

National Bureau of Statistics
Republic of Moldova

Quality of Employment in the Republic of Moldova
Country Report

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Introduction

The aim of the given report is to present a general overview of the quality of employment in the Republic of Moldova based on the indicators proposed by the Task Force.

For the purpose of this report, the indicators will be analysed from the following perspectives:

- a) identification of available indicators;
- b) identification of sources that offer good quality data;
- c) analysis of the trends present on the labour market regarding the suggested dimensions and indicators, as well as regarding some additional indicators which we consider to be relevant for the country.

The analysis of the qualitative changes occurring on the labour market becomes more and more important from users' viewpoint and represents one of the activity priorities set by the National Bureau of Statistics (NBS) for developing and improving labour statistics over the recent years.

Labour Force Survey (LFS) represents the source for the majority of the indicators developed by the Task Force and analyzed below. LFS was improved in Moldova and started to offer new indicators starting with 2006. That is why the time series include only the last three years, 2006-2008.

General background of the situation on the Moldavian labour market - main trends and tendencies

The labour market from Moldova is characterised as follows (2008):

The number of the economically active population (1303 thousand persons) registered a slight decrease as compared to the previous year. This is due mainly to the drop in unemployment, while the number of the employed population remained practically the same.

The population employed in economy accounts for 1251 thousand persons (in 2007, respectively 1247 thousand). During 2004-2008, the employment dropped by 4,9%.

The number of unemployed accounts for 52 thousands registered the lowest level over the last years. The same trends were registered for unemployment rate.

Labour migration continues to be an acute problem for the country, covering 11% of the total population aged 15 and over. Unattractive labour conditions and small salaries remain to be the factors which determine labour migration for Moldovans.

Table 1. Evolution of the main labour market indicators

	2006	2007	2008
Activity rate, 15-64 years, %	50,9	49,7	49,4
Employment rate 15-64 years, %	47,1	47,1	47,3
Females	45,7	46,2	46,0
Males	48,6	48,1	48,7
Share of employed women 15-64 years, %	50,0	50,3	49,9
Underemployment rate 15-64 years, %	8,4	8,0	6,9
Females	8,1	7,6	6,8
Males	9,2	8,8	7,3
Unemployment rate 15-64 years, %	7,6	5,2	4,1

Females	5,9	4,0	3,5
Males	9,2	6,5	4,7
Inactivity rate 15-64 years, %	49,1	50,3	50,6
Females	51,5	51,9	52,3
Males	46,5	48,5	48,8

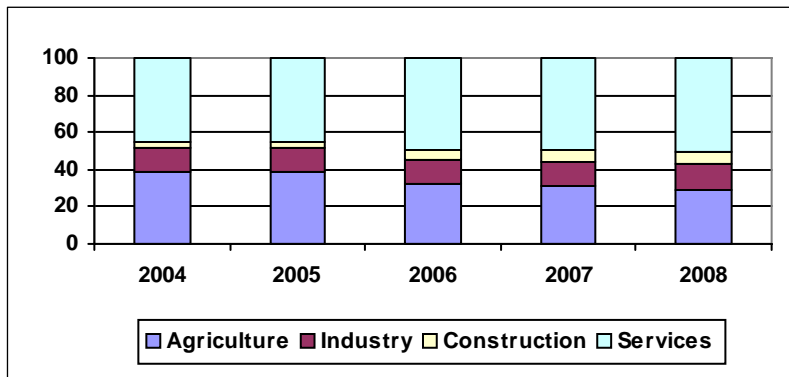
There is an increasing trend for the number of persons employed in non-agricultural activities (+2,9% as against 2007; +10% during 2004-2008).

The number of population employed in agriculture continues to decrease (-4,9% as against 2007, and -27% as against 2004).

The persons employed within population's auxiliary households continue to predominate within agricultural activities, the main occupation being *the production of agricultural products for own consumption*.

From the analysis of employment by economic sectors in 2008 results that every 2nd person was working in *services*, every 3rd person –in *agricultural activities*, every 8th person was engaged in *industry*.

Diagram1. Distribution of employed population by economic sectors



1. Safety and ethics of employment

a) Safety at work

We have the following indicators: a) fatal occupational injury rate (workplace fatalities per 100,000 employees), b) non-fatal occupational injury rate (workplace accidents per 100,000 employees), and c) share of employees working in "hazardous" conditions.

The following indicators are to be found under the "other possible indicators": a) occupational injury insurance coverage: number of employees who benefit from individual insurance for workplace accidents and professional diseases as percent of the total number of employees; b) workplace expenditure on safety improvements: these expenses may be related to the total costs for labour force.

Under "hazardous" conditions, we have the following indicators: a) number of employed exposed to negative impacts on their health at the workplace, as share of total employment; b) number of employees who work in unfavourable/hard work conditions (working in conditions inconsistent with sanitary and hygienic norms¹; performing hard manual work; working in premises inconsistent with job safety requirements; operating with equipment inconsistent with job safety requirements) as share of total employees.

