of the profession in depth. After graduation, a young specialist is supposed to widen her knowledge all the time. A level of knowledge is not a criterion of success in education process. What

really matters is also a practical direction of the knowledge. This aspect is quite poor in Moldova. Less so it is in Israel, but still more practical accent is needed. Katz [5] described in depth the challenges of over-qualification in Israeli education system and a failure to reduce gaps between poorer and richer society segments.

The following figure presents Higher education in Israel, which keeps growing.

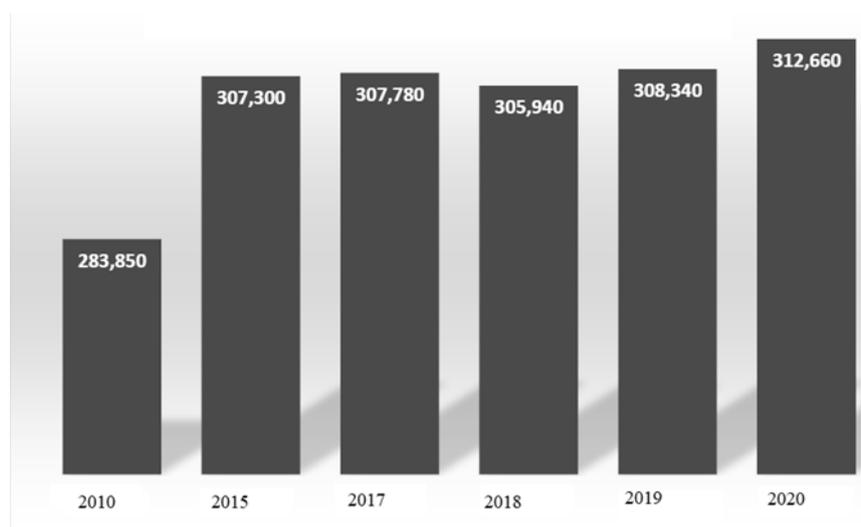


Figure 3. Number of Higher education institutions' students in Israel

Source: [3]

The following table summarizes current challenges on the education labor market of Moldova and Israel. Definitely, this is a prestige of Higher education in society, which brings about a wide variety of academic institutions, part of which are lack of high-quality staff and programs, supplying availability in order to survive, on expense of quality. Consequently, deterioration of academia takes place due to becoming a commercial sector while a practical education is not developed enough and employers do not get enough qualified staff, and Human Resources management is required for better planning, starting from school age and parents' perceptions.

Table 1. Higher education labor market challenges of Moldova and Israel

Education market challenge	Moldova	Israel
1	2	3
Higher education matters even if not really needed	VV	VV
Variety of academic institutions	VV	VV
Availability in order to survive, on expense of quality	VV	V
Deterioration of academia due to becoming a commercial sector	VV	V
Non-balanced labor market	VV	VV
Practical education is not developed enough	VV	VV
Bologna process	yes	no
Human Resources management required for better planning	VV	VV

* VV – strongly manifested; ** V- clearly manifested

Source: elaborated by the author

Nowadays, professional education environment of Moldova encounters non-agreement between labor market demands and knowledge that students gathered during their studies. Many young people become unemployed after graduation Higher education institutions, or change their qualification. This phenomenon points out existing problems with quality of education, its formality, dominance of theory over practice and non-qualified staff. In Moldova, Higher education is still very theory-based, not related to labor market needs. Therefore, organizations are not ready to cooperate with Higher education institutions. Real increase in match between professional training of specialist and actual needs of national economy requires involvement of business field to develop educational propositions and prepare professional specialists.

Ministry of Education and science of the Moldova Republic suggests the following actions:

1. Concentration of resources in order to empower university and research systems.
2. Making scientific researches more available to students by integration of research institutions into universities.
3. Financing a process of Higher education modernization and research sector support.

