

THE IMPACT OF COVID-19 PANDEMIC ON THE MOLDOVAN LABOUR MARKET¹

Tatiana COLESNICOVA²

Mihail CIOBANU³

Mircea GUTIUM⁴

Abstract

In this paper are highlighted and analyzed the tendencies and the particularities of the labour market situation in the Republic of Moldova in the 2019 year and in the first quarter of 2020. The sources of statistical data used in the analysis are the National Bureau of Statistics of Moldova and the results of the surveys of APIUS organization and IOM-UN Migration Agency. In the context of COVID-19 pandemic it's consequences on the Moldovan labour market are evaluated and prospects of development of the situation are analyzed based on the approved national development strategy for the next decade and on the legislation on the remote work.

Key words: labour market, unemployment, COVID-19 consequences, tendencies, forecast, Republic of Moldova

IMPACTUL PANDEMIEI COVID-19 ASUPRA PIEȚEI FORȚEI DE MUNCĂ DIN REPUBLICA MOLDOVA

Rezumat

În acest articol sunt evidențiate și analizate tendințele și particularitățile situației pieței muncii în Republica Moldova în anul 2019 și în primul trimestru al anului 2020. Sursele de date statistice utilizate în analiză sunt Biroul Național de Statistică al Moldova și rezultatele sondajelor organizației APIUS și a Agenției pentru Migrație a ONU. În contextul pandemiei COVID-19, sunt evaluate consecințele pe piața forței de muncă din Moldova, iar perspectivele dezvoltării situației sunt analizate pe baza strategiei naționale de dezvoltare aprobată pentru următorul deceniu și a legislației privind munca la distanță.

Cuvinte-cheie: piața forței de muncă, șomaj, consecințele COVID-19, tendințe, prognaza, Republica Moldova.

JEL: J21, K31.

Introduction

Since the beginning of the COVID-19 pandemic in the world, there were registered deaths of over 560 thousand people due to coronavirus infection, according to Johns Hopkins University reports [2]. In total, there are registered 12.5 million cases of illness in the world. Most infected are in the United States, where there are more than 3.1 million people. In Brazil, the number of people registered

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² PhD in Economics, Associate Professor, coordinating scientific researcher, National Institute for Economic Research, Republic of Moldova ctania@gmail.com

³ PhD Student in USDC, scientific researcher, National Institute for Economic Research, Republic of Moldova, ciobanu.mihail.s@gmail.com

⁴ scientific researcher, National Institute for Economic Research, Republic of Moldova, gutium.mircea@rambler.ru

with COVID-19 has exceeded 1.8 million. Moldova registered 18.9 thousands cases of COVID-19 and over 600 deaths.

Worldwide labour market was deeply affected by pandemic situation from SARS-CoV-2 virus. To stop the spread of the virus the state governments introduced measures of various degree of restriction in most countries. As a result, a part of the workers resorted to remote work and another part reduced their activity, going into a more flexible or partial program schedule or stopped their activity, going into technical unemployment or on leave, paid and/or unpaid. Because of the reduction of economic activity of economic agents, a part of them, especially SMEs, risk losing significant amounts of revenue on short-term and entering into the liquidation period in the long-term, which has brought an important blow on the labour market.

The Republic of Moldova has also introduced an emergency regime from March 17th, 2020 until May 15th, 2020, that included such measures: establishment of a special regime of entry and exit from the country; the establishment of a special traffic regime on the territory of the country; introduction of the quarantine regime and taking other mandatory sanitary-anti-epidemic measures; establishing a special working regime for all entities; prohibiting the holding of assemblies, public demonstrations and other mass actions and performing other necessary actions in order to prevent, reduce and eliminate the consequences of the coronavirus pandemic (COVID-19).

The Extraordinary National Commission for Public Health of Moldova decided to extend the state of emergency in public health throughout the Republic of Moldova until July 15th, 2020 [9] and which later was prolonged until July 31th [10], with the possibility of extending the deadline depending on the evolution of the epidemiological situation. During the state of emergency in public health it is restricted: being in public places (forests, parks, alleys, beaches, etc.), in groups of more than 3 people; being over 63 years of age, outside the home and in public spaces without urgent need; finding people on playgrounds, sports fields and recreational areas; the activity of the educational process and other restrictions. From July 1st, 2020, most economic activities are resumed in compliance with the general public and special health measures.

Due to this unprecedented situation some people have lost their jobs. At the same time, some people who went to work from home had their wages reduced, which reduced the purchasing power of the population.

