

# ANALYSIS OF THE ATTITUDE OF MOLDOVAN EMPLOYED PEOPLE TOWARDS THE ONGOING REFORM ON ABOLISHMENT OF EMPLOYMENT RECORD BOOKS

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**Abstract.** *Currently in Republic of Moldova there are discussions yet on abolishing or keeping employment record books. Since 1999 an electronic register works that contains the main information of employment record books. Recently a law was adopted that makes employment record books not mandatory anymore from 1 January 2019. Even though the employers were asked for their opinions on digitalization of employment records, surprisingly, but the employees weren't asked for their opinions, even though the employment record book's owner is the employee and there is the work experience. There are fears of employees that their data on work experience may be stolen or lost. In this paper are discussed the results of a recent survey done on employees to ask their opinions on abolishment of employment record books. The results showed that there are fears of different kind in population that the reform might not go as was intended. It's recommended taking in consideration the fears of employees, by realizing a careful, gradual reform, taking in consideration individual cases.*

**Key words:** employment record book, electronic register, monthly printed report, employees, reform, Republic of Moldova, survey.

## ANALIZA ATITUDINII PERSOANELOR ANGAJATE DIN MOLDOVA ASUPRA REFORMEI CURENTE CU PRIVIRE LA ABOLIREA CARNETELOR DE MUNCĂ

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**Adnotare.** *Actualmente în Republica Moldova există încă discuții despre abolirea sau păstrarea carnetelor de muncă. Din 1999 un registru electronic funcționează, care conține informația de bază din carnetele de muncă. Recent, a fost adoptată o lege care stipulează că carnetele de muncă nu mai sunt obligatorii din 1 ianuarie 2019. Chiar dacă angajatorii au fost întrebați despre părerile lor despre digitalizarea înregistrărilor cu privire la experiența de muncă, surprinzător, dar angajații nu au fost întrebați despre opiniile lor, chiar dacă posesorul carnetului de muncă este angajatul și acesta conține experiența de*

*muncă. Sunt temeri ale angajaților că informația lor despre experiența de muncă poate fi furată sau pierdută. În acest articol sunt discutate rezultatele unui chestionar recent efectuat în rândul angajaților pentru a-i întreba despre opiniile lor cu privire la abolirea carnetelor de muncă. Rezultatele au arătat că există temeri de diferit fel în cadrul populației precum că reforma poate să nu decurgă după cum s-a intenționat. Este recomandat să se ia în considerare temerile angajaților, realizând o reformă atentă, graduală, luând în considerare cazurile individuale.*

**Cuvinte cheie:** carnet de muncă, registru electronic, raport lunar tipărit, angajați, reformă, Republica Moldova, chestionar.

### **Introduction**

Employment record books were used in Republic of Moldova since USSR and are still currently in use. From 1999 onwards besides work experience they included the data about employee's social insurance contributions. Since this year personalized accounts of pension rights of citizens were introduced and an electronic register was created that contains the information on work experience and social insurance contributions from 1999 onwards. The information on work experience and social insurance contributions before 1999 is confirmed by employment record books, but from 1999 onwards it can also be confirmed by electronic register. From 2008 the electronic register also contains the information on wages. Besides that, the register includes information on: name and address of employee and his/her ID number, company's name, monthly data employment's period, monthly salary, the category of insurance, function of the employee, calculated and paid social insurance contribution by employer and employee, number of working days on week, sick leave. From introduction of electronic register it was used in parallel with employment record books, thus the information provided doubled. There were discussions and working groups on abolishing employment record books, but a decision on how to proceed wasn't taken.

### **Review of previous studies and publications**

The issues concerning employment record books have been discussed by some Western scientific researchers mostly from a historical point of view (Baudelet I., Dewerpe A., Le Crom J.-P., Leboutte R. and others) and by current researchers from ex-USSR countries mostly occasionally and from practical reasons (Abramova E.V., Arhipov V.V., Ershov P.P., Farion K.Yu., Filipova I.A., Kamaltdinova R.M., Martyanov A.V., Men'shova V.N., Novaya I.A., Piskaryova Yu.M., Roshtchin B.E., Semenihihin V.V., Setdarova L.B., Stupak I.M. and others). Problems concerning employment record books are discussed and legal solutions are given in national scientific and practical journals like: *“Кадры и заработная плата”* (HR and labour remuneration), *“Contabilitate și audit”* (Accounting and audit), *“Бухгалтерские и Налоговые Консультации”* (Accounting and Fiscal Consultations) and others, that contain special headings with practical questions and answers.!