Sources of data in the field of safety of work:

- Annual statistical survey of enterprises on *Work protection*, and
- *Labour force survey* in households.

The following situation is registered for the "safety at work" sub-dimension on labour market in Moldova.

The number of employees-victims of workplace accidents registered in 2008 dropped by 19% as against 2006, and by 9% as against 2007. The number of workplace fatalities registered in 2008 decreased by a quarter as compared to 2007, but increased by 5% as compared to 2006. The same trends were registered for the fatal occupational injury rate and non-fatal occupational injury rate. At the same time, the average number of temporary work incapacity per person who suffered from an accident increased from 35 days in 2006 up to 38 days in 2008.

Table 2. Accidents at work

	2006	2007	2008
Non-fatal occupational injury rate per 100.000 employees, %	82	71	66
Fatal occupational injury rate per 100.000 employees, %	4,7	7,1	5,3
Days of work incapacity per employee	35	37	38

Over the years, the highest level of workplace accidents rate is registered in industry and constructions (respectively 154 and 136 cases of fatal and non-fatal workplace accidents per 100000 employees in 2008).

¹ The employees who work under: high level of noise, high level of vibration, lighting with deviations from set norms, concentration of gas or dust at workplace that exceed the maximum admissible limits, work environment temperatures with deviations from set norms, high level of relative air humidity, air with inadmissible movement speed, high level of ionization, other dangerous and/or harmful factors.

According to the enterprises survey, the share of employees involved in unfavourable/hard work conditions registered the level of 3,2% in 2006 and 2007, and 3,7% in 2008. The biggest share of these persons is employed in work conditions inconsistent with sanitary and hygienic norms - 93% (gas, dust, noise, temperatures, etc. exceeding the admissible norms), followed by persons employed in hard physical works(6%).

On the other hand, according to the households' statistics, one in eight employed persons of 15-64 years old considers that she/he is exposed to some factors that have a negative impact on his/her health at workplace. The share of such persons in total employment decreased from 15,9% in 2006 down to 12,4% in 2008. Analyzing separately the impact of these factors, we can state the following: 4 in 5 persons say they are exposed to physical factors at their workplaces, one third – to psycho-physiological factors, and one in five persons indicated chemical factors. Thus, there is a decreasing trend by 11,3 p.p. as compared to 2006 for the share of physical factors, while the share of psycho-physiological factors increased during this period of time with 9,1 p.p.

Table 3. Hazardous conditions

	2006	2007	2008
Number of employees working in „hazardous” conditions (working in conditions inconsistent with sanitary and hygienic norms; performing hard manual work; working in premises inconsistent with job safety requirements; operating with equipment inconsistent with job safety requirements) as share of total employees, %	3,2	3,2	3,7
Of which (100%):			
working in conditions inconsistent with sanitary and hygienic norms, %	91,0	90,7	93,0
performing hard manual work, %	8,3	8,2	5,9
Employed population exposed to dangerous/harmful factors as share of total employment, %	15,9	13,7	12,4
Of which (one person could be exposed to more than one factor), %:			
Physical factors	92,9	85,6	81,6
Chemical factors	19,3	19,1	20,9
Psycho-physiological factors	27,2	32,4	36,3
Biological factors	2,6	2,3	2,9

In line with the legislation in force, all persons employed based on individual work contracts, as well as all persons authorised to work on their own must be insured under the social insurance public system, of which insurance for professional diseases and work accidents is a component part. At the same time, taking into consideration the fact that about one third of employed people are in informal employment², in reality not all the people who work has such insurance. According to the LFS data, 92,2% of respondents consider that the employer pays the social insurance compulsory contributions for them, thus we may consider that these persons are insured in case of work accidents and professional disease. The value of the indicator is lightly decreasing from 92,9% in 2006 to 92,2% in 2008.

During 2006-2008 the enterprises costs for labour protection measures were increasing annually with an average of 17%. But the correlation between these expenses and the labour costs stayed unchanged during all these years, registering the ratio of 1:100.

² The notion of “informal employment” covers broadly the employed persons who do not benefit from social protection.

b) Child labour and forced labour

Child labour

Labour legislation prohibits employment of persons under 15 years old.

A number of sources mentioned numerous times that child labour phenomenon (especially in agricultural activities) is widespread in Moldova, because poor families are dependent on the contributions brought by these children to household budgets, child labour being a priority when it comes to education. Frequently child labour makes up for migrant parents' household tasks.

At the same time, no representative official studies were implemented until currently for the given purpose.

The statistical survey on *Child Labour* is being launched right now, during the fourth quarter of 2009, as an ad-hoc module to LFS, in compliance with ILO/IPEC/SIMPOC methodology and technical assistance. We really hope for this survey to offer an answer to the question whether child labour is really an issue in Moldova, to what extent it is spread, and what are its main characteristics. According to the survey methodology, we shall obtain all the indicators suggested by Task Force. The analysis of these indicators will allow us deciding which of them are relevant for Moldova.