1. Analysis of the main indicators of the labour market⁵ in the Republic of Moldova in 2019

According to NBS data, in 2019 the labour force amounted to 919.3 thousand pers. The activity rate of the population was 42.3%. The employed population was 872.4 thousand pers. The employment rate of the population aged 15 and over reached 40.1%. The number of unemployed, defined according to the International Labour Office in 2019 was 46.9 thousand pers. The unemployment rate in the country in 2019 was 5.1%. The inactive population in the country (15 years and over) in 2019 was 1255.9 thousand people, of which the largest share is held by retirees - 45.1%. The NEET group in the 15-29 age group had a share of 27.4%.

In 2019, the labour force, which includes the employed population and the unemployed, amounted to 919.3 thousand pers. Men (51.7%) had a higher share in the labour force than women

⁵In 2019, a series of changes were made in the methodology of the Labour Force Survey: the inclusion in employed persons only of those who carry out activities to produce goods or provide services for payment or profit and non-inclusion of employed persons in the auxiliary household (as an addition to the house) with the production of agricultural products for the own consumption of the household; the use of the number of the population with habitual residence (the place where the person has lived mainly in the last 12 months regardless of the temporary absences) instead of the resident one; a new sample of households and a new rotation scheme. These changes cause the data for 2019 and those up to 2018, regarding the labour force to be not fully comparable.

(48.3%), as well as rural areas (53.7%) compared to urban areas (46.3%). At the same time, the activity rate of the population was 42.3%. Among economically active people, the indicator was higher for men (47.0%) than for women (38.2%). The activity rate is higher in urban areas (49.4%) than in rural areas (37.6%). In the age group 15-29 years the activity rate of economically active persons was 33.7%, and in the group 15-64 years - 49.4%. The economic activity rate of the working age population (according to the national legislation: 16-58 years - women and 16-63 years - men) was 52.6%.

The employed population in 2019 was 872.4 thousand pers. Men had a higher share in the employed population - 51.3% than women - 48.7%, as well as the rural area - 53.6% compared to the urban area - 46.4%.

The employment rate of the population aged 15 and over was 40.1%. The employment rate of men - 44.2% was higher than that of women (36.5%). According to the areas of residence, the employment rate was in urban areas - 47.0%, being higher than in rural areas - 35.6%. The employment rate of working age people (16-58 years - women / 16-63 years - men) had the value of 49.8%, of people aged 15-64 years - 46.8%, and in the age group 15-29 years constituted 30.9%.

The share of employees in the employed population is higher among women (83.2%) than among men (72.6%), and in urban areas (89.5%) than in rural areas (67.6%), and the share of self-employed in the employed population is higher among men (24.7%) than among women (10.1%), and in rural areas (24.3%) than in urban areas (9.9%).

Figure 1. Share of the employed population by professional status by sex and by area of residence, year 2019



Source: According to the data of the National Bureau of Statistics[1][11]

The share of non-agricultural activities in 2019 was 79.0%, of which persons employed in industry accounted for 14.7%, and in construction - 7.0%. 57.3% of the total employed persons worked in the services sector. The employed population in the distribution by forms of ownership constituted 70.7% in the private sector and 29.3% - in the public sector. The share of employees by professional status is 77.8%. The vast majority of employees were employed for an indefinite period (89.3%).

Undeclared work among employees in 2019 accounted for 7.2%, of which more employees are men - 9.1% compared to women - 5.6%. The largest shares of employees who work only on the basis of verbal agreements are: in agriculture - 48.3%, trade - 16.0%, construction - 15.3% and industry - 6.4%.

In the informal sector in 2019, worked 16.8% of the total number of persons employed in the economy, 23.1% of the number of employees had an informal job, thus of the total number of persons employed informally - 26.0%.

Number of underemployed persons (number of persons employed, whose total number of hours actually worked during the reference period was less than 40 hours per week, who wished and were available to work overtime) accounted for 3.9% of all employed persons.

The number of unemployed, defined according to the ILO in 2019 was 46.9 thousand pers. Unemployment was in a higher proportion among men - 58.8% of the total number of unemployed, as well as among people in urban areas - 55.5%.

The unemployment rate in the country in 2019 was 5.1%. The unemployment rate for men was 5.8%, and for women - 4.4%. There were small disparities between unemployment rates in urban and rural areas (respectively 4.9% and 5.3%). Among young people (15-24 years) the unemployment rate was 10.4%, and in the age category 15-29 was 8.5%.

The inactive population in the country (15 years and over) in 2019 was 1255.9 thousand people. The inactive population includes: pensioners (45.1%); family caregivers (housewives) (12.9%); pupils and students (12.8%); people who do not work and are not looking for a job in Moldova, because they already have a job (permanent or seasonal) abroad or who plan to work abroad (11.2%), people declared by households as gone abroad at work or looking for work for a period of less than 1 year (8.4%); other people outside the workforce (9.6%).

