

ANALYSIS OF LABOUR MIGRATION PROFILE IN THE REPUBLIC OF MOLDOVA

ANALIZA PROFILULUI MIGRAȚIONAL DE MUNCĂ ÎN REPUBLICA MOLDOVA

Galina SAVELIEVA¹
Svetlana ZAHAROV²

Abstract:

The present article reflects the results of the research on the causes contributing to labour migration flows both at national and regional level, as given issue is relevant for the Republic of Moldova as a donor country of labour force. The economic and social infrastructure are modified through structural reforms, the promotion of market mechanisms, the decline and ageing of population, that affected the development of the regions, including local labour markets, and reduced the opportunities for economically active population to be involved in labour market. Factors such as low wages, the risk of unemployment and poverty intensified of migration processes in search of work abroad. In this context, research was carried out on factors determining the labour migration and their impact on local labour markets. The research was carried out on the basis of official statistics on labour market and labour migration, as well as departmental data in given field. As a result of the research, the principal findings on specifics of development the migration flows in the regional aspect, their impact on the development of national and local labour markets, the challenges of migration on public policies were highlighted and elaborated some proposals on increasing the employment rate with taking into account to reducing social tension and decreasing the flow of working age population as labour migrants abroad, stabilizing the national and local labour market.

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Keywords: labour migration, employment, working-age population, wage, poverty.

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Migration is a multidimensional phenomenon, the causes and consequences of which must be analysed both at the macro level and at the micro level in the context of social, economic, demographic and political processes. Analysis of labour migration flows shows that migration is a means of resolving the problem of dissatisfaction with social status, which can lead to a higher social status within a given social group of population and a higher level of income. Labour migration decision is made more often among those population categories where there is a higher level of income differentiation among the socially disadvantaged strata of the population. In the Republic of Moldova (RM), the principal cause of the movement of working age population remains economic and social, in particular, the satisfaction of work, working conditions and the level of income from work. Therefore, based on the decision to migrate the labour force due to dissatisfaction with their social status, migration can be seen as a kind of cyclical process, whereby migrants, using the country differences in socio-economic development between countries, transform this inequality into a source of their own benefit, improving the welfare of their families.

The decision to migrate is influenced by the many circumstances connected with families and households, and its consequences are reflected not only on migrants as participants in this process, but also on all the structures in which they existed prior to migration, including settlement and country, as well as the destination state, existing inter-state economic connections, i.e. something that can change under the influence of migration processes and, plus, can stimulate new flows of migrants. The analysis of such a system of complex relations and

¹ Ph.D., Associate Professor Researcher, Center for Demographic Research, National Institute for Economic Research, Republic of Moldova, savelievagalina@rambler.ru

² Ph.D., Center for Demographic Research, National Institute for Economic Research, Republic of Moldova, zaharov.svetlana@gmail.com

interdependencies is possible only on the basis of using an integrated and systematic approach, which are the main methodological principles in the study of labour migration in carrying out the research in question.

International migration processes and globalisation are interdependent: globalisation is characterised by the establishment of economic, informational, cultural and other inter-state connections, which subsequently become the principal component of countries' future development. In this situation, migration is a consequence of the unequal global economic development of countries, their existing inequality in economic conditions, the different levels of involvement in modernisation and globalisation processes, and labour market requirements. In this context, the Republic of Moldova is no exception and Moldovan migrants play an important role, filling with their force whole economic niches in developed countries with the desire for more sources of income, solving economic problems or other personal motives. At the same time, the country participates in the Mobility Partnership with the European Union. Thus, on 5 June 2008, the Mobility Partnership Declaration was signed between the Republic of Moldova and 15 EU countries participating in a partnership, which provides for the legalization of migration, strengthening its positive effect, as well as promoting the policy of return of labour migrants and protecting their rights with a purpose using effective external and internal control mechanisms to reduce illegal migration, developing cooperation with the EU in the field of migration.

Table 1. Enterprise demographics by development regions, 2020*

	Number of active enterprises	Newly created, thousand enterprises	Liquidated, thousand enterprises	Rate of active enterprises, %	Creation rate, %	Liquidation rate, %	1-year survival rate, % (Survivability)	2-year survival rate, %
Total (RM)	36493	5,0	10,4	72,2	13,8	28,7	45,9	44,3
mun. Chişinău	23029	2,8	6,2	68,6	12,0	27,1	52,5	49,3
North	4694	0,7	1,8	82,0	16,0	37,7	31,8	34,3
Center	5653	0,9	1,6	75,5	16,4	28,8	42,3	38,8
South	1953	0,4	0,5	82,0	20,7	26,5	29,0	35,4
ATU Găgăuzia	1164	0,2	0,3	85,2	18,0	28,1	42,0	43,5

Source: Elaborated by the authors on the basis of data NBS RM, Demografia întreprinderilor în Republica Moldova în anul 2020

*Notes: The information includes enterprises with the principal type of activity in industry, construction, market services (sections from B to N of the Classifier of Activities in the Economy of Moldova-2), exclusiv enterprises on the left side of the Nistru and mun. Bender.

Active enterprise is the enterprise that recorded turnover or had employees during the reference period.

Rate of active enterprises represents the number of active enterprises compared to the number of reporting enterprises (which submitted statistical or financial reports to the NBS), in the reference year.

Creation rate represents the number of newly created enterprises compared to the number of active enterprises, in the reference year.

Liquidation rate represents the number of liquidated enterprises compared to the number of active enterprises, in the reference year.

1-year survival rate represents the number of newly created enterprises in 2019 and which are active in the reference year (2020), compared to the number of newly created enterprises in 2019.

2-year survival rate represents the number of newly created enterprises in 2018 and which are active in the reference year (2020), compared to the number of newly created enterprises in 2018.

Economic factors have an important and significant role in labour migration. Demography of enterprises, according to NBS data (NBS, 2021a) demonstrates that in 2020 only about 72,2% of the total number of reported enterprises were active (or 36,5 thousand out of 50,5 thousand) being in decrease compared to 2018 by 0,5 p.p. and 2019 by 0,2 p.p., including for 2020 10,5 thousand enterprises were liquidated compared to those created by 5,0 thousand or practically 2 times. At the same time, the analysis of the viability of newly created enterprises for the years 2018-2020 shows that in 2020 only 45,9% of all newly created enterprises in 2019 and

44,3% of newly created enterprises in 2018 were active. In territorial profile the principal share of enterprises is concentrated in mun. Chişinău (or 63,1% of the total number of active enterprises), development region Centre – 15,5%, North – 12,9%, South – 5,4% and ATU Găgăuzia– 3,2%. Some characteristics by development regions for 2020 are reflected in *Table 1*. from which it emerges that the *Liquidation Rate* prevails over the *CreationRate* of new enterprises, as well as the survival rate of enterprises activated for 1 year is insufficient (only in mun. Chişinău the rate was 52,5% or 6,6 p.p. higher than the average value for the country, and in the South and North these are quite small, respectively 29,0% and 31,8%). The mentioned situation shows the instability of the economic activity of employed population at these enterprises, as well as the risk of being unemployed, poorer without a source of income or these categories of employed population are subject to social risks.

In 2019-2020 small and medium-sized enterprises (SMEs) constituted 98,6% of the total number of enterprises (57,2 thousand enterprises) in which 61,6% (335,8 thousand persons) and in 2020 60,1% (316,8 thousand persons) of the total average number of employees worked in 2019 (2020 enterprises excluding SMEs consisted of 1,4% and the average annual number of employees 39,9%), the average number of employees per enterprise in 2020 was less than 6 persons³. During 2020 the preponderant part of SMEs were active in trade, constituting 35,7% of all SMEs (2019 – 36,3%), in professional, scientific and technical activities – 8,7% (2019 – 8,7%), in manufacturing 8,5% of all SMEs were active (2019 - 8,4%), in agriculture, forestry and fisheries– 8,1% (2019 – 7,9%), real estate transactions – 6,7% (2019 – 6,6%), construction – 6,0% (2019 – 5,9%) and other activities – 11,9% (in 2019 – 11,9%) (NBS, 2021b). The determining indicators of SMEs are reflected in *Table 2*.