International experience revealed that in many European countries employment record books are unknown from times long past when work experience was written on paper form. From the countries that abolished them can be mentioned: France (1890), Denmark (1921), Germany (1967), Italy (1997), Latvia

(2002), Slovenia (2009), Estonia (2009), Georgia (2009), Romania (2010), Tajikistan (2012), Azerbaijan (2014), Armenia (2016). All CIS countries used employment record books since Soviet times, some of them already abolished them, others plan to abolish (Ukraine, Russia), yet other countries don't plan to abolish them anytime soon (Belarus, Kyrgyzstan, Kazakhstan).

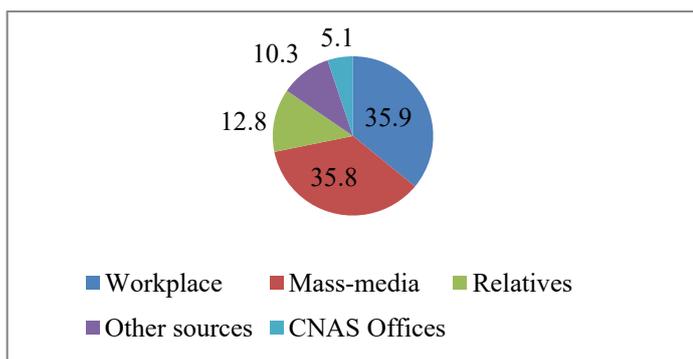
In 2015 a group of Moldovan researchers from NIER in collaboration with German economists from German Economic Team Moldova with the support of American Chamber of Commerce in Moldova did a survey between employers and HR officers to see their attitude towards abolishing employment record books. The results have shown that most of them were in favor of abolishing them [3]. Surprisingly, but the employees weren't asked for their opinions on this. Recently, a law was adopted that provides the abolishment of employment record books from 1 January 2019 [2]. That being said, the employer isn't obliged to keep the employment record book, nor the employee is forced to present it to the employer when he/she is employed [1]. Before the reform is complete it's needed to see the opinions of employees, their suggestions and fears to be taken in consideration to prevent or address forthcoming problems, so the reform may go smoothly and with less risks.

### **Data, methods and main results**

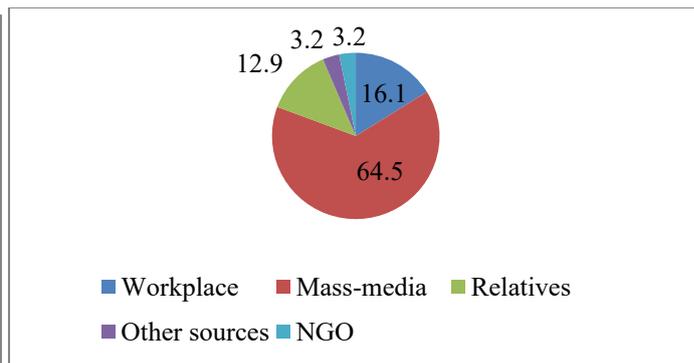
To identify the opinions of employees on the reform of employment record books a survey was created in August 2017. 265 employees participated in the survey from districts of different regions of Moldova, such as: Stefan Voda, ATU Gagauzia, Cahul, Rezina, Briceni, Straseni, Ialoveni; municipality Chisinau. When asked if they know about electronic register of National House of Social Insurance (CNAS) 66.2% of the people said they knew about it. When people were asked if they can access electronic register 64.6% of the people said they never accessed it, while only 32.3% could access it without difficulties, 3.1% needed the aid of other people (relatives, friends etc.). From the ones who knew about the register 48.8% of people never accessed it, 46.5% of them could access it without difficulties, 4.7% of the ones needed the help of other people. By sources of information, 41.5% of employees were informed about electronic register from their workplace, 36.6% - from mass-media, 12.2% - from relatives, 9.8% - by studying independently, 4.9% - from CNAS Offices. From those who accessed the electronic register 62.5% said that most of the time they accessed it from home and 37.5% - from the workplace. 52.3% people said they were informed about abolishment of employment record books, from which 62.9% said they learned of it from mass-media, 20% - from their workplace, 11.4% - from their relatives, 2.9% - by studying independently, 2.9% - from NGOs (trainings, seminars). When asked if they agree that employment record books may be replaced completely by the electronic register 49.2% of them agreed, 32.3% disagreed and 18.5% didn't know or didn't want to answer. At the question if they agree that employment record books should be completely replaced by printed monthly reports (including salary; taxes; social, medical contributions) 44.6% agreed, 35.4% didn't agree and 20% didn't know or didn't have an answer.