The NEET group is made up of young people in the 15-29 age group, who are not part of the employed population, do not study in the formal education system and do not participate in courses or other training outside the formal education system. In 2019, the share of this group constituted 27.4% of the population in the age group of 15-29 years (apart from the population that went abroad to work or looking for a job), being higher in women (35.5%) than in men (19.4%).

2. The situation on the labour market in the Republic of Moldova in the first quarter of 2020⁶

According to NBS data, in Q I from 2020, the labour force constituted 840.5 thousand pers., decreasing by 6.5% compared to same period of last year. The employed population was 806.3 thousand pers. The employment rate of the population aged 15 and over was 37.5%. The number of unemployed, defined according to the ILO, was 34.2 thousand people, increasing by 50.9% compared to s.p.l.y. The unemployment rate in the country was 4.1%, lower by 3.6 p.p. The population outside the labour force in the country (aged 15 and over) was 1310.3 thousand people, constituting 60.9% of the population in the same age group, the largest share having retirees (44.3%). The NEET group in Q I of 2020 had a share of 15.1% of the population in the age group of 15-24 years, 25.9% - in the case of those aged 15-29 years and 30.8% - those aged 15-34 years.

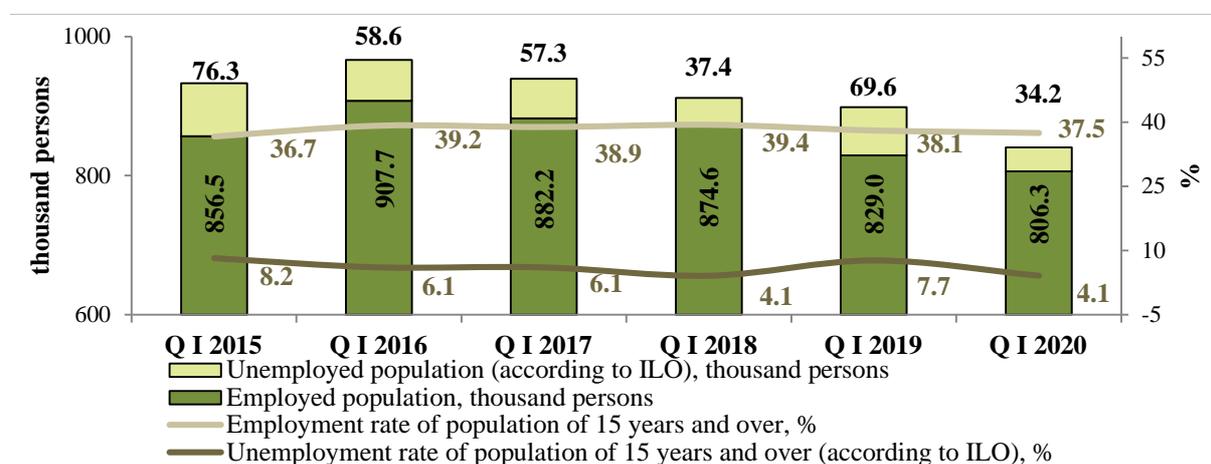
In QI 2020, the labour force constituted 840.5 thousand pers., decreasing by 6.5% compared to s.p.l.y. Men (52.0%) had a higher share in the labour force than women (48.0%), as well as rural areas (53.1%) compared to urban areas (46.9%). At the same time, the activity rate of the population was 39.1%, which is 2.2 p.p. less compared to s.p.l.y. Among economically active people, the indicator was higher for men (43.5%) than for women (35.2%). The activity rate is higher in urban areas (46.4%) than in rural areas

⁶In estimating the research results of the Labour Force Survey, the number of the population with habitual residence was used. Starting with 2019, the Labour Force Survey is carried out according to a new survey plan and according to the revised definition of employment. According to the NBS, the employed population includes all persons aged 15 and over who have carried out an economic or social activity producing goods or services for at least one hour during the reference period (one week), in order to obtain income in the form of wages, payment in kind or other benefits. Starting with 2019, people employed in the production of agricultural products mainly for their own consumption are not included in employment. Until 2018, persons employed in the auxiliary household with the production of agricultural products exclusively for their own consumption (of the household) were included in employment, if they worked 20 hours or more per week.

(34.3%). In the age group 15-29 years the activity rate of economically active persons was 28.8%, and in the group 15-64 years - 46.0%. The economic activity rate of the working age population (according to the national legislation: 16-58 years - women and 16-63 years - men) was 49.1%.