Thus, in the Republic of Moldova the principal form of economic activity is entrepreneurship, including micro, small and medium-sized enterprises, the share of which constitutes 98,6% of all enterprises and employ about 61% of the total number of employees. In 2020, micro enterprises constituted 86,7% and 32,7% of the total number of employees, of which the major share or 36,9% were active in wholesale and retail trade; maintenance and repair of motor vehicles and motorcycles, 9,7% - in professional, scientific and technical activities, 7,7% and 7,5% - in manufacturing and agriculture, forestry and fisheries, 11,7% - in other activities, 7,1% - in information and communications, etc. The share of small enterprises in 2020 constituted 11,0% of total SMEs and 36,0% of the number of employees, and the preponderant part of them were mainly concentrated in wholesale and retail trade; maintenance and repair of motor vehicles and motorcycles (28,6%), agriculture, forestry and fisheries (12,7%) and manufacturing (12,7%), other activities (11,1%), transport and storage (9,5%), construction (7,9%), in other types of economic activities their share was insignificant. The share of medium-sized enterprises in 2020 constituted only 2,3% and 31,4% of total employees, of which 28,6% were active in wholesale and retail trade; maintenance and repair of motor vehicles and motorcycles, 21,4% in other activities, 14,3% in manufacturing and 14,3% in agriculture, forestry and fisheries, and the insignificant number of remaining enterprises was distributed between transport, storage and construction.

Table 2. The evolution of SMEs development, total enterprises

³The criteria for reporting to the MSME sector are determined according to Article 4 of the Law “On small and medium-sized enterprises” no. 179/2016: a) average annual number of employees up to 250, and b) annual turnover (total income from sales sales revenue) up to 50 million lei or total assets (fixed and current assets) up to 50 million lei:

- a) micro enterprise – an enterprise with up to 9 employees, annual turnover up to 9 million lei or total assets up to 9 million lei – 85,4% share;
- b) small enterprise - an enterprise with up to 49 employees, an annual turnover of up to 25 million lei or total assets of up to 25 million lei and is not a micro enterprise – 10,9% share;
- c) medium-sized enterprise - an enterprise with up to 249 employees, an annual turnover of up to 50 million lei or total assets of up to 50 million lei and is not a micro or small enterprises – 2,3% share.

	Number of enterprises, thousand			Annual average number of employees, thousand persons			Income from sales (sales revenue), billion lei		
	Total	SMEs	Share of SMEs in total, %	Total	SMEs	Share of SMEs in total, %	Total	SMEs	Share of SMEs in total, %
2016	52,3	51,6	98,7	512,5	313,5	61,2	300,7	125,0	41,5
2017	54,3	53,6	98,6	528,6	323,3	61,2	331,0	137,5	41,5
2018	56,5	55,7	98,7	540,3	328,0	60,7	356,7	144,2	40,4
2019	56,7	55,9	98,6	544,8	335,8	61,6	397,9	157,3	39,5
2020	58,1	57,2	98,6	526,7	316,8	60,1	381,9	150,1	39,3
Characteristic of SMEs activity in territorial profile									
	Number of units		Number of personnel		Income from sales (sales revenue) (annual turnover)		Profit before taxation, million lei		
	thousand of units	% of total enterprises	thousand of units	% of total enterprises	thousand of units	% of total enterprises			
2019									
Total(SMEs RM)	55,9	98,6	335,8	61,6	157335,6	39,5	12386,0		
mun. Chişinău	34,9	98,5	184,9	56,1	99871,1	34,9	8863,4		
North	7,2	98,6	55,8	62,0	21150,2	48,1	1641,7		
Center	9,1	98,9	55,8	74,9	22858,1	48,8	1388,4		
South	3,1	99,1	26,8	80,3	8668,4	73,5	394,0		
ATU Găgăuzia	1,7	98,4	12,4	71,6	4787,8	54,7	98,6		
2020									
Total (SMEs RM)	57,2	98,6	316,8	60,1	150112,1	39,3	9050,9		
mun. Chişinău	35,5	98,5	171,3	54,3	93317,1	34,3	6982,4		
North	7,4	98,7	54,5	62,5	21701,8	47,9	1331,2		
Center	9,4	98,9	53,6	71,7	22452,2	49,9	754,6		
South	3,2	99,0	25,1	78,3	7750,4	68,4	-44,6		
ATU Găgăuzia	1,8	98,6	12,2	70,6	4890,6	59,0	27,2		

Source: Elaborated by the authors on the basis of data NBS RM

Thus, 68,4% of employees engaged in entrepreneurial activity are to a largely sensitive to social risks considering any restrictions and dependence on the supply and cost of raw materials, prices and tariffs of energy resources, promoted fiscal policies, possibilities to export products, services to local and foreign markets, natural disasters (drought, etc.), exceptional situations announced due to Covid-19, military conflicts, etc. The principal economic and social indicators characterizing the economic development of the Republic of Moldova and regions are presented in *Table 3*.

Table 3. The principal economic indicators of development, Republic of Moldova

	2014	2015	2016	2017	2018	2019	2020	2021
GDP Physical volume Index, previous year = 100,0%	105,1	99,3	104,6	104,2	104,1	103,6	91,7	113,9
GDP per capita, % to previous year	...	100,1	105,9	106,0	105,9	105,2	92,8	122,0
CPI , %	105,1	109,7	106,4	106,6	103,1	104,8	103,8	105,1
Value of <i>manufactured</i> industrial production, % compared to previous year	107,3	100,6	100,9	103,4	103,7	102,0	94,5	112,1
Share of production <i>delivered to the external market</i> , %	31,4	31,3	33,8	34,6	35,3	35,9	35,1	
Financial result before taxation,	3660,8	3453,4	15026,07	24634,58	23081,93	26247,42	18541,38	

Analysis of labour migration profile in the Republic of Moldova.

profit (+), loss (-), million lei		7						
Agricultural production volume Index, % to previous year	109	87	119	109,1	102,9	98,4	72,8	149,9
Investments in fixed assets from the account of all funding sources, % compared to the previous year*	103,8	90,6	87,2	103,5	112,9	109,4	96,9	104,8
mun.Chişinău								
Value of <i>manufactured</i> industrial production, % compared to previous year	56,5	57,2	55,3	54,3	54,1	50,7	51,7	
Share of production <i>delivered to the external market</i> , %	24,2	24,7	25,7	28,1	28,7	26,5	26,0	
Financial result before taxation, profit (+), loss (-), million lei	1816,3	2388,55	10672,3	18 479,88	17 364,70	20 220,6	13921,14	
North								
Value of <i>manufactured</i> industrial production, % compared to previous year	20,5	19,6	21,4	21,6	20,9	22,0	21,9	
Share of production <i>delivered to the external market</i> , %	35,7	34,4	42,2	41,4	41,2	42,5	40,9	
Financial result before taxation, profit (+), loss (-), million lei	184,7	-96,23	1499,5	2 137,01	1 959,11	2 327,28	1 942,67	
Center								
Value of <i>manufactured</i> industrial production, % compared to previous year	16,3	16,3	16,3	16,8	17,2	19,6	18,7	
Share of production <i>delivered to the external market</i> , %	43,4	40,5	41,0	40,6	41,7	47,1	46,4	
Financial result before taxation, profit (+), loss (-), million lei	907,7	727,36	1719,10	2 464,66	2 612,14	2 685,15	2 271,39	
South								
Value of <i>manufactured</i> industrial production, % compared to previous year	3,8	3,8	3,7	3,7	4,3	4,4	4,3	
Share of production <i>delivered to the external market</i> , %	48,9	48,9	48,5	44,8	49,7	46,0	44,1	
Financial result before taxation, profit (+), loss (-), million lei	284,3	250,93	763,12	1 034,40	700,01	651,51	278,84	
ATU Găgăuzia								
Value of <i>manufactured</i> industrial production, % compared to previous year	2,9	3,1	3,3	3,6	3,5	3,3	3,4	
Share of production <i>delivered to the external market</i> , %	58,3	63,1	62,8	58,3	55,7	55,9	53,6	
Financial result before taxation, profit (+), loss (-), million lei	216,4	182,86	371,92	518,63	445,96	362,83	127,35	

*Until 2016, the data are presented on the "Investments in long-term tangible assets" indicator.