Right now, there are not enough students and too many universities in Moldova. At the global level, there is a tendency of resources concentration rather than their dissemination. The competencies are too disseminated. Perhaps, Moldova is too small a country to claim it may supply a quality education according to the same curriculum in 6-7 and more universities. The goal of Ministry of Education of Moldova is to build up well-established, united, and competitive universities with well-developed modern infrastructure, which suits wide-world standards. This way, the universities will get better international ratings, and as a result- more attractive for students, both in the country and abroad. For this purpose, more resources will be appointed to education and research causes, rather than management; research system will be supported and cherished and relations between education and researches will grow up; universities will transferee more knowledge and technologies, and cooperate more with business organizations, thus making research projects up to date for economics and society.

As mentioned above, it is highly important for the labor market professional structure to be adjusted to the economics market demands. There is a number of exogenous factors regulating labor relations, helping to form viable mechanisms in order to help the employers and employees meet each other's requirements and demands, and finding out the reasons of in-agreement between them.

To become a senior University lecturer in Israel, one should graduate her BA degree at the relevant faculty with good and preferably excellent grades [9]. The next step is MA and PhD studies and working as a teaching assistant. Such a graduate student is supposed to publish scientific journal articles, tries to get excellence scholarships. It is common and prestigious to graduate the post doc studies abroad, then come back to Israel and continue teaching, at the beginning as a teaching assistant and later on as a lecturer. However, the seniority and a higher level of salary will be granted only after 5 years, or else the lecturer could be also fired. Therefore, the Higher education employee could find herself without a regular job at the age of 35 or 40, if she did not get a senior lecturer position. The seniority is usually given 10-12 years after the lecturer begins as a teaching assistant [9].

Senior staff lecturers' gross salary gets to 20-25 thousands NIS a month for a professor degree. A professor who gets an administrative appointment in the University, like the University president, can have a gross salary of about 50 thousands NIS a month [4]. College lecturers' salary is generally lower- it is about 15-20 thousands NIS a month. Senior lecturers have a Sabbatical year once in seven years, when they get about 80% of their salary but do not work. They also enjoy research funds scholarships, a few thousands of NIS per year, and some funding for participating in research programs. The job itself is hard, but it is worth pointing out that the lecturers work only 30 weeks per year. Senior lecturers at the fields of economics and business management can work additionally as counselors for start-up companies and have other incomes.

For scientists from the former Soviet Union who came to Israel in the 1990-s, there were special financing funds allowing to absorb them at the Higher education institutions as scientific and teaching assistants, for a period of three years. After that, some of them were recruited as external teachers, scientist assistants, or fired [11].

One of the biggest problems in Higher education in Israel today is outsourcing of the academic staff. As for today, there are too many external teachers and lecturers who are not sure about the future employment and conditions.

External teacher is a lecturer, usually having a PhD degree, who does not belong to the permanent faculty staff of the institution. The position of the external teacher includes teaching only, without research and without guidance for postgraduate students. The outside teachers are called junior members of the faculty. Since the 1980s, universities and academic colleges in Israel have begun to use teachers from outside as a cheap alternative to employing regular teaching staff.

There is no a collective agreement between the organization and the management, so that every one of them is not sure about her future employment, and any semester could lose her job. The junior lecturers are not a part of the College team, so they do not have a stable position and their salary is not connected to their tenure and work experience, there are no proper social conditions. Only the obligatory pension that is insured by the state law. The agreement between the lecturer and the College is renewed every semester.

About two third of the academic college staff in 20 Israeli higher education institutions are external lecturers. The reason is obvious - this way of hiring is much cheaper for both the colleges and the state that budgets them. The external lecturers are fired each semester and are hired again by the college needs. Most of them hold only partial positions and their salary is not influenced by the tenure, they are not insured health costs or advanced study fund. Like other outsourced workers, such as cleaning and security staff, the lecturers are not sure about their employment continuation. It is worthy to note that Israeli academy did not invent anything new. Similar phenomenon of external teachers exists in another countries as well.

The following table presents a challenge existing in Israel, its essence, possible solution and compares it to the situation in Republic of Moldova.

The perspective to give up on the old system of employees' recruitment, which assumes that the teachers are accepted at the staff and pass all the stages of career growth in the institution, raises lots of questions. From the pure financial point of view, outsourcing in teachers'

recruitment has obvious advantages, since it allows to cut the expenditures greatly. However, the real value and price of education is hard to quantify. It is highly dangerous to count on the human resources hired by the one-time agreement, since there is a need to deal with teachers who can possibly replace each other, which means they do not feel obligation toward the students, and researchers who are not directly connected to the intellectual life of the organization they work in.