The population employed in Q I 2020 was 806.3 thousand pers, less by 2.7% compared to s.p.l.y. Men had a higher share in the employed population - 51.7% than women - 48.3%, as well as rural areas - 53.3% compared to urban areas - 46.7%. The employment rate of the population aged 15 and over was 37.5%, lower by 0.6 p.p. compared to s.p.l.y. The employment rate of men - 41.5% was higher than that of women (34.0%). According to the areas of residence, the employment rate was in urban areas - 44.4%, being higher than in rural areas - 33.0%. The employment rate of the elderly (16-58 years - women / 16-63 years - men) had the value of 47.0%, of the people aged 15-64 - 44.1%, and in the 15-29 age group constituted 26.1%. In terms of employment rates, the largest differences by gender were for people aged 55-64 (employment rate in men was 16.3 p.p higher than in women) and for people aged 25-34 years by area of residence (employment rate in urban areas was 15.9 p.p higher than in rural areas).

Figure 2. Evolutions of the number of employed population, of the unemployed and of the employment and unemployment rates of the population of 15 years and over, in Quarter I from the years 2015-2020⁷



Source: According to the data of the National Bureau of Statistics [1][11]

The number of persons employed in agricultural activities in Q I 2020 was 153.0 thousand pers. (by 3.4 thousand or 2.2% less compared to s.p.l.y.) or 19.0% (by 0.1 p.p. more compared to s.p.l.y.), and the number of those engaged in non-agricultural activities was 653.4 thousand pers. (by 19.3 thousand or by 2.9% less compared to s.p.l.y.). The share of people employed in industry was 15.1%, including in manufacturing - 12.2%, and in construction - 5.3%. The number of people employed in industry was 121.5 thousand pers. (decreasing by 9.7% compared to s.p.l.y.), and in construction - 42.8 thousand pers. (decreasing by 6.9% compared to s.p.l.y.). 489.1 thousand people worked in the services sector or 60.7% of the total number of employed persons (less compared to s.p.l.y. by 3.1 thousand pers. or by 0.6%).

The employed population in the distribution by forms of ownership constituted 68.2% in the private sector and 31.8% - in the public sector. The share of employees by professional status is 80.2%. The vast majority of employees were employed for an indefinite period (90.7%). Undeclared work among employees in Q I in 2020 accounted for 4.6% (1.1 p.p. less compared to s.p.l.y.), of which more employees are men - 6.7% compared to women - 2.6%. The largest shares of employees working only on the basis of verbal agreements are estimated in: agriculture - 52.7%, trade - 17.9%, construction - 7.4% and industry - 7.3%. In the informal sector in Q I of 2020, 15.1% of all people employed in the economy were active, and 19.1% had an informal job. Of the total number of people employed informally, 20.1% were employees. In the non-agricultural sector, the share of informal employment was 8.7%. Of the total number of employees,

⁷According to the definition of the number of the population with habitual residence.

informal employment had 4.8%. 5.1% of employees received an “envelope salary”, and the highest shares were in: agriculture - 54.1%, trade - 17.6%, construction - 5.7%, industry - 7.9%. Number of underemployed persons (number of persons employed, whose total number of hours actually worked during the reference period was less than 40 hours per week, who wished and were available to work overtime) accounted for 34.9 thousands or 4.3% of total employed persons. Of the employed, 11.6% stated that they would like to change the situation in relation to the current job on the grounds that they are not satisfied with the level of remuneration (inadequate situation in relation to income).

The number of unemployed, defined according to the ILO, in Q I of 2020 was 34.2 thousand people, significantly increasing compared to s.p.l.y. (with 35.4 thousand pers. or with 50.9%). Unemployment was higher among men - 58.7% of the total number of unemployed, as well as among people in urban areas - 50.8%. The unemployment rate (LU1) in the country in Q I in 2020 was 4.1%, lower by 3.6 p.p. compared to s.p.l.y. The unemployment rate for men was 4.6%, and for women - 3.5%. There were small disparities between unemployment rates in urban and rural areas (respectively 4.4% and 3.8%). Among the people in the 15-24 age group, the unemployment rate was 13.0%, and in the 15-29 age group it was 9.4%. The composite rate of underemployment in relation to time and unemployment (LU2) at the country level in Q I 2020 was 5.2%, being lower by 5.1 p.p. compared to s.p.l.y. The compound rate of unemployment and potential labour force (LU3) was 8.2%, being lower by 3.5 p.p. compared to s.p.l.y. The composite indicator of underutilization of the labour force (LU4) had the value of 9.3%, being lower by 4.8 p.p. compared to s.p.l.y.