Forced labour

We have the following indicators for the given sub-dimension: a) labour deceived migrants as share of total labour migrants; b) labour exploited migrants as share of total labour migrants; c) forced/coerced migrants as share of total labour migrants.

Source of data in the field of forced labour: *Labour Force Survey* in households, ad-hoc module on *Labour Migration* (2008).

Remark: The main goal of the survey was to obtain some additional characteristics about the persons who left abroad for work or looking for a job (labour migrants).

Another goal of the survey was to test the statistical tools (in our case LFS) as a possible data source, which would allow assessing some aspects regarding forced labour / trafficking in human beings (taking into account the fact that in majority of cases we have irregular labour migration of our citizens abroad)³. The methodology⁴ to be used was developed by ILO/SAP-FL⁵ and was tested in a number of countries from the entire world, including in the Republic of Moldova (the methodology is presented in Annex to this report). It is important to mention that we took part in indicators testing, that there are no statistical standards that would be adopted/recommended at the international level, and that only one segment of population served as target group for the survey: labour migrants.

³ These activities were launched in the framework of the "Elimination of human trafficking from Moldova and Ukraine through labour market based measures" project, financed by the European Commission through the AENEAS programme and the Government of Ireland and implemented by the International Labour Organisation and ICMPD, Vienna. ILO/SAP-FL experts and national consultants were involved in these activities. So namely these experts were responsible to develop the methodology to estimate, analyze and present the results of the survey under the forced labour chapter. NBS responsibilities were limited to collecting, processing and validating the information. The database was given to experts for analyses. The final draft of the report is being now finalised.

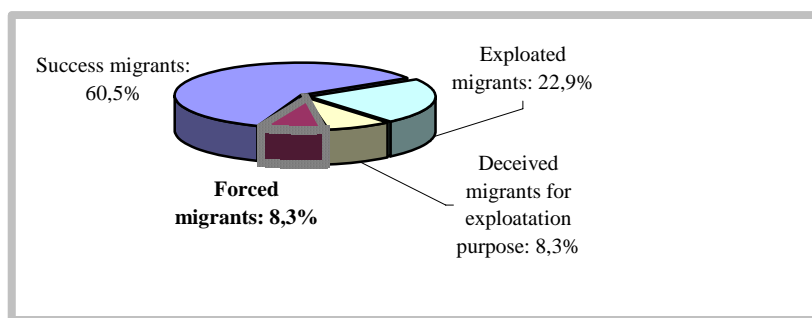
⁴ According to the ILO/SAP-FL methodology forced labour and trafficking are estimated using a combination of these three elements: deception, exploitation and coercion. Exposure to the risk of deception, exploitation or coercion is determined by a complex of factors and the individual characteristics of migrants and of the history of emigration.

⁵ Special Action Programme to Combat Forced Labour

As a result of the *Labour Force Migration* survey, a number of 318,3 thousand migrants (11% of the total population aged 15 and over) was estimated, of which 72,4 thousand (or 22,7% - one in five migrants) were on the territory of the Republic of Moldova during the survey time (majority of them remaining in the country only on temporary basis). The following estimations were made based on the assumption that the answers given by the migrants found in the country represent the situation of all migrants and applying the ILO/SAP-FL methodology (forced labour and trafficking are estimated using a combination of these three elements - deception, exploitation and coercion)⁶.

About 60,5% of the total number of migrants were successful migrants (migrants who were not deceived, exploited or forced, or the ones who experienced migration to an extremely small extent), 22,9% were the exploited migrants, being followed by the group of migrants deceived for exploitation purposes and by the forced migrants (the cases of forced labour and trafficking for exploitation purpose) who represent respectively 8,3% each.

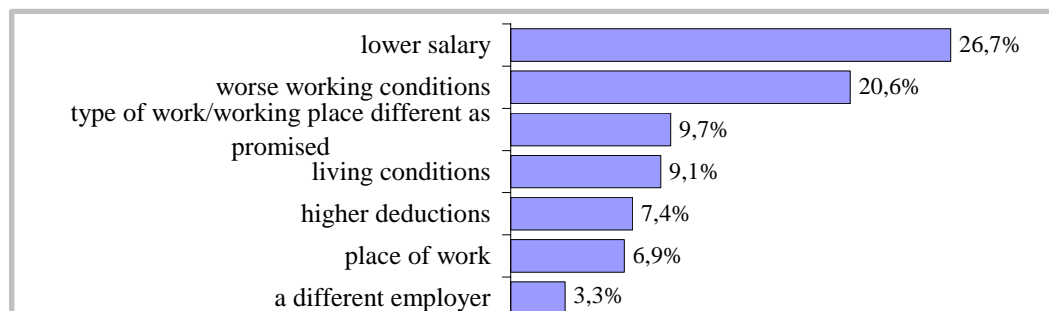
Diagram 2. Distribution of migrants by risk forms



The subject of **deception** can be present in different aspects of the agreement between the migrant and the employer/mediator at the time of recruitment. Seven items were included in this case so as to calculate the incidence; they concern three aspects: salary amount and deductions from it, living and employment conditions (including the type of work), and the owner/employer.