Source: Elaborated by the authors on the basis of data NBS

From the analysis of economic indicators (*Table 3.*), it can be seen that the worsening of the economic situation in 2020 was related to the pandemic crisis, and the measures taken to limit the activities of economic agents, suspension of the functioning of enterprises (technical unemployment, forced leaves), this affected especially the activities of HoReCa enterprises. However, during the period 2014-2020 the financial result balanced before taxation was positive in all zones. Mun.Chişinău concentrated the highest share of the value of the volume of produced production, has registered the lowest share of production delivered to the external market, or 26%, compared to 40,9% in the North, 46,4% in the Centre, 44,1% in the South and 53,6% in ATU Găgăuzia, which highlights the issue of growing the competitiveness of its producers,

inclusive growth the quality of workforce as a condition for the viability of the enterprise-producing production, services provided and the engaging collective in it.

Resulting from the level of socio-economic development is a change in labour force market, which is derived from the economic state of the country. The structure of employed population by professional status is reflected in *Table 4*.

Table 4. Employed population by professional status

	2014	2015	2016	2017	2018	2019*	2020*	2021*
Annual average number of population, thousand persons*	2856,95	2834,53	2802,17	2755,16	2708,21	2664,97	2635,41	2615,47
Total employed, RM, thousand persons	981,5	989,1	993,7	960,8	988,5	872,4	834,2	843,4
%	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
Employees (hiring workers), % of total	66,3	63,7	61,0	62,9	59,6	77,8	78,1	78,2
Self-employed workers, % of total	30,6	31,7	33,5	32,7	35,7	17,6	17,2	16,9
Remunerated family workers, % of total	2,4	4,0	4,9	4,1	4,4	4,2	4,3	4,5
Employers, members of cooperatives, % of total	0,7	0,6	0,6	0,3	0,3	0,4	0,4	0,4
Average number of employees (in full-time equivalent), thousand persons	613 526	601 400	594 219	598 947	613 048	625 203	601 597	...
Budgetary sector	169 548	168 682	166 329	162 722	160 826	154 358	153 751	
Real sector	443 978	432 718	427 890	436 225	452 223	470 845	447 847	
Mobility of employees								
Engage, thousand persons	179,0	160,7	166,3	182,8	227,97	212,4	184,9	
% of number of working places	29,2	21,9	22,7	24,9	28,6	26,3	23,0	
Dismissal, thousand persons	173,8	169,3	171,1	179,2	212,7	214,6	193,1	
% of number of working places	28,3	23,1	23,4	24,4	26,7	26,6	24,0	
Number of vacant places at the end of the year, units		29 403	31 336	33 101	37 588	42 190	37 571	
% of total working places		4,0	4,3	4,5	4,7	5,2	4,7	

* Since 2019, the revised definition of employment was used. Thus, employed population includes only persons who carry out economic activities for payment or profit in "employment" does not include "persons occupied in the auxiliary household (beside the house) with the production of agricultural products for the household's own consumption". This modification has the impact of reducing the number of population employed (principally non-employees) in agriculture.

Source: Elaborated by the authors on the basis of data NBS RM,

Against the background of the constant process of population decline, including by 8,5% in 2021 compared to 2014, the average annual population decreased, the number of employed population also decreased by 14,1% for given period. However, having the tendency of a decrease of 9,4% in the number of employees (2014-2018) and 2,8% (2019-2021), the major share of employees in total employed population or 78,2% in 2021 remains (in 2014 it was 66,3% and in 2018 given level decreased by 6,7 p.p. or to 59,6%). At the same time, the structure of employed population by professional status changed, the share of self-employed workers, which in 2014-2018 increased by 5,1 p.p., in 2019-2021 varied within the limits from 17,% (2019) to 16,9% (2021), the share of remunerated family workers was in increase for the last 3 years, was in increase insignificantly (by 0,3 p.p.). The average number of employees (in full-time equivalent) in budget sector had a decrease tendency and in 2020 was down by 9,3% compared to 2014, and in real sector it increased in 2019-2020 by 6,1% and 0,87% respectively, concomitantly following the pandemic crisis for only one year this number decreased by 4,9% in

2020 compared to 2019. Also, in 2019-2020 the number of dismissal persons prevails over the number of engaged persons by 8,2 thousand persons. As a result of the mentioned changes the principal indicators on labour market changed (*Table 5.*).

Table 5. Dynamics of principal indicators of labour market, %

	2014	2015	2016	2017	2018	2019	2020	2021
Economic activity rate, Total RM	43,3	44,5	44,8	44,1	45,9	42,3	40,3	41,1
mun. Chişinău	52,3	52,0	50,2	49,0	49,8	55,1	51,2	50,9
North	42,9	46,8	47,2	47,1	48,3	44,4	43,0	45,0
Center	40,4	40,9	43,0	41,6	45,1	35,9	34,8	35,9
South	36,7	36,9	36,9	37,3	38,4	33,2	31,4	31,5
Employment rate, Total RM	41,7	42,4	43,0	42,4	44,5	40,1	38,8	39,8
mun. Chişinău	49,2	48,4	47,3	46,2	47,3	52,6	48,8	49,2
North	41,9	44,9	45,5	45,6	46,8	42,5	41,3	43,3
Center	39,2	39,4	41,3	40,1	44,5	33,6	33,8	35,0
South	35,5	35,6	36,2	36,3	37,6	31,3	30,3	30,5
ILO Unemployment Rate, Total RM	3,7	4,7	4,0	3,9	2,9	5,1	3,8	3,2
mun. Chişinău	6,0	7,0	5,7	5,8	5,0	4,6	4,6	3,3
North	2,1	4,1	3,7	3,0	3,1	4,3	4,0	3,8
Center	3,0	3,7	4,0	3,7	1,4	6,3	2,9	2,6
South	3,4	3,4	1,8	2,7	2,0	5,8	3,5	3,0
Officially registered unemployed, persons	20 726	26 908	26 889	22 386	18 696	16 598	25 525	37 050
including share of total, %								
mun. Chişinău	7,9	7,1	5,7	5,2	4,2	3,7	5,1	7,0
North	39,0	43,1	46,8	46,0	47,2	50,3	52,2	46,0
Center	33,1	30,8	30,0	33,1	33,0	28,2	24,7	23,0
South	16,1	14,8	14,0	11,8	11,2	12,8	12,2	24,0
ATU Găgăuzia	3,9	4,2	3,5	3,9	4,4	5,0	5,8	...
Participation rate in continuing professional training (CPT), %*	22,3	23,1	23,0	24,0	26,0	27,1	24,4	26,7
Global participation rate in continuing professional training, %*	14,5	14,7	15,0	16,1	17,5	18,9	16,1	18,1
Share of units which provided continuing professional training, %*	38,8	38,4	40,4	40,7	38,2	41,9	36,8	40,1
Average duration of continuing professional training, the number of hours on average for a CPT participant	6,0	51,0	52,0	49,0	45,0	45,0	41,0	45,0

* Participation rate in CPT represents the share of participants in all types of CPT in total employees (hiring workers) from the units that offered CPT.

