

THE EVOLUTION OF THE LABOUR MARKET IN THE CONTEXT OF THE COVID-19 PANDEMIC IN THE REPUBLIC OF MOLDOVA

EVOLUȚIA PIEȚII MUNCII ÎN CONTEXTUL PANDEMIEI COVID-19 ÎN REPUBLICA MOLDOVA

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Rezumat. Apariția pandemiei în anul 2020 în Republica Moldova în urma răspândirii a virusului COVID-19, a dictat încetinirea și stagnarea activităților economice din cauza carantinei, distanțării sociale, restricțiilor de călătorie și altele. Chiar dacă siguranța persoanelor rămâne a fi prioritară, costurile economice ale pandemiei sunt enorme și fără precedent. Astfel situația economică a Republicii Moldova a fost grav afectată, înregistrându-se disproporții în toate sectoarele economice, în principiu pe toată piața forței de muncă a țării, din acest considerent în urma rapoartelor, studiilor și cercetărilor în acest domeniu a autorităților și alți reprezentanți oficiali, putem observa o perturbare în sectorul public, precum sănătatea, educația, mediul, infrastructura, transportul etc. Putem constata că această pandemie a impus o educație în rândul populației, pentru prioritiza soluții inteligente, pentru a fi mai rezistenți la imprevizibilități, cu scopul de a nu diminua calitatea vieții populației din Republica Moldova.

Cuvinte cheie: Pandemia Covid-19, piața muncii, forța de muncă, Republica Moldova, populație

JEL CLASSIFICATION: E24, E44, F16, F63, H60, I30, J01, J81, J83, O11

INTRODUCTION

The economic situation of the Republic of Moldova during 2020, but also after the pandemic, was considerably marked by the Covid-19 virus, so the pandemic dictated unfavorable or even serious "norms" for the economic sectors in the country. The restrictive measures imposed by decision-makers aimed at reducing the severity of this virus for the health of the population, have had and have negative social and economic consequences on society, in particular, the labour market has been majorly affected, the authorities also communicate. In this regard, the analysis of the labour market situation in the Republic of Moldova, including the economic situation during the Covid-19 pandemic and post-pandemic, allows the identification of economic trends at national level and a better understanding of the economic sector through the prism of the impact of external factors and the ability to manage the national situation by authorities and other social actors.

The objectives of the research involved:

1. Analysis of the economic situation and labor market in 2020, compared to 2019;
2. Analysis of the situation of the post-pandemic labor market, compared to the pandemic year, 2020;
3. Analysis of the labor force situation in the context of the Covid-19 pandemic;
4. Analysis of the measures taken by the authorities in order to overcome the pandemic period in the Republic of Moldova.

BASIC CONTENT

Labour is one of the basic factors of production that ensures sustainable economic growth. Starting with March 17, 2020, a state of emergency is established in the Republic of Moldova, with the registration of the first cases of infection among the population with the Covid-19 virus, for 60 days, more precisely until May 15, 2020. Several restrictions were imposed, taken from the experience

of other affected states, but due to the expansion of the Covid-19 virus and the increase in the number of infected citizens, the quarantine state continues in the next quarters, considerably affecting the labor market in the Republic of Moldova, thus the central authorities decided to cease the activity of educational institutions, markets, shopping centers, economic enterprises and in the HoReCa field, restriction of public transport, cancellation of flights, limited or restricted access to playgrounds, parks and recreational areas. Only pharmacies and grocery stores have continued their activity, strictly observing the protection measures against COVID-19.

According to the data provided by the NBS Data Bank, 2019 registers 2684,772 million moldovan population, and in 2020, 2643,675 million, in 2020 the number of employed population was decreasing by 4.4% compared to 2019, as well as considerable decreases were recorded in the quarters when the effects of the pandemic were most felt on the labor market, respectively, in the second quarter (-8.8% or 80 thousand people less) and in the third quarter (-5.1% or 46 thousand less). In the first and fourth quarters, the reduction in the number of those employed was relatively lower - by 2.7% in the first quarter and by 0.5% in the fourth quarter, respectively, compared to the respective period of 2019.