The incidence of preventive agreement violation mostly is made by granting a lower salary and worse working conditions. One in four (26,7%) migrants received a lower salary than the promised one, and almost one in five migrants (20,6%) worked in worse conditions.

Diagram 3. Distribution of migrants by deception forms



⁶ Source: Analytical report “Labour migration and the risks of migration in Republic of Moldova” (draft).

Exploitation is characteristic for the largest number of migrants. There are different forms of exploitation and a wide range of issues, but exploitation in the form of lack of social protection has a big incidence. Almost nine out of ten migrants (85,5%) are employees who work without a contract, and have no medical or social insurance.

The following forms of exploitation have a significant impact: delayed remuneration and lower salary (41,6% migrants), violation of labour laws of the host country by employer (39,8%) or excessive working hours or days (32,9%).

Table 4. Forms of exploitation

Lack of social protection (contract, social and health insurance, etc.)	85,5%
Low salary or delayed remuneration	41,6%
Violation of labour laws of the host country by employer	39,8%
Excessive working hours or days	32,9%
Work performed in risk conditions (lack of protection)	10,8%
High/unexpected deductions	6,9%
Poor work conditions	4,9%
Poor living conditions	1,3%

The phenomenon of **forced labour and coercion** through violence is manifested through two basic forms. Most of the migrants are forced/constrained by retaining earnings (15,1% migrants), and forced to provide labour services, which the migrant doesn't want to provide (13,6%). Threat is applied to a significant number of migrants, whether violence (4,5%) or denunciation to the authorities (3,6%) and 3,1% were isolated, restrictions were applied.

Table 5. Forms of compulsion/coercion

Salary retention	15,1%
Forced to provide unwilling services	13,6%
Violence threat	4,5%
Denunciation to the authorities threat	3,6%
Isolation, restrictions, pursuance	3,1%
Documents confiscation	2,0%
Debt dependence	2,0%
Application of violence	1,4%
Dependence on employer	1,3%
Forced to do illegal activities	0,6%
Threat to apply violence to family members	0,0%

c) Fair treatment in employment

We have the following information regarding women situation on labour market: a) employed women as share of total employment; b) share of women in total employees; c) gender employment rate gap; d) share of women in part-time employees; e) gender segregation by occupations.

Source of data: *Labour Force Survey* in households.

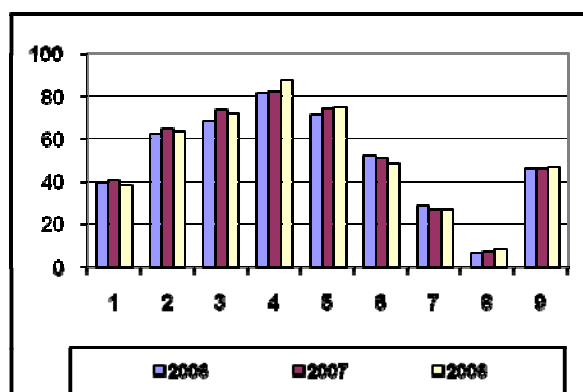
Women have the following situation on labour market. The share of women in total employment, as well as in paid employment is practically equal to that of men. At the same time, female employees have a higher share than men in non-agricultural activities (during 2006-2008 - 54-55%). There is a slight increase for female share among part-time employees (from 51,1% in 2006 up to 53,5% in 2008). Gender employment rate gap registered during the same period of time -1,9 p.p. and -2,9 p.p.

Table 6. Female share of employment

	2006	2007	2008
Employed women as share of total employment (15-64 years), %	50,0	50,3	49,9
Share of women in total employees (15-64 years), %	51,5	52,5	52,1
Gender employment rate gap (15-64 years), percentage points	-2,9	-1,9	-2,7
Share of women in part-time employees (15-64 years), %	51,1	52,7	53,5

The analysis of the distribution by occupations (ISCO-88) reveals that men predominate in the major groups 1, 7 and 8 (shares covered between 60% and 90%). Women predominate in the major groups 2, 3, 4 and 5 (also shares covered between 60 and 90%). There are no notable differences between women and men in the major groups 6 and 9 (shares of about 50%).

Diagram 4. Gender segregation by occupations: major groups (ISCO 88)



2. Income and benefits from employment

a) Income from employment

We have data regarding the following: “monthly earnings of employees” (not “weekly”), “share of employees with below 2/3 of median monthly earnings” (not hourly); share of employees paid at below minimum wage; and distribution of wages by quintile.

Sources of data in the field of income from employment:

- *Labour Force Survey* in households;
- Monthly/annual statistical survey in enterprises on *Number and Earning of Employees*.

The quality of employment as related to the *income from employment* sub-dimension is rather poor in Moldova.

Although there are annual increases of 20-22% registered for the average monthly earnings, the level of such earnings is still too low to offer a decent living to employees and their families. There are discrepancies registered for the earnings level in public and private sectors (the level of wages in public sector represents 69% of the wages registered for private sector), as well as for the labour remuneration for men and women (women's salary constitute 70% of men's salary in non-agricultural activities).