Global participation rate in CPT represents the share of participants in all types of CPT in total employees from all the researched units.

Continuing professional training (CPT) represents the set of training measures or activities (courses or other forms of professional training) that the units organize and finance, in whole or in part, for their employees.

Source: Elaborated by the authors on the basis of data NBS RM, Territorial statistics

The labour force participation rate of population aged 15 years and over generally tended to decrease taking into account the demographic factor and methodological changes directed to aligning with some EU standards and the selective statistical household survey applied by the NBS beginning in 2019, as well as the consequences of the Covid-19 crisis. At the same time, in

2021 the principal indicators of labour market were increasing compared to the previous year, the number of unemployed officially registered by the ANOFM services improved (especially in mun. Chişinău and the South zone, where the number of unemployed increased by 37,3% and 1,7 times respectively). The employment rate in 2021 amounted to 39,8% in total for the country or increased by 1,0 p.p. compared to the previous year (2020 – 38,8%) which is also observed by regions, the lowest employment rate remains in the South zone or 30,5% (by 9,3 p.p. less than the average for the country) and the Centre zone- 35% (by 4,8 p.p. less than the average for the country).

According to NBS data (NBS, 2022a) the employment rate of population of working age (16-58 years for females and 16-62 years for males) was 50,9% in 2021, of population aged 15-64 years – 47,5%, and in the age category 15-29 years was only 28,9%. The analysis of the distribution of employed population by economic activities demonstrated that 21,5% of employed population is active in the agricultural sector (2020 – 21,1%), and the number of those employed increased by 3,0% compared to 2020. In non-agricultural activities 78,5% of employed population are occupied, including in industry – 14,4% (2020 – 14,6%), construction – 7,7% (2020 – 7,2%), in the sphere of services – 56,4% (2020 – 57,1%).

The decreased level of employment, including indicators of participation in professional training in conditions of structural changes in the economy, as well as employers' disinterest in improving the professional skills of their employees - all these factors are reflected in the wages of employees. Wage differentials also exist between development regions, which contribute to poverty not only in the population as a whole but also in employed population, to the risk of unemployment as a result of economic and social instability, and to changes taking place in the current socio-economic infrastructure. Some characteristics of income and poverty status in territorial aspect are reflected in *Table 6*.

Table 6. Evolution of average monthly wage and poverty rates, Republic of Moldova, development regions

	2014	2015	2016	2017	2018	2019	2020	2021
Average monthly wage, total, lei	4089,7	4538,4	5084,0	5697,1	6446,4	7356,1	8107,5	9 115,9
Wage Gap of males-females (difference by gender), %	12,4	13,2	14,5	13,5	14,4	14,1	13,7	ooo
Budgetary sector/real sector, %	87,3	85,7	80,9	82,5	84,1	87,0	87,0	81,2
Average monthly wage, % of total RM								
Total (RM)	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
mun. Chişinău	118,0	118,4	118,1	118,6	119,3	117,5	117,6	118,4
North	86,1	85,3	82,6	81,0	80,8	80,3	80,6	79,6
Center	81,5	82,0	78,8	78,5	77,7	80,0	79,8	77,6
South	77,8	77,7	73,0	73,9	73,6	75,3	76,4	75,2
ATU Găgăuzia	79,0	78,3	71,5	71,5	71,3	70,9	73,2	73,7
Average monthly disposable income per person, lei								
mun. Chişinău	2263,5	2582,8	2842,1	3049,4	3264,2	4184,5	4355,0	5062,3
North	1656,1	1823,3	1830,7	1999,5	2131,3	2507,9	2729,7	3045,8
Center	1530,1	1733,9	1785,8	1901,9	2082,7	2530,4	2811,2	3059,1
South	1512,8	1691,7	1802,2	1943,6	1985,6	2356,4	2524,5	2985,5
Ratio between the disposable incomes of population in 1st quintile and 5th quintile, times								
Total (RM)	5,6636	5,4758	5,7733	5,3455	5,0761	5,0905	5,3030	5,573
- urban	4,8818	4,6111	4,8321	4,4699	4,4254	4,8774	5,3732	5,4401
- rural	5,5375	5,3972	5,6864	5,1399	4,7633	4,6213	4,8390	5,0789
Absolute poverty threshold, lei	1558,6	1709,8	1819,2	1939,3	1998,4	2095,1	2174,1	2285,2
Absolute poverty rate, %	29,5	25,4	26,4	27,7	23	25,2	26,8	24,5
mun. Chişinău	10,7	6,9	6,5	7,5	4,7	4,4	7,6	8,6
North	31,9	26,5	30,5	31,1	28,4	27,7	28,1	25,2
Center	38,5	35,6	35,7	36,6	28,7	29,8	30,6	26,8
South	35,1	30,9	30,8	33,8	28,8	40,4	42,9	39,6
Absolute poverty rate by the principal source of income of household head, %								
Wage in agricultural sector	51,5	50,1	51,9	42,7	39,9	43,2	37,9	35,1
Wage in non-agricultural sector	19,5	14,9	14,6	14,9	12,0	11,9	14,5	12,9
Self-employed in agricultural	46,5	44,1	46,1	54,0	42,2	38,4	35,4	36,5

Analysis of labour migration profile in the Republic of Moldova.

activities								
Self-employed in non-agriculture	22,0	19,1	19,2	21,0	17,9	22,0	25,1	17,1
Pension	37,7	29,8	32,7	34,6	28,9	38,3	39,5	38,2
Transfers from outside the country	21,7	21,2	18,9	21,9	19,7	16,1	25,3	18,2
Other	46,0	40,0	43,6	48,4	51,8	46,2	48,8	46,3
Extreme poverty threshold, lei	1257	1378,9	1467,2	1564	1611,7	1689,7	1753,4	1843,0
Extreme poverty rate, %	12,8	10,5	10,4	11,0	8,7	10,7	10,8	9,5
mun.Chişinău	4,8	1,3	2,0	1,4	1,1	1,4	2,9	2,5
North	13,8	11,5	13,3	10,7	10,5	10,4	11,1	10,1
Center	16,0	16,6	13,6	17,1	11,2	12,9	12,0	10,3
South	16,4	10,7	11,8	13,8	11,6	19,2	18,5	16,0
Subsistence level, lei								
Working age population, total RM	1726,8	1842,2	1914,7	1984,5	2016,1	2194,0	2247,6	2310,5
Big cities	1871,7	2028,9	2118,3	2181,8	2219,6	2439,2	2465,0	2517,7
Other cities / beginning with 2019 – small cities	1738,0	1820,5	1867,1	1974,8	2005,5	2159,8	2206,4	2307,2
Villages	1658,1	1765,9	1839,6	1891,8	1920,0	2100,3	2158,7	2224,2
Pensioners by age (retirement pensioners), total RM	1343,7	1437,4	1494,8	1547,5	1574,2	1707,4	1759,8	1811,7
Big cities	1487,4	1612,8	1682,1	1732,3	1765,8	1946,9	1955,9	1999,9
Other cities / beginning with 2019 – small cities	1377,1	1442,6	1477,7	1562,7	1590,5	1717,5	1746,8	1828,0
Villages	1279,0	1368,8	1425,3	1463,5	1485,0	1623,9	1692,8	1745,0

**The number of the population with usual residence was used as the basis for the estimation of indicators. The usual residence is defined as the place where the person has lived predominantly in the last 12 months indifferently of temporary absences (for the purpose of recreation, vacations, visits to relatives and friends, business, medical treatment, religious pilgrimages, etc.).*

Since 2019, the data are not comparable with the previous period, because the Household Budget Survey (HBS) methodology was changed.