The non-labour force population in the country (aged 15 and over) in Q I of 2020 was 1310.3 thousand people, increasing by 2.6% compared to s.p.l.y., constituting 60.9% of the population in the same group of age, more by 2.2 p.p. compared to s.p.l.y. The inactive population includes: pensioners (44.3%); pupils and students (13.1%); family caregivers (housewives) (12.1%); people who do not work and are not looking for a job in Moldova, because they already have a job (permanent or seasonal) abroad or who plan to work abroad (10.9%), people declared by households as gone abroad at work or looking for work for a period of less than 1 year (9.2% or 120.2 thousand people, this number increasing compared to s.p.l.y. by 28.5%); other persons outside the labour force (10.4%). Among people who have a job abroad or intend to go abroad, a higher share is held by men - 17.9% compared to women - 5.6%. Also, men predominate among people who went abroad to work or looking for work - 15.0% compared to women - 4.7%. In family care activities, women predominate - 20.5% compared to 1.2% - men.

Young people in the 15-29 age group, who are not part of the employed population, do not study in the formal education system and do not participate in courses or other training outside the formal education system - the NEET group in Q I of 2020 had a share of 15.1% of the population in the age group of 15-24 years, 25.9% - in the case of those aged 15-29 years and 30.8% - in those aged 15-34 years, with values higher in women than in men in all these age groups (15-24 years: 15.3% - women vs. 14.8% - men; 15-29 years: 31.3% - women vs. 20.2% - men, 15-34 years: 38.3% - women vs. 22.8% - men).

3. Consequences of the COVID-19 pandemic on the labour market

On March 17th, 2020, a state of emergency was established in the Republic of Moldova, thus covering the last 2 weeks of Q I of 2020. However, with the onset of the pandemic, some changes in the labour market were remarked. From the total number of employed population, 33.2 thousand pers. or 4.1% were people who reported being affected at work due to COVID-19, of whom women (4.6%) were more affected than men (3.7%). Of these, most (60.6%) are people who did not work at all or were absent from work (men - 69.7%, women - 52.7%); 28.4% worked from home or worked remotely (women - 39.7%, men - 15.2%); 25.5% worked fewer hours per week (women - 30.0%, men - 20.4%); 8.0% were transferred to part-time work (women - 8.8%; men - 7.1%). Due to the COVID-19 crisis, the situation at work of women was affected less than in the case of men: women - 53.7%, men - 46.3% (gender structure); women - 48.3%, men - 51.7% (in the total number of employed people). By residence areas, 50.5% of those persons belong to the urban area and 49.5% - to the rural area. By age groups, the largest share is held by people aged 25-34 years (36.3%), followed by people aged 35-44 years (24.6%) and those aged 45-54 years (19.5%).

The number of people who had a job, but did not work at all in Q I 2020 increased 2 times compared to s.p.l.y. At the same time, the share of these persons in the total number of persons employed increased by 2.5 p.p. (from 2.4% in Q I of 2019 to 4.9% in Q I of 2020). These increases are entirely due to the restrictions imposed in connection with the COVID-19 crisis. By reason of absence: 34% did not work due to stationary activity at the unit where they work; 29% had to take annual leave; 28% were on unpaid leave; 6% were technically unemployed. Compared to Q I of 2019, the number of people on unpaid leave increased 3.5 times, on annual leave - 2.9 times, of those on technical unemployment - 1.6 times. By gender, men constitute 53.2% of the total number of people who had a job, but who did not work due to the pandemic, and women - 46.8%, and by area of residence, those in urban areas constitute 48.2% and those in rural areas - 51.8%. By age groups, most (40.7%) are people aged 25-34 years, followed by people aged 35-44 years (25.1%). Of the people who did not work due to the pandemic, 88% are employees (80% in the number of employed people) and 12% - self-employed, forced to stop working. By the distribution of absences from work by economic activities, the largest share was held by trade activities (27.3%), industry (24.8%), education (15.4%). By gender, absences for men prevail in trade activities (32.8%) and in the manufacturing industry (23.6%), and in the case of women - in education (31.8%), the manufacturing industry and the activities of trade (21% each). According to the types of absences, unpaid leave prevails in the industry - 66.3% (for men - 74.8%) and technical unemployment - 20.2% (for women - 24.8%); in trade, stationary activity prevails - 55.5% (for men - 71%) and unpaid leave - 28.5% (for women - 36.2%); in education - rest leave - 59.3% (for women - 57.9%). The number of people who performed work at home in Q I in 2020 was 16.6 thousand people, increasing 2.5 times compared to s.p.l.y. (6.75 thousand people in Q I of 2019). This increase is mostly (96% or 9.4 thousand pers.) due to the effects of the restrictions imposed by COVID-19. Of these, 49% said the number of hours worked at home per week was 40 hours or more. By gender, 75.2% of women and 24.8% of men work remotely, and by area of residence: 51.4% - those in urban areas and 48.6% - those in rural areas. According to the age groups, 2 out of 5 people are aged 25-34 years, and every 5th person is part of either the 35-44 age group or the 45-54 age group. By economic activities, 54.7% are education workers, 18.1% - workers in professional, scientific and technical activities and 12.0% - in trade. Of those who said that their situation at work was affected by the pandemic, 86.1% either worked less than 40 hours a week or did not work at all, and among those who did not have suffered from this pandemic the indicator is 32.4% (2.7 times lower than the one above) (2.8 p.p. higher compared to s.p.l.y.). People who worked fewer hours a week due to the pandemic mentioned the same reasons as people who did not work at all: technical unemployment and stationary activity of the unit. By gender, men who worked fewer hours or did not work at all represent 90.1% of all men affected by the pandemic at work, and women - 82.7%. Regarding reduced working hours, by age, the most affected are people aged 35-44 years (29.0%) and people aged 45-54 years (25.7%). Among those who worked fewer hours, 43.7% worked in education, in trade - 15.9% and in manufacturing - 14.0%. The number of persons employed with part-time work in Q I of 2020 was 51.1 thousand pers. (6.3% of the total employed persons). Of these, 5.2% stated that they switched to part-time work due to the pandemic, the main reasons being the lack of customers or orders and the transfer of the employer's initiative to such a work schedule. There were major differences by gender and area of residence among those who worked part-time due to the pandemic, with the share of the total number of these people being higher among women (59%) than men (41%) and in rural areas (64.4%) than in urban areas (35.6%). Most of the persons transferred to the part-time program are those in the age groups 25-34 years (39.8%) and 35-44 years (30.9%).