In case of one in four employees, the earning level for 2008 was below 2/3 of the median monthly earnings. The indicator remains at the same level as the one registered during the previous years.

The number of employees with remuneration under the set level of minimum wage is extremely small in Moldova. Actually the size of the minimum wage has an insignificant value as related to the real needs (in 2008, the minimum wage was 400 MDL or 38,5 USD).

Table 7. Income from employment

	2006	2007	2008
<u>Average monthly</u> earnings of employees, MDL	1697	2065	2530
<u>Average monthly</u> earnings of employees, USD	129,2	170,2	243,5
Share of employed with below 2/3 of median <u>monthly</u> earnings, %	27,6	25,4	26,1
Share of employees paid at below minimum wage, %	0,0	0,6	0,2

The negative evolution of the inequality in earnings during the last years reveals a slight increase in the inequality level, thus the share of wages meant for the most inferior quintile decreased from 6,1% in 2006 down to 5,5% in 2008. At the same time, the share of wages meant for the most superior quintile has respectively increased from 41,5% up to 44,4%. The discrepancy between the first and the fifth quintiles is rather big (respectively 5,5% and 44,4%).

Table 8. Distribution of wages by quintile

quintile	2006	2007	2008
Total	100	100	100
Quintile 1	6,1	6,0	5,5
Quintile 2	11,2	11,4	10,7
Quintile 3	17,0	16,9	16,3
Quintile 4	24,2	23,7	23,2
Quintile 5	41,5	42,1	44,4

Relevant indicators for Moldova

In 2008, about one in five employed persons (18,5%) stated that she/he would like to change her/his situation at workplace due to the unsatisfactory level of remuneration (income-related inadequate employment⁷). The majority of such persons wish for a higher level of remuneration per hour. The share of these persons increased in total employment from 12,7% in 2006 up to 14,9% in 2008. The

⁷ According to the Resolution concerning the measurement of underemployment and inadequate employment situations, adopted by the 16th ICLS (October 1998).

rest are ready to work additional hours for a higher income. At the same time, the share of the last ones decreased from 5,1% in 2006 down to 3,6% in 2008.

Table 9. Income-related inadequate employment

	2006	2007	2008
Income-related inadequate employment as share of total employment, %	17,8	17,2	18,5
Wish to have a higher remuneration per hour, as share of total employment, %	12,7	13,9	14,9
Wish to work more hours for a higher income, as share of total employment, %	5,1	3,3	3,6

b) Non-wage pecuniary benefits

Unfortunately, currently we do not have the proposed indicators and other possible indicators for the “non-wage pecuniary benefits” sub-dimension.

Relevant indicators for Moldova

So as to be able to make the analysis of the situation on the labour market under this chapter, we can use the available indicators regarding: a) share of employees benefiting from paid annual leave in the previous year and b) share of employees benefiting from sick leave in the previous year.

Source of data: *Labour Force Survey* in households.

Thus, according to respondents’ statements, the share of employees benefiting from paid annual leave increased from 83,8% in 2006 up to 86,9% in 2008. There is, as well, an increase registered for the share of employees who are sure that they would obtain from employers a payment for the non-worked time when being sick or injured: from 84,7% in 2006 up to 87,2% in 2008.

Table 10. Non-wage pecuniary benefits

	2006	2007	2008
Share of employees benefits paid annual leave in the previous year, %	83,8	85,5	86,9
Share of employees benefits sick leave in the previous year, %	84,7	85,8	87,2

3. Working hours and balancing work and non-working life

a) Working hours

We have the following proposed indicators: a) average annual (actual) hours worked per person/employee; b) share of employed persons working 49 hrs and more per week (total); c) share of employed persons working less than 30 hours per week involuntarily.

We also have the following other possible indicators: a) share of employees working overtime (paid or unpaid); b) share of employed working more than one job; c) average weekly (actual) hours); d) distribution of hours by quintile.

Sources of data in the field of working hours:

- *Labour Force Survey* in households (actual hours worked during one week), and
- Monthly statistical survey in enterprises on *Number and earnings of employees* (actual hours worked during one month).

The situation on Moldova's labour market as related to the "working hours" sub-dimension is the following:

The average number of actually worked hours by a person in 2008, estimated based on LFS, accounted for 2028 hours. This indicator did not suffer substantial modifications during the last three years. On the other hand, the average number of worked hours for employees, calculated based on enterprises' survey, accounted last year for 1776,3 hours per person, that is 12,4 hours more than in 2007, but 2,3 hours less than in 2006.

The share of persons with a working duration of week of 49 hours and more accounted for 8,9% during the last year. This indicator registered a dropping rate over the previous years (10,3% in 2007 and 12,5% in 2006). The excessive working hours are registered more frequently among employers (16% of total employers), employees (9%), self-employed (8,4%). Men work more excessive hours as compared to women.