Source: Elaborated by the authors on the basis of data NBS RM

The analysis of wage incomes, as well as those coming from different sources, demonstrates that against the background of their absolute increase, there is a difference in them by gender (females earn on average 14% less than males), by sector of the national economy (in the budget sector wages are 18,8% less than in the real sector of the economy) and by territorial profile. The level of the average monthly wage of a worker on the economy prevails the average amount on the country only in mun. Chişinău, and the lowest this level or by 26,3 p.p. was recorded in ATU Găgăuzia, by 24,8 p.p. - South, by 22,4 p.p. - Centre and by 20,4 p.p. - North. Social inequality is observed if the indicators on the ratio of the income of population in quintiles I and are compare (5,4 times in urban and 5,1 times in rural areas). According to the data of the official NBS the lowest level of average monthly disposable income is among workers occupied in the agricultural sector, including farmers, whose amount does not even cover the subsistence level of a working age person and the absolute poverty rate (the absolute poverty rate among employees in the agricultural sector constitutes 35,1%, and in self-employed (agricultural activity) – 36,5%. Only the category of pensioners (excluding other household categories) exceeds given poverty rate, the absolute poverty rate among pensioner households is 38,2%, the average age pension in the agricultural sector is only 84% of the subsistence level for a pensioner, the ratio of the average pension amount by age in the agricultural and non-agricultural sector was 34,7%.

Thus, in the Republic of Moldova there are specific a low level of work' income, namely the wage as the principal source of income for the working age population (for example, in EU countries, the average monthly (gross) wage is much higher than in the Republic of Moldova, e.g. in 2021, the wage in Bulgaria - 944,00 €, Hungary - 1344,00 €, Germany - 4640,00 €, Italy - 3360,00 €, Portugal - 2032,00 €, Romania - 672,00 €, Greece - 2176,00 €, Spain - 2720,00 €, France - 4112,00 €), the high level of social inequality (5,6 times on average per country), the risk of being unemployed, low pensions that do not ensure a decent standard of living for

pensioners and the insufficient level of social protection. These circumstances in the context of constantly rising prices and tariffs for food and housing-communal services forces the working age population to search the ways of obtaining an additional income from work, including seeking work outside the country to support families, educate children and protect their health. Thus, a category of population is formed in category of economically inactive population, which consists of persons (reported by households) who went abroad to earn money or are seeking for work for a period less than one year (6,3% or 79,0 thousand) and in recent years their number is decreasing or in 2021 it has decreased by 12,6% compared to 2020 (2020 it is 7,0% or 90,4 thousand persons).

The dynamics of the number of labour migrants differ significantly by region: a decrease in the number of migrants in the North and South regions and an increase in the Centre region and mun. Chişinău. At the same time, the tendency of decreasing the number and share of labour migrants is observed in all regions, except mun. Chişinău, where, unlike other regions, the number of labour migrants who continue to work during the pandemic in 2020 was increasing, including in 2020 by 29,7% compared to the previous year, as well as continuing in 2021, when the lowest share of labour migrants (6,9%) of the economically inactive population was recorded (Table 7.).

Table 7. Evolution of population went abroad to work in the regional aspect, 2014-2021, RM, thousand persons/%

	2014	2015	2016	2017	2018	2019*	2020*	2021*
The workind-age population went abroad to work, thousand persons								
Total RM	149,8	137,2	128,8	140,6	147,4	105,9	90,4	79,0
-urban	33,5	34,1	27,8	30,8	30,0	23,2	22,6	23,3
-rural	116,3	103,1	101,0	109,8	117,5	82,6	67,8	55,7
mun.Chişinău	11,4	12,6	10,2	13,5	14,3	9,1	11,8	8,7
North	45,1	38,8	33,1	29,1	32,6	24,2	21,7	21,1
Center	49,5	43,7	44,5	58,2	59,4	43,8	35,4	30,3
South	43,9	42,1	41,1	39,9	41,2	28,7	21,5	19,0
Share of population went abroad to work, % of total								
Total RM	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
-urban	23,8	24,9	21,6	21,9	20,4	21,9	25,0	29,5
-rural	76,2	75,1	78,4	78,1	29,6	78,1	75,0	70,5
mun.Chişinău	7,6	9,2	7,9	9,6	9,7	8,6	13,1	11,0
North	30,1	28,3	25,7	20,7	22,1	22,9	24,0	26,7
Center	33,0	31,9	34,5	41,4	40,3	41,4	39,2	38,4
South	29,3	30,7	31,9	28,4	28,0	27,1	23,8	23,9
Share of labor migrants in inactive population, % of total inactive population								
Total RM	11,2	10,6	10,1	11,1	12,3	8,4	7,0	6,3
mun.Chişinău	4,2	4,7	3,7	4,9	5,5	4,0	4,8	3,7
North	12,1	11,3	9,7	8,7	10,1	7,1	6,3	6,3
Center	12,0	10,7	11,5	14,9	16,6	10,5	8,5	7,6
South	15,7	15,3	15,1	15,0	16,1	10,5	7,8	6,9

* 2019-2021, the Labor Force Survey in households (Labor Force Survey, LFS), was implemented by the NBS RM according to the new plan of survey investigations and according to the revised definition of employment.

Source: Authors' calculations on the basis of NBS RM data

The analysis of the migration flow for the purpose of seeking the work place or work (Table 7.) demonstrates that the largest share of population went abroad to work is in the Centre region (39,2% in 2020 or decreased by 2,2 p.p. in conditions of the pandemic and 38,4% in 2021 decreasing by 0,8 p.p. compared to the previous year). At the same time, the share of labour migrants from mun. Chişinău increased by 4,5 p.p. in 2020 and decreased by 2,1 p.p. in 2021 compared to 2020. Migration flows from the South region have slowed down, while the major share of migrants from the inactive population remains in this region (prevail the average value on the country by 2,1 p. p.p. in 2019 and by 0,8 p.p. in 2020, increasing insignificantly by 0,1

p.p. in 2021, and less than the average on the country (by 4-5 p.p.) for the entire analysed period). The characteristics of the dynamics of the number of labour migrants per 100 employed population by development region for the period 2014-2021 are presented in *Table 8*.

Table 8. Evolution of the ratio between the number of labour migrants per 100 persons of employed population by development regions, Republic of Moldova

	2014	2015	2016	2017	2018	2019	2020	2021
Total RM	15,3	13,9	13,0	14,6	14,9	12,1	10,8	9,4
mun. Chişinău	4,1	4,6	3,9	5,4	5,8	3,4	4,8	3,6
North	16,4	13,4	11,3	10,1	11,2	9,3	8,6	8,0
Center	18,3	16,1	15,8	21,7	20,2	20,1	16,4	13,8
South	28,0	27,0	26,2	26,0	26,4	22,5	17,7	15,4

Source: Authors' calculations on the basis of NBS RM data

In two regions (Center, South), the ratio of working migrants to the employed population is higher than the national average and, despite a slight decrease during the pandemic, these indicators remain raise. Their highest values are observed in the South region, which is a motive to analyse and identify the problems that contributed to given situation. So, in the South region there are low indicators of economic activity of population compared to other regions, and also the level of wages (Savelieva G., Zaharov S. [18, Table 6, p. 114]), because a large part of the population is employed in the agricultural sector, the opportunities of employment is limited, working conditions and work regimes, low level of unemployment rate which combine to contribute to labour migration in the region. The similar situation is observed in the Centre region, which ranked second after the South region in terms of the low level the employment indicators of working age population, wage and the higher level of absolute and extreme poverty rates (*Tables 5. and 6.*). Thus, the working age population migrates due to the lack of possibilities to be engaged in labour market and low wages, which is mostly specific to rural localities, where the activity in the agricultural sector prevail with low level of productivity and low wages and also the social infrastructure was destroyed by structural reforms.