Due to the restrictions associated with COVID-19, there was a significant increase in unemployment. According to the Moldovan National Employment Agency, many employees have lost their jobs. In March, when a state of emergency was declared, 1511 unemployed people were registered at the agency. The number of unemployed increased significantly in April, to 9127 people. In May, 6182 people registered as unemployed. In the first half of the year, 28.1 thousand people were registered as unemployed through territorial employment units.

Most of the registered unemployed are people aged 30-49 (14.8 thousand unemployed or 28% of the total number of registered unemployed). They are followed by the age group of 50-65 years (8.2

thousand unemployed). 17.6 thousand unemployed or 63% do not have professional qualifications, having a level of elementary / middle / high school education. Of this category, 64% are women.

The right to unemployment benefits is established by the territorial divisions, and the amount is determined by the National Social Insurance Fund. This assistance may not exceed the average monthly salary in the economy for the previous year at the time when the entitlement to unemployment benefits was established.

During the emergency situation, persons registered with unemployment status in one of the territorial labour divisions, including those who returned from abroad, received a monthly unemployment benefit in the amount of 2775 Moldovan lei, only from the date of submission and transmission of the application. Starting with June 2nd, between May 7th-15th, the territorial employment divisions issued 14698 decisions on establishing the right to unemployment benefits, which were transferred to the National Social Insurance Fund for the calculation and payment of unemployment benefits.

Regarding the most popular professions in the Republic of Moldova, these are the following professions: tailoring (light industry/ clothing); driver, nurse, medical specialist, food and non-food seller, police inspector, accountant, manager.

4. The impact of the COVID-19 pandemic on the light industry in the Republic of Moldova

According to the study conducted by the Employers' Association of Light Industry (APIUS) between 15-22 May 2020 on the impact of the COVID-19 pandemic on light industry in the Republic of Moldova, in which participated 63 companies or 13.8% of production companies in the Republic of Moldova, in 37% of companies there were staff reductions in proportion of more than 50%, in 26% of companies this proportion was from 30% to 50%, in 24% of enterprises the share of reduced staff was from 10% to 25% and only 14% of companies did not have staff reductions. The pandemic will have an absolute impact on future staff reductions in 11% of companies, a significant impact in 33% of companies, an insignificant impact in 38% of companies and only in 17% of companies will have no impact. Factors such as the stay at home of pensioners and young mothers due to the closure of schools and kindergartens, as well as the search for other jobs by laid off employees, will have a significant impact on staff reductions. The average size of the staff reduction is about 33%. It is estimated that this size will remain the same until the end of the year. Thus, following the extrapolations, the average number of staff decreased by about 7600 pers. The reduction of staff attendance due to the suspension of schools and kindergartens is estimated to have an absolute and significant effect on production companies of 78%. Reducing the number of staff will have an absolute and significant effect of 46% on the efficiency of production companies. It is estimated that these factors will have a similar impact by the end of the year [3].