The share of employed persons working less than 30 hours per week in 2008 accounted for 17,8%, including involuntary cases - 5,3%. There was registered an increasing trend registered for these indicators over the last three years: 17,1%, and 4,9% respectively in 2006, and 17,4% and 5,0% in 2007. In the same time, enterprises survey shows that, during this year, 2% of employees were transferred on the administrative initiative to daily or weekly part-time work (as an effect of the economic crisis).

The share of persons who worked more than 40 hours per week in 2008 accounted for 28,9%, of which one third stated that they usually work more than 40 hours, and one in five persons stated that the wish to earn more was the main reason for working longer working hours. The indicator registered a drop as compared to the previous years: 30,9% in 2007 and 31,8% in 2006.

The share of persons with secondary activities is insignificant in Moldova, registering 2,6% in 2008, 3,0 % in 2007 and 3,3% in 2006.

The average duration of the working week was estimated in 2008 to be of 39 hours per employed person, being practically at the level registered during the previous years. We have the following situation per employee: 34 hours in 2008, 34 hours in 2007 and 34 hours in 2006.

Table 11. Working hours

	2006	2007	2008
Average annual (actual) hours worked per person, hrs	2028	1976	2028
Average annual (actual) hours worked per employee, hrs	1778,6	1763,9	1776,3
Share of employed persons working 49 hrs and more per week, %	12,5	10,3	8,9
Share of employed persons working less than 30 hours per week, total, %	17,1	17,4	17,8
of which involuntarily	4,9	5,0	5,3
Share of employees working overtime (paid or unpaid), %	31,8	30,9	28,9
Share of employed working more than one job, %	3,3	3,0	2,6
Average weekly (actual) hours, hrs	39	38	39
Average weekly (actual) hours for full-time employment, hrs	40	40	39
Average weekly (actual) hours for part-time employment, hrs	23	21	21

The distribution of the weekly working hours by quintiles reveals a rather small discrepancy: the most inferior quintile registering 9,8% of the total number of hours as compared to 28,4% in case of

the most superior quintile. During the last three years was registered a slight decrease for the inferior quintile.

Table 12. Distribution of hours by quintiles

quintiles	2006	2007	2008
Total, %	100	100	100
Quintile 1	10,2	10,2	9,8
Quintile 2	18,1	18,2	18,2
Quintile 3	21,6	21,7	21,8
Quintile 4	21,8	22,0	21,8
Quintile 5	28,3	28,0	28,4

Relevant indicators for Moldova

The number of *time-related underemployed*⁸ persons, meaning those persons who had a workplace, but worked in reality a lower number of hours within all activities during the period of reference than the set threshold (40 hours), wished to work additional hours and were available to start the work in the next two weeks accounted for 86,7 thousand, representing 6,9% of the total employed persons (in 2007 - 8,0, in 2006 - 8,4). The underemployment phenomenon is mainly spread in rural area - 73,9% of the total of underemployed persons, thus the share registered last year is still kept.

*The volume of time-related underemployment*⁸ accounted for 31,1 thousand full-time (daily) programs, which could have been worked and wished to be worked by the employed persons (in 2007 - 36 thousand, in 2006 - 34 thousand). The rate of the volume of time-related underemployment (the ratio between the volume of time-related underemployment and the potential time for work of employed persons) accounts for 2,5% (2,9% in 2007 and 2,7% in 2006).

Table 13. Time-related underemployment

	2006	2007	2008
Time-related underemployment as share of total employment, %	8,4	8,0	6,9
Volume of time-related underemployment, thousand programs (complete days)	34,0	36,0	31,1
Rate of the volume of time-related underemployment, %	2,7	2,9	2,5

b) Working time arrangements

We partially have the following proposed indicators: a) percentage of employed people /employees who usually work at night/evening; b) percentage of employed people/employees who usually work on weekend; c) share of employees with flexible work schedules.

Source of data: *Labour Force Survey* in households, ad-hoc module on *Work organization and working time arrangements* (2007).

⁸ According to the Resolution concerning the measurement of underemployment and inadequate employment situations, adopted by the 16th ICLS (1998).

The situation on Moldova's labour market as related to the "employment quality" sub-dimension is the following:

52% of total of employees have atypical jobs (work performed during evenings, night-time, on Saturdays and Sundays). One in two persons (46%) with an atypical job stated that such a job is convenient for his/her personal life. The possibility to work during evenings, night-time and in week-ends is mostly appreciated by the employees who set their work programs based on a mutual agreement with the employer.

The share of employees who usually work at night/evening accounted for 17,3%. Taking into account the persons who work at night/evening only sometimes, the value of this indicator reached the level of 29%. The work at night (in between 22 p.m. - 06 a.m.) and evening (in between 18 p.m.- 22 a.m.) is more characteristic for men than for women (19% as compared to 14% for the work in evenings and 12% as compared to 6% for the work at night). It is mainly the employees who have informal jobs and the young persons of 15-24 years old who work at night and in evenings.