The National Agency for Employment, within the Analytical Report on employment and labour market trends, mentions that about 24.4% of the total employed population (901.1tho) said that their situation at the workplace was affected, the female population being affected in a higher proportion (60.5%) compared to the male one (39.5%). The impact of the pandemic on the conditions at the workplace was manifested by: the interruption / cessation of the activity, the provision of work at home, the transition to the partial work schedule, the decrease of the working hours actually worked. As a result of the interruption of activity, the number of people who had a job but who did not work at all in the second quarter of 2020 increased 8 times compared to the second quarter of 2019.

Agriculture is the sector that has ensured the increase of informal employment in the national economy in the last decade. The increase in employment in agriculture takes place exclusively from the account of informal jobs, which compensated for the decline of the formal ones, from the distribution of employed persons by economic activities it results that every 5th person employed, active in the agricultural sector (22,9%). If we talk about non-agricultural activities, the share of people employed in industry and constructions remained at the level of the previous year in industry 14.7%, constructions 7% and in the services sector we can mention a decrease of 9.8% compared to 2019.

It is certainly noticed that the Covid-19 virus has dictated "norms" that manifest an imbalance between economic development and the development of the employed population for some sectors of the economy in the Republic of Moldova.

The National Agency for Employment through the study "Analysis of the labor market in the Republic of Moldova" mentions the doubling of the number of unemployment among the population, of which a higher share were the persons with primary / secondary education (46%), followed by those with secondary- professional and collegiate / university education of each (19%) and high school education (17%). There is an increase in the share of unemployed people registered with primary / secondary education and a decrease in the share of those with collegiate / university education.

In the same vein, we can also see, following the "Analysis of gender inequalities on the labor market during the pandemic" carried out by the Center for Partnerships for Development, by sending questionnaires among the population, it is found that the pandemic crisis has also aggravated the inequalities in terms of employment of women and men. Women recorded higher declines in employment during the state of emergency – the share of those who continued to go to work is 15pp lower than the share of men. This decline is explained by the fact that either women lost their jobs (about 9%, compared to 5% in the case of men), or they switched to a new form of withdrawal from the labor market - teleworking (the share of women who worked at home during the state of emergency was about 27%, which is twice the size of the share of men).

Also, in the annual scientific report of the Academy of Economic Studies of Moldova, on the implementation of the project within the State Program (2020- 2023) "Development of labor market policies in order to increase employment" highlights the fact that during the state of emergency, introduced due to the COVID-19 pandemic crisis in most of the world's states, about 55,000 Moldovans returned to the country. Of this number, 32% planned to stay in the Republic of Moldova to work or start a business. A large part of them were registered with the territorial subdivisions for employment, having the status of unemployed person.

In 6 months 2020, 12467 vacancies were registered in the National Agency for Employment database, of which 67% were the places offered to workers and 33% to specialists. There are big discrepancies in demand with labour supply: 88% of the registered vacancies were from urban areas, and 12% from rural areas, while the unemployed constituted 39% from urban areas and 61% from rural areas.

Maintaining this trend in the future will lead to an even greater depopulation of rural areas. The situation created in the countryside makes the NEET group grow in number. In 2019, the NEET group in the age group of 15-29 years was more than 130 thousand people, and in 2020, their share in the total population of the same age category was 26%, which was much higher than in the EU Member States, being even more than 2 times higher than in some EU countries. The authorities in this regard in order to identify and inform them about the opportunities of the labor market through, Law 105 on the promotion of employment and unemployment insurance that entered into force on 10.02.2019, register persons who have benefited from unemployment benefits . Thus, during the reference period, the unemployment benefit was established for 8578 persons, out of which for 385 persons according to Law 102/2003, and according to Law 105/2018 for 8193 persons.

In The Republic of Moldova, the workers who continued to go to work during the pandemic period constitute 52%. They were most at risk of infection while performing their day-to-day work.

The report on financial stability 2021 made by the National Bank of Moldova mentions that during 2021, the world economy recorded a revival after the COVID-19 pandemic of 2020. In the context of the recovery from the global impact of the crisis related to the COVID-19 pandemic situation in 2020, the evolution of global production has returned to the positive level in 2021. However, rising energy prices in the second half of 2021 stimulated pro-inflationary factors in loose monetary conditions and led to the build-up of economic risks.

In 2021, the Republic of Moldova managed to recover the economic activity and the main macroeconomic indicators after the recession of 2020, registering a record economic growth in real terms of about 13.9 percent compared to 2020.