Table 2. Higher education employment challenges in comparison to Moldova situation during 2010-2020

Challenge name	Challenge contents	Possible solution	Situation in Moldova
Temporary appointment of external lecturers	An external lecturer's appointment is often done for only one semester	Planning teaching hours by courses and teachers (in advance)	The planning of teaching hours is carried out at the end of the previous academic year
Social conditions	External lecturers often do not have proper pension and other social conditions, nor advanced study funds and Sabbatical year, like regular staff	Better conditions for external (outsourced) staff	There is a problem of keeping payment agreements for temporary employees, which are not always honored in private institutions. However, in case the wage is not correct, a complaint can be submitted to the Labor Inspection and the institution will have to pay a fine.
Social changes	There are too many Higher education institutions in Israel, too many overqualified workers [5]. The young generation does not intend to get as much education as the previous ones. They want guarantees the job will be found and are not ready to invest in learning just to get smarter.	Developing a professional education more and Higher education less, investing more in future professions.	Young people leave the country not because of bad education, but rather because of better economic situation in other countries.

Source: elaborated by the author

5. Conclusions

Education system is high priority for any society, yet we should remember it must serve people. The goals of education system are meant for people, and the author tries to make clear what exactly the possible steps to accomplish these goals are.

This paper compares Higher education systems and supply-demand for education market for Moldova and Israel. There are many challenges and problems in education systems of both countries, some of which are similar and others are not.

Today, when there are market-driven relations with limited state support for Higher education institutions, they have to find ways to optimize future specialists' training, to look for new ways for reforms' implementations, to increase personal potentials of students.

During last decades, young people look at possible future salary and prestige upon choosing future profession, or listen to others' opinions (parents, friends etc.) As a result, they graduate professions which they do not want to work in, since it is not interesting and rewarding enough. In order to avoid such problems, experts suggest future students to study in advance the demands at the labor market and think carefully about their own preferences. Better comprehension of tendencies of demand for skills and competencies, forecasted deficit for professional skills should improve coordination and interactions between education system and labor market, development and advancement of appropriate politics of labor market and economic growth stimulation. For this end, better Human Resources management is required to navigate demand and supply at the labor market, both in Moldova and Israel.

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Rezumat

În articolul dat autorul compară unii factori ai cererii și ofertei forței de muncă în învățământul superior din Israel și Republica Moldova. În condițiile creșterii rapide a tehnologiilor evoluează constructiv și cerințele angajatorilor față de angajați. Piața muncii determină cerințele actuale față de serviciile educaționale. Piața învățământului superior asigură piața muncii cu resurse umane profesionale (specialiști) necesare entităților pentru a funcționa eficient. Orice instituție de învățământ superior trebuie să țină cont de situația de pe piața muncii, atât în prezent, cât și în viitor. Autorul a comparat învățământul superior din Israel și Moldova, a identificat provocările de pe piața muncii în domeniul educației și a propus soluții posibile de soluționare a acestora în baza experienței internaționale.

Cuvinte-cheie: piața muncii, învățământ superior, resurse umane, sistem de învățământ, provocări și soluții

Аннотация

В данной статье автор сравнивает некоторые факторы спроса и предложения рабочей силы в высшем образовании Израиля и Республики Молдова. При условиях быстрого роста технологий, спрос работодателей на рабочую силу также быстро меняется. Рынок труда в первую очередь решает каковы потребности от образовательных систем. Рынок высшего образования поставяет рабочую силу (специалистов), обладающую необходимыми профессиональными навыками, для эффективной деятельности компаний и индустрий. Любой вуз обязан считаться с ситуацией на рынке труда, как сегодня, так и в будущем. Автор сравнивает высшее образование в Израиле и в Молдавии, выделяя сложности на рынке труда в области образования и предлагает возможные решения на основании международного опыта.

Ключевые слова: рынок труда, высшее образование, трудовые ресурсы, система образования, проблемы и решения

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