In *Figure 1* and *Figure 2* are presented the share of employees with university studies as highest level of education attained who knew about electronic register of CNAS by sources of information and, respectively,

the share of employees with university studies as highest level of education attained who knew about abolishment of employment record books by sources of information.



**Figure 1. Share of employees with university studies as highest level of education attained who knew about electronic register of CNAS by sources of information**



**Figure 2. Share of employees with university studies as highest level of education attained who knew about abolishment of employment record books by sources of information**

*Source:* elaborated by authors on the basis of survey data

It can be seen that the share of people that were informed about electronic register from mass-media (35.8%) and from the workplace (35.9%) is nearly the same. The majority of people were informed about abolishment of employment record books from mass-media (64.5%), while only 16.1% reported being informed about this from their job. The reason behind such a big difference in shares of mass-media can be the fact that currently this subject is discussed actively in mass-media. The relatives had nearly the same share in informing others about electronic register (12.8%) and about abolishment of employment record books (12.9%). Seminars offered by CNAS Offices accounted for 5.1% of informed people and seminars offered by NGOs – for 3.2%, the reason these shares are small may be that these sources in most of the cases are accessible to a small part of employees. Other sources like studying the laws independently, observing other countries experience accounted for 10.3% in informing people about electronic register, while only 3.2% - in informing about abolishment of employment record books.

### Motives for keeping employment record books

People see the employment record books as being more secure than electronic register that is considered to be more vulnerable. Thus, doubling of information is considered for a higher security. A man from urban area, younger than 35 years and with university education says about the employment record book that is “*an extra guarantee of [information on] employee's experience in addition to the electronic register*” and [with the employment record book] “*the employees will have the information with them and won't depend on the electronic register and on the ones that will complete it*”. They fear the leak or loss of personal data from electronic register which without a paper version will not make up for it. A man from rural area, older than 50 years and with university studies gives an example for this - “*the recent hacker attacks on servers in Ukraine*”, yet he doesn't explain if there was a data leak or loss at all and what were its proportions.

Some people don't see the reason behind the proposal of replacing completely the employment record book with monthly printed reports. A woman from urban area, younger than 35 years old and with university studies sees the electronic register accounts as "*electronic employment record books*". She considers that once the employment record books will be abolished the employers will require pre-employment information which they see as being personal confidential information. The reason behind this fear may be the short work experience or too many changes of jobs of young employees that may fear the employer will be suspicious of their employment. That makes little sense since the electronic register may have the option to not show previous experience of the person to the new employer, an option that the employment record book doesn't have, yet forged employment record books may make up for that - a practice that justice system tries to combat.

Other people still don't have an opinion formed on the future of employment record books (to keep or not to keep?) or don't have any motives to keep them. The employment record book is also seen as an instrument that is keeping personal evidence, as a personal proof, or even as a history of employment like a museum piece, a personal biography of the employee that includes all changes in his or her activity. A woman from urban area with the age between 35 and 50 years and with university studies expressed that "[employment record book] *is convenient, as a document, to be kept in your work file or at home if you do not have a job - instead of monthly printed reports that would gather month after month*". A man from urban area older than 50 years with university studies thinks of employment record book as a testament to future generations - "*a personal document of activity must exist, even for our descendants it would be documentary information*". A woman from urban area with the age between 35 and 50 years that has only middle school studies admits that employment record book is more reliable, because it's a document and is signed and stamped, unlike the electronic register.

People, especially those older than 35 years are more conservative and don't want the employment record book replaced. A man from urban area older than 50 years with university studies doesn't believe in the good faith of the people who manage the electronic register - "*I want that no one can delete the data about me in the general register ... in our dishonest world, the employer can "buy" such deletion*". Another man from urban area older than 50 years with university studies expressed the same concern pointing to corruption - "*electronics is not reliable and in our country with the venality of everyone and everything you can't do such things at all [that is, replacing employment record books]*". A woman from the same category of age, area of residence and level of education said the same thing, underlining the key people responsible for this - "*I do not believe in reliability of electronics; the accountant may not work well or follow the instructions of employers that will harm his employees; more I trust paper versions of documents with seals and signatures*". People fear in case of errors or dishonesty no one will be held responsible and more than that, work experience data may be lost.