In the international economic context of the reporting year, the Republic of Moldova managed to recover the economic activity despite the negative consequences both for the country's population and the economic situation at macroeconomic level, thus the National Bank of Moldova returns with a report of macroeconomic indicators after the recession of 2020. (Table 1)

Table 1, The main macroeconomic indicators of the Republic of Moldova

Denumirea indicatorului	Valoarea în 2021	Modificare față de 2020
PIB, prețuri curente	241 870 mil. MDL	+13,9%
Rata anuală a inflației	13,9%	+13,6 p.p.
Rata de schimb MDL/USD	17,7452	+3,1%
Rata de schimb MDL/EUR	20,0938	-4,9%
Activitatea de rezervă	3 901,9 mil. USD	+3,1%
Deficitul Bugetului Public Național	-4 640,5 mil. MDL	-56,3%
Datoria de stat	77 752,7 mil. MDL	+14,6%
Soldul contului curent ²	-1 590,13 mil. USD	+78,2%
Gradul de acoperire al importurilor cu exporturi de bunuri și servicii	43,8%	-2,1 p.p.
Poziția investițională internațională netă	-5 661,0 mil. USD	+4,9%
Rata șomajului	3,2%	-0,6 p.p.
Venitul disponibil/cap. locuitor	3 513,5 MDL	+13,41%
Remiterile personale totale / PIB	12,7%	-0,8 p.p.

Source: National Bank of Moldova based on NBM and NBS data

As far as we can see by categories of uses, there is a positive record of GDP, this fact is mainly due to the consumption of households, which is immediately traced to the disposable income per capita in the Republic of Moldova, thus compared to 2020, the post-pandemic period registers an income of +13.41%.

There are also negative indicators at the macroeconomic level, which is due to several factors, the main one being the cessation of the economic activity in the country, thus the increased state debts are also resulted, a major deficit in terms of the National Public Budget.

The COVID-19 pandemic has had a significant impact on the labor market in the Republic of Moldova, as it has had in many other countries in the world. Some of the main impacts include:

1. Job losses: Many companies have had to close or reduce activities due to the pandemic, resulting in job losses for many citizens.
2. The shift to teleworking: The pandemic has led to a significant increase in working remotely or from home.
3. Impact on the service sector: The service sector, especially tourism, have been severely affected by the pandemic, which has led to the loss of many jobs, but also the cessation of business in the field of services.
4. Impact on the economy: The pandemic has had a significant impact on the economy of the Republic of Moldova, which has led to a decrease in the demand for work in many sectors.
5. Rising unemployment: As a consequence of job losses and falling demand for work, unemployment has risen during the pandemic, not being a favourable indicator for a country's situation, as long as the unemployment rate is quite high.
6. Increased demand in key sectors: While the pandemic has had a negative impact on many sectors, there has been an increase in demand in key sectors such as health and the delivery of food and other essential products.
7. Impact on seasonal work: The pandemic has had a significant impact on seasonal work, especially in the agricultural sector, with seasonals not being able to reach the country to carry out their activities.
8. And I'm sure there's an increase in demand for digital skills: The pandemic has accelerated the transition to the digital economy and led to an increase in demand for digital and technological skills. At the moment, about 500 agents who provide digital services/ in the online environment are present on the Moldovan market. This figure is also increasing during the pandemic.

CONCLUSIONS/RECOMMENDATIONS

The Republic of Moldova is a developing country, located in Eastern Europe, the impact of the Covid-19 pandemic starting with 2020, marked significantly all economic sectors of the Republic of Moldova, especially because of the morbidity and mortality of the population, the immigration process (massive recovery), the permanent state of stress of the population; environmental factors – the severe drought that has reduced 50-60% of the global agricultural production; the economic factors – slowing down or even complete cessation of economic activities, mass layoffs of employees, reduction of revenues to the state budget from taxes, decrease of remittances and others. According to the official data officiated by the National Agency for Employment in the "Analytical contribution on employment and labour market trends 2020", about 24.4% of the total employed population (901.1mii) in 2020, said that their situation at work was affected, due to the cessation of the activity of many enterprises, societies, organizations, institutions, etc. The Covid-19 virus has not oppressed the population of the Republic of Moldova, as well as human activity and quality of life, but in this context, citizens have developed an education to manage risk and stress situations, adapt and overcome economic crises intelligently.

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