Table 9. Evolution of labour migration flows by place of residence and gender

(% of total migrants in the region)

Development regions		2014	2015	2016	2017	2018	2019	2020	2021
Place of residence									
mun. Chişinău	Urban	83,5	84,1	90,2	89,6	95,1	89,0	89,0	87,4
	Rural	16,5	15,9	9,8	10,4	4,9	11,0	11,0	12,6
North	Urban	27,3	33,8	24,5	22,7	22,6	26,0	25,3	37,4
	Rural	72,7	66,2	75,5	77,3	77,4	74,0	74,7	62,6
Center	Urban	6,5	7,6	11,2	11,2	7,3	15,8	14,4	17,8
	Rural	93,5	92,4	88,8	88,8	92,7	84,2	85,6	82,2
South	Urban	19,6	16,9	13,6	14,0	11,4	6,6	6,5	12,6
	Rural	80,4	83,1	86,4	86,0	88,6	93,4	93,5	87,4
By gender									
mun. Chişinău	Males	68,4	73,0	74,5	68,1	76,9	64,8	72,0	75,9
	Females	31,6	27,0	25,5	31,9	23,1	35,2	28,0	14,1
North	Males	72,5	74,0	73,4	72,2	71,2	78,9	76,5	72,5
	Females	27,5	26,0	26,6	27,8	28,8	21,1	24,0	17,5
Center	Males	74,1	73,2	74,8	68,7	67,8	70,3	72,3	71,6
	Females	25,9	26,8	25,2	31,3	32,2	29,7	27,7	28,4
South	Males	68,3	64,4	67,9	68,9	68,9	75,6	67,9	74,6
	Females	31,7	35,6	32,1	31,1	31,1	24,4	32,1	25,4

Source: Authors' calculations on the basis of NBS RM data

Rural migration flows predominate in practically all development regions, their share varied from 70% to 94% of total number of migrants in the respective region. In the case of mun.

Chişinău, the labour migrants from urban constituted about 90%, concomitantly, the revival of the rural population's migration mobility in search of a work outside the country was also observed (2019-2021 about 11-12% of labour migrants). In 2021 in all regions there was an increase in the share of urban migrants. By gender (*Table 9.*) By gender (*Table 9.*) the highest share of female was registered in the South region (approx. 30% and more in 2014-2018 and 2020). At the same time, in mun. Chişinău the share of females more than 30% in total migrants was registered in 2014 (31,6%), 2017 (31,9%) and 2019 (35,2%). In 2020 in mun. Chişinău and North and South regions the share of females in the number of labour migrants was decreasing. As well as, changes were registered in the structure of migrants by principal age groups, which is reflected in *Table 10.*

Table 10. Dynamics of changing labour migration flows by some principal age groups

(share in % of total migrants in the region)

		2014	2015	2016	2017	2018	2019	2020	2021
mun. Chişinău	15-24 years	6,2	11,0	9,7	5,2	12,0	12,1	22,9	10,3
	25-54 years	91,2	84,2	85,4	91,0	82,4	81,3	69,5	78,2
	55 years and over	2,6	4,8	4,9	3,8	5,6	6,6	7,6	11,5
North	15-24 years	29,5	25,3	23,9	19,6	19,9	21,5	14,2	18,0
	25-54 years	65,9	69,8	71,9	73,9	74,8	74,4	75,7	73,5
	55 years and over	4,6	4,9	4,2	6,5	5,3	4,1	10,1	8,5
Center	15-24 years	31,1	23,9	23,4	20,4	19,2	18,3	19,8	20,1
	25-54 years	66,1	72,1	72,1	73,2	76,2	76,3	73,7	73,9
	55 years and over	2,8	4,0	4,5	6,4	4,6	5,4	6,5	6,0
South	15-24 years	27,5	26,4	29,5	19,3	19,9	20,8	21,5	15,8
	25-54 years	67,7	69,0	65,6	76,2	75,2	75,0	73,4	78,9
	55 years and over	4,8	4,6	4,9	4,5	4,9	4,2	5,1	5,3
Total RM	15-24 years	27,7	23,9	24,4	18,5	18,9	19,2	19,4	17,6
	25-54 years	68,3	71,7	71,1	76,0	76,3	75,8	73,4	75,6
	55 years and over	4,0	4,4	4,5	5,5	4,8	5,0	7,2	6,8

Source: Authors' calculations on the basis of NBS RM data

The analysis of the evolution of migration processes for the purpose of work place search or work abroad demonstrates that, in principle, persons who go abroad for the purpose of attractive activity and wage are adults in the age group 25-54 years, the share of given group varied for the analyzed period within the limits of 65-90 percent depending on the economic profile and development of social infrastructure in a certain region. It is necessary to mention the fact about the increase of migration flows in the category of youth 15-24 years - the share of given category increased in 2015 by 4,8 p.p. compared to 2014 and continued to decrease, and in 2018 it sharply increased by 6,8 p.p. compared to the previous year, in 2020, respectively, by 10,8 p. p. compared to 2018 or the real potential of the labour force goes abroad on the background that in the municipality there are more possibilities to be engaged in labour market due to the concentration of the principal volume of vacancies and higher wages than in other regions. As well as, it is necessary to mention the tendency of decreasing the number of youths aged 15-24 among migrants in the average per country in 2021, including mun. Chişinău from 22,9% to 10,3% or by 12,6 p.p. and the South region from 21,5% to 15,8% or by 5,7 p. p. At the same time, the major share of the age group 25-54 years or the most productive potential of labour force in the total number of migrants by region is maintained, with the amount of 74-79% and possessing professional work skills. In this context, an analysis of migrants by level of education demonstrated that migrant workers with gymnasium, lyceum, general secondary (high school), as well as professional education are in demand. The evolution of the structure of labour migrants in the Republic of Moldova depending on the level of education was presented in *Table 11.*

The increase in the number of migrants with tertiary education (higher) was recorded in 2020 by 1,8 p.p. compared to 2019 and, at present, migrants with tertiary education did not

become the dominant group in the component of migrant-workers abroad, their share was decreasing by 2021 by 2,0 p.p. compared to 2020. The smallest share of migrants is with secondary special education constituting 10,4% in 2021. At the same time, more than 85% of migrants had medium level of education (secondary special, primary (secondary) vocational education, lyceum (high school), general secondary, general medium, gimnasium which contributes to the ability to integrate faster in the destination country.

Table 11. Characteristics of labour migrants by level of education

(% of total migrants)

	2014	2015	2016	2017	2018	2019	2020	2021
Total RM	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
Higher (tertiary education)	10,1	11,4	11,8	13,0	10,5	12,0	13,8	11,8
Secondary special	11,0	9,3	10,5	10,4	9,8	12,7	11,3	10,4
Primary (secondary) vocational education	26,9	27,0	22,2	26,3	28,5	28,1	31,9	28,5
Lyceum, general secondary (high school)	21,9	24,1	25,3	22,0	21,6	17,2	15,7	17,8
Gimnasium	29,5	28,0	30,1	28,0	29,0	29,9	27,2	30,2
Primary school or without	0,6	0,1	0,1	0,4	0,6	0,1	0,1	1,3

* 2019-2021, the Labor Force Survey in households (Labor Force Survey, LFS), was implemented by the NBS RM according to the new plan of survey investigations and according to the revised definition of employment.