In case of 28% of employees the work during week-ends is a habit. If we take into account also the persons who work in week-ends just sometimes, then the rate reaches the level of 49%. It is men who work frequently during week-ends (31% as compared to 25% of women). Most of employees work mostly on Saturdays (50%) and Sundays (35%) in such activities as trade and hotel services. It is namely the employees who have informal jobs who mostly work during these days.

The majority of employees (84%) have fixed hours for starting and finishing the working day. About 16% of employees have flexible/variable work program, of which 8,9% have variable start and end of the working day for an interval of 1-2 hours, with nevertheless fixed total number of hours of the working day. Almost 5% of employees have the possibility to set their working program based on individual agreements with the employer.

Table 14. Working time arrangements

	2007	Including	
		women	men
Percentage of employees who usually work at night/evening, %	17,3	15,1	19,8
Percentage of employees who usually work on weekend, %	28,0	25,4	31,0
Share of employees with flexible/variable work schedules, %	16,0	13,5	19,5

c) Balancing work and non-working life

We have the following indicators for the respective chapter: a) ratio of employment rate for women with children under compulsory school age to the employment rate of all women aged 20-49; b) share of people receiving maternity/paternity/family leave benefits; c) ratio of the employment rate for single women with children under compulsory school age to the employment rate of married women aged 20-49.

Sources of data:

- *Labour Force Survey* in households;
- Administrative source, National House of Social Insurance.

In 2008 the ratio of the employment rate of women of 20-49 years old with at least one child of pre-school age (under 6 years old) to the employment rate of women of 20-49 years accounted for 0,79, keeping the level of the previous age (in 2007 - 0,78).

The ratio of the employment rate for single women with children under compulsory school age to the employment rate of married women aged 20-49 in 2008 accounted for 0,61.

The share of persons receiving monthly maternity/paternity benefits for (under 3 years old) child care in the total number of persons who took child care leaves for under 3 years old children increased from 38,5% in 2006 up to 41,7% in 2008.

Table 15. Balancing work and non-working life

	2007	2008
Employment rate of women aged 20-49, %	53,0	52,4
Employment rate of women aged 20-49 with children under compulsory school age, %	41,4	41,4
Employment rate of women aged 20-49 without children under compulsory school age, %	56,8	56,1
Ratio of employment rate for women aged 20-49 with children under compulsory school age to the employment rate of all women aged 20-49	0,78	0,79
Ratio of the employment rate for single women with children under compulsory school age to the employment rate of married women aged 20-49	...	0,61
Share of people receiving maternity/paternity/family leave benefits	39,6	41,7

4. Security of employment and social protection

a) Security of employment

We have partial data for the following proposed indicators: a) percentage of employees 25 years of age and older with temporary jobs; b) percentage of employees 25 years of age and older with job tenure (< 1 yr).

We have, as well, partial data for the other possible indicators: a) transition from temporary jobs into other labour status; b) percentage of employed who are unincorporated self-employed.

Source of data in the field of security of employment: *Labour Force Survey* in households.

The situation on Moldova's labour market as related to the "security employment" sub-dimension is the following:

The majority of employees are employed based on individual work contracts. This indicator registered an increase during the last three years: 87,7% in 2006, 88,5% in 2007 and 89,6% in 2008. As well, the majority of employees work based on work contracts (verbal agreements) concluded for undetermined period of time (94%).

Over the years, there was also registered a dropping trend for the share of employees employed for a determined period of time. This indicator dropped from 7,1% in 2006 down to 5,5% in 2008 for the age group of 25 years old and over. The majority of persons among the employees with determined work contracts are persons employed for one year or less. The share of such persons among the temporary workers is increasing: from 70,6% in 2006 up to 87,4% in 2008.

The analyzed situation of persons (employees) with temporary jobs has developed over the year in the following way: 2 persons of 5 continue to have temporary jobs (39,2%), or obtained a permanent jobs (38,9%); 6,7% got employed in self-employment activities; 0,5% obtained the unemployment status and 14,7% became economically inactive.

About one third of employed persons are unincorporated self-employed.

Table 16. Security of employment

	2006	2007	2008
Percentage of employees 25 years of age and older with temporary jobs, %	7,1	6,4	5,5
Of which, percentage of employees with job tenure (< 1 year)	70,6	71,2	87,4
Transition from temporary jobs into other labour status (%):			
Temporary jobs	...	100	39,2
Employees with permanent jobs	38,9
Own account workers	6,7
Unemployed persons	0,5
Inactive persons			14,7
Percentage of employed who are unincorporated self-employed, as share of total employment, %	32,9	33,3	32,0
Percentage of employees employed on the basis of working contract, %	87,7	88,5	89,6

b) Social protection

We have the following indicators for the given sub-dimension: a) share of employees covered by unemployment insurance; b) public social security expenditure as share of GDP; c) share of economically active population contributing to a pension fund. In case of other possible indicators, we have the following: average monthly unemployment insurance payment as a share of average monthly wage.

Sources of data in the field of social protection:

- Labour Force Survey in households;
- National Accounts;
- Administrative source, National House of Social Insurance;
- Administrative source, National Employment Agency.