A woman from urban area older than 50 years with university studies besides unreliability of electronic means pointed to the necessity of employment record books when the employee migrates in a country in which employment record books are mandatory and another crucial aspect frequently not taken in consideration in

implementation of policies related to digitalization – small digital literacy of a significant part of population – “- *The unsatisfactory technical reliability of electronic means and from the point of view of the "human factor" and confidentiality; - It is advisable to see the document with records, stamps and signatures, which can be controlled. It is particularly important in the case if a person moves to another country where employment record book is a mandatory document; - There exists still a large proportion of people who not only don't have knowledge in the field of IT technologies, but even don't know how to use a PC and don't have experience in using it, for which even bank cards are "a mystery behind seven seals"*”.

Another woman from urban area older than 50 years with university studies told her own negative experience with electronic register, insufficient access to electronic means, disbelief in government institutions: “- *I had problems accessing the site (possibly because the system is not enough regulated); - At this stage in many organizations workers do not have access to electronic sources of information; - The level of distrust to the activities of state institutions remains [high].*”

Some people find difficult to answer what motives may be to keep employment record books. Others point to psychological causes (mentality of old people, personal use, the need of a tangible and verifiable proof without needing electronic means (“*what is in hand ... is proof*”), psychological comfort or just for any case).

A woman from urban area with the age between 35 and 50 years with university studies pointed to flexibility, clarity of data and status of studies in employment record books (“- *more flexible for both the holder and the employer; - more clearly [presents] the activity of the holder of the employment record book; - [it presents] the status of the studies carried out in case of a lack of diplomas*”).

A woman from urban area older than 50 years with university studies indicated to a difficult access to the register and the poor organization of database as motives to keep employment record books (“*a poorly organized database of the register leading to errors; complexity of citizens' access to personal information in the register*”).

Some respondents gave axiological arguments, being apologetic for the freedom of the individual (a woman from urban area with the age between 35 and 50 years with university studies - “*Stupidity or the desire to bring all individual documents into an electronic form to facilitate the control of the individual as a managed unit, i.e. another way to control a person.*”).

Some people recommended that electronic register and employment record book be used in parallel with monthly printed reports (a man from urban area older than 50 years with university studies - “[employment record books] *do not need to be replaced, it's best to send out printouts in addition to the employment record books and I'll know how much I have on my account, how honest the manager [employer] is*”; another man from urban area older than 50 years with university studies - “*I don't see motives for replacement of the employment record books ... but I would agree to receive monthly printed reports to see how honest is my employer*”).

A woman from urban area with the age between 35 and 50 years with university studies underlined the right of the employee to decide when he/she won't need the employment record book (“*I would like it to be double (on-line and physical) [record] until the holder decides that doesn't need it.*”). Even some younger

people said that employment record books shouldn't be abolished, but to be as a backup alternative alongside the electronic register (a woman from urban area younger than 35 years with university studies - *"I have no idea, it could be a backup alternative, but not totally to be replaced."*).

### **Motives for abolishing employment record books**

People point to abolishment of employment record books to be more convenient; to save paper, money and time for buying them, to simplify document flow, to put less work on the employer that currently needs to include data in the electronic register and also in employment record books (double work), thus boosting flexibility, work efficiency and operativeness, since people would have access to the register database 24/24 for free and from any place (a woman from urban area with the age between 35 and 50 years with university studies - *"Maybe there will be more transparency in completing the [electronic] employment record book. It wouldn't be so easily to falsify the data in the [electronic] employment record book. I would have access to my [electronic] employment record book anywhere in the world and whenever I want."*). They also say that would lead to lesser bureaucracy and thus more transparency (a woman from urban area younger than 35 years old with university studies - *"It would reduce the bureaucracy that exists and it would be simpler to get various information about the contributions you have"*).