Source: Authors' calculations on the basis of NBS RM data,

https://statbank.statistica.md/pxweb/pxweb/ro/30%20Statistica%20sociala/30%20Statistica%20sociala_03%20FM_03%20MUN2019_MUN080/?rxid=b2ff27d7-0b96-43c9-934b-42e1a2a9a774

The migration of work age population together with the declining population and demographic ageing had a negative impact on the stability of local and national labour markets: only for a year 2020 compared to 2019 the employed population was decreasing by 4,4 p.p. on average per country, including and taking into account the consequences of the pandemic crisis (Table 12.).

Table 12. Dynamics of employed population by development regions, thousand persons

	2014	2015	2016	2017	2018	2019	2020	2021	2018/ 2014, %	2020/ 2019, %	2021/ 2020, %
Total RM	981,5	989,1	993,7	960,8	988,5	872,4	834,2	843,4	100,7	95,6	101,1
mun. Chişinău	279,6	273,2	262,9	251,5	247,1	266,8	246,6	238,8	88,4	92,5	96,8
North	274,3	289,1	292,5	287,3	290,9	260,1	251,1	262,6	106,1	96,5	104,6
Center	270,7	271,1	281,5	268,4	294,7	217,7	215,3	219,0	108,9	98,9	101,7
South	157,0	155,7	156,8	153,6	155,8	127,8	121,2	123,0	99,2	94,8	101,0

Source: Elaborated by the authors on the basis of data NBS RM, www.statistica.md

The largest decrease in the employed population was registered in mun. Chişinău, which had a accentuated decrease tendency during the period 2014-2018 and for 2019-2021. The similar situation was observed in the South region in 2019-2020, it should be noted the increase by 1,0% in 2021 compared to 2020. In the North and Center regions the number of employed population had a sinusoidal tendency of modification, and in total per country these fluctuations led to insignificant increase of 0,7% in 2018 compared to 2014 and, respectively, decrease of employed population by 4,4% in 2020 compared to the previous year, as well as increase, respectively, by 4,6% and 1,7% in 2021 compared to the previous year. At the same time, there was the modification in labour markets by age structure (Table 13.).

Thus, demographic factors (decline, ageing, migration processes), structural reforms and modification in the regional economic and social infrastructure had a negative impact on labour market according to the age structure of employed population.

Table 13. Characteristics of employed population by some principal age groups

(share of total employed population in the region), %

		2014	2015	2016	2017	2018	2019	2020	2021
mun. Chişinău	15-24 years	8,6	7,8	7,2	6,8	8,4	8,1	7,0	6,2
	25-54 years	75,8	75,1	75,4	75,6	75,4	77,0	77,0	79,0
	55 years and over	15,6	17,1	17,4	17,6	16,2	14,9	16,0	14,8
North	15-24 years	8,5	7,3	7,5	7,5	6,7	6,4	5,0	4,6
	25-54 years	69,0	67,8	68,4	66,9	64,9	67,4	69,1	71,1
	55 years and over	22,5	24,9	24,1	25,6	28,4	26,2	25,9	24,3
Center	15-24 years	8,1	8,6	7,1	6,3	6,0	5,5	5,0	5,5
	25-54 years	72,8	71,7	69,6	68,6	65,8	71,4	72,0	71,1
	55 years and over	19,1	19,7	23,3	25,1	28,2	23,1	23,0	23,4
South	15-24 years	7,1	8,2	5,5	5,3	5,6	4,6	4,2	4,1
	25-54 years	69,6	70,9	70,2	67,6	63,5	73,2	73,3	71,1
	55 years and over	23,3	20,9	24,3	27,1	30,9	22,2	22,5	24,7
Total RM	15-24 years	8,2	7,9	7,0	6,6	6,8	6,4	5,5	5,2
	25-54 years	72,0	71,4	70,9	69,9	67,6	72,2	72,8	73,3
	55 years and over	19,8	20,7	22,1	23,5	25,6	21,4	21,7	21,5

Source: Authors' calculations on the basis of NBS RM data

The general tendency, which was specific for all local and national labour markets, is the *ageing of labour force*. The most pronounced this process was in the North regions, where the share of employed population in the age group 55 years and over in 2019-2020 reached the level of 26%, in 2021 - decreased to 24,3%. In the Center and South regions the share of the employed population in the age group 55 years and over also for the last 3 years increased to 23%. In 2021 the potential employed population in the age group 25-54 years old constituted 71,1% of total employed population in the North, Center and South regions. At the same time, in the North and South the share of the young employed population aged 15-24 years decreased to 4,6% and 4,1% respectively (*Table 13.*).

Only employed population from mun. Chişinău in the most economically active ages of 25-54 years remained at the level of about 75% during 2014-2018 and 77% in 2019-2020 and increased by 2,0 p.p. or up to 79% in 2021, as well as the lowest share of the population in the highest ages of 55 years and over or 21-22% in 2019-2020 was mentioned, including decreasing by 0,3 p.p. in 2021 compared to 2020 or up to 21,4%. The comparative analysis from the modification in the structure of labour migration flows and, as a result, of employed population by principal age groups on the Republic of Moldova for the years 2014 and 2019-2021 is reflected by the data in *Table 14.*

Table 14. Characteristics of the structure of employed population and labour migrants, RM

(% of employed population or labour migrants)

Age groups	2014		2019		2020		2021	
	Employed population	Labour migrants	Employed population	Labour migrants	Employed population	Labour migrants	Employed population	Labour migrants
Total RM	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
15-24 years	6,8	27,7	6,4	19,2	5,5	19,4	5,2	17,6
25-34 years	22,3	35,3	24,9	31,6	24,2	34,3	23,7	33,0
35-44 years	23,0	19,5	24,4	27,1	25,6	22,2	26,5	24,2
45-54 years	22,4	13,6	22,8	17,1	23,0	16,9	23,2	18,4
55-64 years	19,3	3,9	18,2	4,8	18,7	6,7	19,0	6,2
65 years and over	6,3	0,1	3,2	0,1	3,0	0,4	2,4	0,6

Source: Authors' calculations on the basis of NBS RM data

From the analysis of the data in *Table 14.* it can be observed that against the background of the increase in the share of the young migrant population, there is a tendency of decrease in employed population in this age group, the structure of employed population is modified, the

population in elder ages was increased, including in ages higher than 45 years and over or the labour market is in the process of ageing. At the same time, as the consequence of migration, the quality of labour market and the level of education of employed population is modified.

Table 15. Characteristics of employed population by education*

(% of total employed population)

		2014	2015	2016	2017	2018	2019	2020	2021
Total RM	Higher (tertiary education)	23,6	23,4	23,2	23,4	22,6	27,9	28,3	27,9
	Medium**	56,8	56,5	55,5	56,2	55,3	55,0	54,5	53,4
	Gymnasium	18,9	19,4	20,7	20,0	21,4	16,7	17,0	18,5
	Primary school or without	0,7	0,6	0,6	0,4	0,6	0,4	0,2	0,2
mun.Chişinău	Higher (tertiary education)	46,7	46,3	47,3	48,0	47,8	51,2	51,2	49,1
	Medium**	47,4	45,9	45,4	45,8	45,9	43,1	42,7	42,3
	Gymnasium	5,8	7,7	7,3	6,1	6,2	5,8	6,1	8,5
	Primary school or without	0,0	-	-	-	0,1	0,0	-	0,1
North	Higher (tertiary education)	13,6	14,3	14,5	14,4	15,0	18,3	21,5	20,4
	Medium**	60,7	60,9	59,1	58,9	55,2	60,4	57,4	58,7
	Gymnasium	24,0	23,8	25,5	26,0	29,2	20,4	20,6	20,5
	Primary school or without	1,6	1,0	0,9	0,7	0,7	0,8	0,6	0,4
Center	Higher (tertiary education)	14,5	15,1	14,2	14,3	12,9	16,9	16,3	18,8
	Medium**	59,8	59,3	58,0	61,4	59,4	60,4	60,5	56,4
	Gymnasium	25,2	24,9	27,1	23,8	27,0	22,6	23,2	24,7
	Primary school or without	0,6	0,7	0,7	0,6	0,6	0,0	-	0,1
South	Higher (tertiary education)	15,5	14,8	15,4	15,6	15,3	17,2	17,2	19,1
	Medium**	61,3	62,4	61,2	58,9	63,0	60,4	61,5	58,0
	Gymnasium	22,5	22,2	22,6	25,0	20,4	21,7	20,8	22,6
	Primary school or without	0,8	0,6	0,8	0,5	1,3	0,8	0,5	0,3

* 2019-2021, the Labor Force Survey in households (Labor Force Survey, LFS), was implemented by the NBS RM according to the new plan of survey investigations and according to the revised definition of employment.