5. Elaboration of the draft law on remote work

In the context of the COVID-2019 crisis, which increased the importance of remote work, the need arose to regulate this form of work organization. Thus, a draft law amending the Labour Code of the Republic of Moldova was created. According to this bill, in case of impossibility for the employee to perform work at the workplace organized by the employer and in order to protect the safety and health of the employee during the emergency, natural or technical disasters, epidemics, pandemics, the employer, depending the specifics of the employee's work, may order, by reasoned order (disposition, decision, resolution), the temporary change of the employee's job with the performing of work at home or remotely, without operating the respective changes in the individual employment contract. The order (disposition, decision, resolution) is communicated to the employee, including by electronic means. Remote work is the form of work organization in the fields of activity in which it is possible to carry it out, through which the employee fulfills the duties specific to the position he or she is holding, outside the workplace organized by the employer, including using information and communication

technology. The employee with remote work enjoys all the rights and guarantees recognized by law, by the collective labour contract or other normative act at unit level applicable to employees whose job is organized by the employer. The individual contract for remote work is concluded, amended and terminated, including by the exchange of electronic documents with the use of a qualified advanced electronic signature. The individual employment contract regarding remote work will additionally contain: the conditions for performing remote work; the program in which the employer is entitled to verify the employee's activity and the manner of carrying out the control; the way of recording the working hours provided by the employee with remote work; the conditions for incurring expenses related to the activity of remote work and other provisions agreed by the parties [8].

6. The intention of returning migrants to invest their savings in business

The return of migrants can stimulate the recovery of Moldova, which has suffered from the pandemic. Migrant workers returning to the country intend to invest their savings in business. This is mentioned in a report published by the IOM Mission to Moldova (UN Agency for Migration) of the first rapid survey on the diaspora, which examines the impact of COVID-19 due to migration [6].

The study was conducted between April 17th and May 17th, 2020, based on an online survey of 1186 Moldovan migrants, which supplements the conduct of semi-structured interviews with diaspora representatives from 10 major destination countries - Portugal, Spain, France, Italy, Germany, Ireland, the United Kingdom, Poland, the Russian Federation and Israel. These countries permanently or temporarily host about 80% of all Moldovan migrants (about 1 million Moldovans lived abroad in 2019, according to UNDESA). This study is part of a series of surveys on migration trends in Moldova in the context of the COVID-19 pandemic. The next survey will focus on the situation of Moldovan migrants returning to Moldova and families dependent on remittances.

A new IOM survey shows that due to the COVID-19 pandemic, Moldovan migrants are losing their jobs and returning home, which will lead to a sharp decline in remittances to Moldova. At the same time, the skills developed abroad and the economies of Moldovan migrants can be an important advantage for the poorest country in Europe.

Moldova largely depends on remittances from migrants, whose share is estimated at 16% of GDP in 2019. Remittances are an important source for the daily survival of thousands of Moldovan families, which is an important factor for development.

In the report, IOM-Moldova estimates that 150000 migrants could return in 2020, representing 10% of the local working-age population, contributing to a possible increase in unemployment to 8.5% by the end of 2020. The IOM survey also showed that almost half of Moldovan migrants lost their jobs and stopped sending money home, and one in four has difficulty paying rent in the host country. Moreover, only 9% of Moldovans who rely on return believe that they will need social assistance when they return home, while about 24% intend to invest their savings in business. Almost half of the respondents believe that they will bring new skills home and find or create new jobs in Moldova. More than a quarter of those who want to return home say they are emigrating again once travel restrictions are lifted and when destination countries offer them new job opportunities.

The head of the IOM mission in Moldova, Lars Johan Lonnback, said at the UN Working Group on the Socio-Economic Impact of COVID-19 in Moldova that there are reasons for optimism: "Our survey shows that Moldovan migrants who are forced to repatriate because of COVID-19, which are often far from poverty, should be perceived in terms of their added value for the development of the country of origin, but in no way stigmatized. Many will return to stay home and invest their savings and use the skills acquired in developed countries."

The IOM survey recommends the implementation of support strategies for returning migrants, which will focus on counseling services, business start-up services, vocational training, vocational guidance and services for testing and certifying informal skills acquired abroad.

At the same time, 23.4% of Moldovan households have reached the poverty line, being without remittances, 17% of migrants have stopped sending money due to the pandemic. The Swiss

Cooperation Organization in Moldova says that over 108 thousand people in 37.5 thousand households are in a difficult situation [4].

According to data for 2019, in one-fifth of all families with children in Moldova there are immigrants, in the villages there are 3 times more than in the city. The disruption of the flow of remittances due to the pandemic has a significant impact on migrants, their families, as well as on the country's economy, which is based on remittances.