Others consider employment record books to be a relic of the past, a formality, something that is easily falsified and there's a need for digitalization, for e-governance to keep up with modern standards (though some people recognize the involved risks) and, probably, make more transparent the taxing wages (a woman from urban area with the age between 35 and 50 years with university studies - *"Once there is the Electronic Register, with complex information, and for 17 years all the info is in the database, it would be useless to rely on employment record books printed 10-15 years ago, where only the date of employment and dismissal from a function are written; the paper employment record book has become a formality; those who have 3-4 employment record books and more at different jobs, having the main job in different institutions - will not be able to continue doing so; the taxation process from salary will be more transparent (I hope)"*); a woman from urban area older than 50 years with university studies: - *"I do not see any motivation to keep employment record books. This was [in] the last century! You can complete with data and save it on electronic media on monthly basis."*, another woman from urban area older than 50 years with university studies: *"This is the correct and inevitable choice in accordance with international rules of document circulation."*; a woman from urban area with the age between 35 and 50 years with university studies - *"We live in the digital world, it's easier this way. Although there is a risk that data may be falsified through unauthorized access."*, a woman from urban area older than 50 years with university studies: *"complexity of filling employment record books; duplication of information provided that the qualitative register management is maintained"*).

Other people didn't want to answer or found difficult to answer what the motives to abolish employment record books could be, some didn't find any motive at all (a man from rural area younger than 35 years old with university education - *"[the employment record books] are totally useless"*) or were indifferent to this (a woman from urban area younger than 35 years with medium specialized secondary education: *"There are no*

*pros and cons either. It doesn't play a role for the position I have", a woman from urban area younger than 35 years with high school education: "I don't have a formed an opinion in this respect").*

A woman from urban area younger than 35 years with university education has conflicted views on keeping or abolishing employment record books seeing its advantages and disadvantages (*"On the one hand, I do not agree with the replacement of the [employment record] books for the reasons I have outlined in the previous question ["[T]he electronic register does not seem so safe. It often happens that electronic information is lost for various reasons"]. On the other hand, the electronic register could facilitate the access to information for the worker and ease the process of collecting necessary documents for retirement")*).

A woman from urban area older than 50 years with university education was apologetic about abolishing the employment record books arguing in favor of the actual tendency of digitalization (*"I consider that all information on work of citizens should be kept and collected in the database on the computer and on the electronic medium. It's easier to work with a database on a computer, than with a dusty paper archive. You can quickly issue a certificate to the citizen and a copy of it. It has long been time to translate work with large information into new technologies. Why then people invented computers, electronic media, the Internet?")*).

A man from urban area with the age between 35 and 50 years with university studies pointed to people's stupidity, requiring a piece of paper to be recognized as being someone - *"Public stupidity and ignorance. Without a piece of paper you are ... and with a piece of paper you are a human [someone]"*.

Younger people saw the possibility of losing the employment record book (a woman from urban area younger than 35 years with university studies - *"For the data to be kept for a long period of time; not to lose employment record books and the emergence of later problems"*), another woman from urban area younger than 35 years with university studies - *"There will be no problems in losing your employment record book"*).

Some people saw in the electronic register an instrument that is updated (for example, a man from urban area younger than 35 years with university studies - *"Perhaps it is possible to obtain up-to-date information on the peculiarities of professional activity"*).

Other people see the reform of employment record books as a minor problem (for example, a man from urban area older than 50 years with university studies - *"There are many reasons [for abolishment of employment record books], but I do not think this is the main [problem] in the situation of the Republic of Moldova"*).

### **Conclusions and recommendations**

From the results of the survey between the employees the following can be concluded:

- ✓ two thirds of the surveyed employees know about the employment register, in most of the cases being informed of it from their jobs or from mass-media, but two thirds of them never accessed the register;
- ✓ half of the surveyed employees were informed about abolishment of employment record books, from which most of them – from mass-media and from their workplace;

- ✓ opinions on the complete replacement of employment record books with electronic register and/or with monthly printed reports were mixed – around half of them agreed, while circa a third were against it;
- ✓ the most frequent motives given by people for keeping employment record books were: leak and loss of electronic data, tangibility of employment record books, a decentralized alternative to electronic register, poor digital literacy;
- ✓ the most frequent motives given by people for abolishing employment record books were: digitalization, accessibility, flexibility, transparency, operativeness.

After analyzing the opinions of surveyed employees the following measures can be recommended:

- keep the employment record book for employees with poor digital literacy, thus making it optional;
- invest in the security of electronic register (for example, using blockchain technology for data decentralization);
- oblige the employee to verify on monthly basis the data from the register and its changes;
- digitalize of employment record book data on work experience before 1999;
- more seminars, trainings, information campaigns or other targeted measures that will boost digital literacy of people.
- the reform shouldn't be rushed; the replacement of employment record books should be gradual.

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