** Medium – includes secondary special, primary (secondary) vocational education, lyceum (high school), general secondary.

Source: Authors' calculations on the basis of NBS RM data, www.statistica.md

In all regions there was observed an increasing tendency of employed population with higher education level, which in the last two years reached on average in the Republic of Moldova about 28% of total employed population, including in mun. Chişinău– 49,1%, which is 2,1% lower than in the previous year (in 2020 – 51,2%). At the same time, in 2021 in the regions this indicator had lower values about 19% in the Centre and South and 20-21% in the North. However, the slow downward tendency is accentuated on the average level of education (including secondary special, secondary vocational, lyceum (high school), general secondary) of employed population in mun. Chişinău and the regions of Center and South. As well as, there is a small share (less than 1 percent in mun. Chişinău and the Center) of employed population with primary education or without school. The actual situation is the consequence of the outflow of economically active population to work abroad or, as it follows from the analysis of given category, 85% and more of the migrants with secondary special, secondary vocational, high school, general secondary, gymnasium (Table 11.). The working age population with primary education or without school is usually uncompetitive on labour market and replenishes the category of unemployed. According to NEA data⁴, in 2021 66,1% of total number of registered unemployed did not have professional qualification. The share of unemployed with primary, gymnasium and lyceum (high school) education increased from 53,1% in 2020 to 66,1% in 2021, and the share of unemployed without work experience increased from 33,3% in 2020 to 34,3% in 2021. In 2021, the share of unemployed who lost their work place in economic activity, including agriculture, forestry and fisheries (12,4% compared to 10,7% in 2020), public

⁴NEA. www.anofm.md.

administration and defence (from 5,8% in 2020 up to 6,8% in 2021), construction (from 2,7% in 2020 up to 2,8% in 2021), and in processing industry the mentioned indicator remained at the level of the previous year (of 11,6%). At the same time, in some economic activities the share of unemployed who lost their work place decreased compared to the previous year, including wholesale and retail trade (11,1% in 2021 and 12,5% in 2020), education (4,6% in 2021 compared to 4,% in 2020), other service activities (8,9% in 2021 compared to 10,0% in 2020). On the quality of labour force it can be noted that in 2021 there was registered the high share of unskilled workers (29,7%) and skilled and equivalent workers (7,9%) in the number of registered unemployed, and 37,6% of the number of unemployed were from the private sector, 19,9% from the public sector. As a result of active employment measures promoted by NEA services, 23,6% of the total number of unemployed were engaged in 2021, of which 50,5% were females. Based on the above, it can be conclude that labour force, both engaged in economic activities and that part of it that is in the unemployed category and represents the reserve to supplement the necessities of labour market, depending on the level of education, provoked a discrepancy between supply and demand, i.e. there is an disequilibrium of labour force both in the regional and national labour markets. One of the important factors contributing to the above situation is labour migration processes.

Conclusions.

Transition and development of market relations, including the predominant role of private property in all sectors of socio-economic infrastructure, structural reforms and crises (or economic stagnation, pandemics, etc.), natural calamities (drought), and demographic factors have affected the situation in local markets and national labour markets, have worsened labour relations, the risk of poverty being employed and being unemployed. All this, as well as the rather low level of wages compared to neighbouring countries, has contributed to the increased level of mobility of working age population, including employed population, including migration for the purpose of searching a work place or work outside the country, for economic purposes or to improve the material status of families, the possibilities of educating children, health recovery, obtaining housing or other real estate, transport and business development, investment for the creation and further development of own family businesses. In this context, the largest visible advantage is the remitted revenue to migrants' families. At the same time, work experience, for example in the construction industry, obtained abroad, and the savings of labour migrants are important for the Republic of Moldova because they can also be used for the development of socio-economic infrastructure at both local and national level. Remittances constitute an important source of poverty reduction being a principal source for families. According to NBS data, the share of remittances in the average monthly disposable income per person in 2019-2021, respectively, were: in mun. Chişinău – 6,2%; 7,0% and 7,3%; North – 13,8%; 12,9% and 12,1%; Center– 17,2%; 17,1% and 16,0%; South – 15,7%; 18,4% and 18,8% or these were the additional source used for improving the standard of living of families, feeds of children and elderly, integrating in education of children (NBS, Social statistics, Standard of living, Household incomes).At the same time, in addition to the positive factors, there remains an important social problem associated with the migration flow - the exodus intellectual (brain drain), professional labour force, which has a negative impact on the quality of labour market, the disequilibrium between supply and demand, the deficit of qualified labour force and the insufficient competitiveness of labour market at internal and external level. Another negative moment is the demographic factor - labour migration contributes to reduction of population in the reproductive age and birth rate, the destruction of families, the ageing process is amplified because the younger population participates in the migration processes, the depopulation of territories, the reduction in numbers and the worsening of the population structure.

Analysing the migratory flows, it is determined that, in principle, these exist in 3 general lines such as: authorised emigration, including removal from the register (de-registration) and declaration of long-term or permanent emigration from the country for residence abroad; going

to work or in search of work abroad, but with the intention of returning and this is temporary/circular migration; going from the country registered at the border, which de facto provides for authorised/permanent emigration and temporary/circular migration. Taking this into account, labour migration is a component part of the economically inactive population and it is quite complicated to consider the mobile nature of this category of working age population as a reserve for replenishing the requirements of current labour market.

In order to improve the labour market situation and attenuate the impact of labour migration processes it is proposed:

-continuous monitoring of migration flows, analysing by gender, age, professional and regional context, and also researching through focus groups and surveys on the causes of migration;

-promoting viable policies and actions on creating conditions for the return of labour migrants to the Republic of Moldova, including regulating immigration as a necessary measure for the stable and sustainable growth of national economy and ensuring national security;

-carrying out activities to increase the level of literacy and legal consciousness of labour migrants, including strengthening the protection of labour and social rights, primarily in the areas of legal employment, health and security of working conditions and equal remuneration for work, as well as pension insurance. In this context, particular attention should be addressed to the issues of the relationship between declared wages, the necessity to pay social contributions and, conversely, obtaining payments from social funds, accentuating the socio-economic benefits of these contributions in the context of various social risks during life;

-promotion of transparent and adequate measures to improve the business environment with the aim of continuous economic and social development of the country, attracting investments for the creation of new working places, improvement of fiscal (taxation) policies and expansion of budget revenue sources, etc.;

-effective management of migration processes, including the use of migrants' resource potential and financial means (sponsorship, charitable work, creative ideas, professional attitudes, etc.) for local development and the country as a whole, which should be an important factor influencing the decision-making process at both local and national level, continue the process of concluding bilateral agreements on social security with countries that do not yet have bilateral agreements.

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