Conclusions and perspectives

The COVID-19 pandemic had a significant impact on the labour market in the Republic of Moldova. There was an increase in number of people who did not work at all, because of technical unemployment or stationary activity of the unit (most of whom are employees) or absence from work, in number of those who worked at home or worked remotely (in which for the most part the number of hours worked at home per week was 40 hours and more), in number of those who worked fewer hours per week and those who were transferred to part-time work. Among the people who went to work part-time due to the pandemic, there were major differences by gender and area of residence, the share of the total number of these people being higher among women than men and in rural areas than in urban areas. Most of the people transferred to the part-time program are from the 25-34 and 35-44 age groups. Due to the absence, most people did not work due to stationary activity at the unit where they work, were forced to take annual leave or they were on unpaid leave. These increases are entirely due to the restrictions imposed in connection with the COVID-19 crisis. Due to this crisis, the situation of women in the workplace has been less affected than in the case of men.

Factors such as the stay of pensioners and young mothers due to the closure of schools and kindergartens, as well as the search for other jobs by laid off employees, will have a significant impact of staff reductions.

Also, due to the COVID-19 pandemic, Moldovan migrants lose their jobs and return home, which will lead to a sharp decrease in remittances to Moldova. At the same time, the skills developed abroad and the economies of Moldovan migrants can be an important advantage for the poorest country in Europe.

At the same time, the situation on the labour market following the establishment of the state of emergency determined the need to regulate remote work. In addition, state authorities have approved a number of documents aimed at improving the situation on the labour market.

The Government has approved and should present to the Parliament the National Development Strategy "Moldova - 2030" for consideration [7]. Its purpose is to significantly improve the quality of life of people in the Republic of Moldova, reduce the flow of young people leaving the country, increase the attractiveness for investment, create jobs throughout the country and opportunities for personal development of young professionals. The National Development Strategy "Moldova - 2030" is a strategic vision document that indicates the direction of development of the country and society for the next decade, is based on the principle of human life cycle, human rights and quality of life, includes four pillars of sustainable development with ten objectives relevant in the long term, structured as follows: *sustainable and inclusive economy* (increasing income from sustainable sources and mitigating economic inequalities; increasing people's access to physical infrastructure, public utilities and living conditions; improving working conditions and reducing informal employment); *robust human and social capital* (ensuring quality education for all and promoting lifelong learning opportunities; ensuring the fundamental right to the best physical and mental health; sound and inclusive social protection system; ensuring a work-life balance); *honest and efficient institutions* (ensuring efficient and inclusive governance and the rule of law; promoting a peaceful, secure and inclusive society); *healthy environment* (ensuring the fundamental right to a healthy and safe environment). Of these, three of the objectives are directly aimed at the labour market. Thus, in order to increase incomes from sustainable sources and alleviate economic inequalities, it is necessary to increase the competitiveness of the Moldovan economy, for which the basic mechanism is the smart specialization of the state, following which implementation is expected: reducing by 50% the level of

absolute poverty among the population, especially that of vulnerable groups; increasing productivity in agriculture through equal and secure access to factors of production, knowledge, financial services and markets; implementing policies to support productive activities, create decent jobs, entrepreneurship, creativity; stimulating productivity growth at faster rates than real wage growth, through diversification, technological modernization and innovation. In order *to improve working conditions and reduce informal employment*, the following are expected to be achieved: increasing the employment level to the average size of the Central and Eastern European states and stimulating productive employment and work; eradication of forced labour, trafficking in human beings and child labour; protection of labour rights and promotion of safe and secure working environments for all employees. In order *to ensure a work-life balance*, state authorities must focus on: encouraging the allocation of time for personal development activities; flexibility of labour legislation; adapting infrastructure and public services to the needs of vulnerable groups.

The government has approved a program to support businesses with high potential for growth and internationalization [5]. It is based on three components: *investments in increasing business, competitiveness and productivity* (increasing innovative potential by adopting new technologies, efficient and flexible management systems, as well as increasing the efficiency and quality of products / services); *import substitution and export orientation* (overcoming technical barriers to trade; diversification of high value-added products / services and their adaptation to international standards; providing advice, information and financial support, provided to identify new foreign markets or potential business development); *creating and strengthening links with local and foreign partners* (increasing the capacity of local suppliers, encouraging partnerships between local SMEs and transnational corporations, developing and including profiles of domestic producers on various national and international platforms, integrating Moldovan SMEs in international value chains (internationalisation) and clustering orientation). The aim of the project is to support the SME sector, which plays an important role in the development of the national economy and job creation.

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