In line with the legislation in force, all persons who work must to be insured under the public social insurance system, and insurance in case of employment is part of it. Taking into consideration the informal employment phenomena, according to LFS data, 92,2% of respondents consider that the employer pays for them all the compulsory social insurance contributions, thus we can consider that these persons are insured in case of unemployment⁹. The value of the indicator registered a slight decrease from 92,9% in 2006 down to 92,2% in 2008.

During the last three years there was registered a trend to increase the public social security expenditures as share of GDP: 11,5% in 2006 and 12,6% in 2008.

The share of the economically active population who contribute to the social insurance system (including pension fund) has increased significantly over the last years: 79,8% in 2006 and 90,2% in 2007. Women contribute more than men to the social insurance budget.

⁹ Situation analogical to the insurance for work accidents and professional diseases.

Table 17. Social protection

	2006	2007	2008
Share of employees covered by unemployment insurance, %	92,9	92,6	92,2
Public social security expenditure as share of GDP, %	11,5	12,3	12,6
Share of economically active population contributing to social insurance system (including pension fund)	79,8	90,2	...
Average monthly unemployment insurance payment as a share of average monthly wage, %	28,0	26,5	26,0

In spite of the fact that the unemployment allowance increased in 2008 with 40% as compared to 2006, and with 20% as compared to 2007, it still continues to be less than 30% of the average wage in economy (26% in 2008). The average level of unemployment allowance represents currently half of the average costs necessary for vital needs. At the same time, the share of persons who actually received the unemployment assistance accounts for about 10% of the total number of registered unemployed persons. Thus, it is obvious, that this allocation does not ensure significant financial support to unemployed persons.

Table 18. Trends registered for unemployment allowances, wages in national economy, and subsistence minimum (average values in MDL)

	Unemployment allowance	Average wage	Subsistence minimum	Minimum wage
2006	474,79	1697	935,1	200
2007	548,08	2065	1099,4	400
2008	658,6	2530	1368,1	400

Relevant indicators for Moldova

Informal employment phenomenon is a specific feature for labour market. According to the national definition¹⁰, a person is considered to be informally employed in case when he/she does not benefit from social protection or other rights in compliance with labour legislation. Although there is a decreasing trend registered for this indicator over the last years, the share of persons informally employed remains to be rather high – one in three employed persons (35,1% in 2006, 33,6% in 2007 and 31,1% in 2008). Informal employment is characteristic for self-employment (69% of total informal employment), private sector (99,7% of total informal employment), agriculture (63% of total informal employment). When excluding the agricultural activities, informal employment would cover 16,6% of the total employment in non-agricultural activities.

Employees represent about one third (31%) of the total informal employment, at the same time 14,2% of the total employees had an informal job.

One in ten persons is employed in informal sector (10,9%). Without agriculture, this indicator gets down to 6,6%.

¹⁰ According to the Guidelines concerning the statistical definition of informal employment, adopted by the 17th ICLS (2003).

Table 19. Informal employment and employment in the informal sector

	2006	2007	2008
Informal employment as share of total employment, %	35,1	33,6	31,1
Informal employees as share of total employees, %	17,8	15,9	14,2
Employment in the informal sector as share of total employment, %	10,0	10,4	10,9

5. Social dialogue

Unfortunately, currently we do not have the proposed indicators and other possible indicators for the “social dialogue” sub-dimension.

There are no official statistic and no administrative data regarding the work collective contracts. At the same time, respondents are asked within the Labour Force Survey if they are members or not of trade-unions. The share of such people in the total number of employed persons develops according to the following: 27,8% in 2006, 26,9% in 2007 and 25,4% in 2008.

There are no official statistics/administrative data regarding strikes either. Labour legislation regulates employees’ right to strike so as to defend their professional interests or social and economic nature. At the same time, according to the law, certain categories of workers cannot participate in strikes (employees from telecommunication system, water and energy supply systems, employees for air traffic ruling services, public servants, etc.). The classifier of units, sectors, and services the employees from which cannot take part in strikes (according to the law) is approved by the Government after consulting the employer’s organisations and trade-unions.

6. Skills development and life-long learning

We have the following indicators for the given dimension: a) share of employed persons in high skilled occupations; b) share of employees who received job training within the last 12 months; c) share of employed who have more education than is normally required in their occupation; d) share of employed who have less education than is normally required in their occupation.

Under the other possible indicators, we have partial data for “share of employed persons by level of education” (but we cannot disaggregate this indicator down to sub-groups level).

Sources of data in the field of social protection:

- *Labour Force Survey* in households;
- Annually survey in enterprises on *Vocational training*.

The situation on Moldova’s labour market as related to the given dimension is the following:

The share of persons employed in high skilled occupations (ISCO, 1-3, age 25-64) keeps the same level of 30% over several years. One in two persons out of the mentioned 30% has intellectual or scientific occupations (group 2).

In line with the statistics obtained from enterprises, one in ten employees benefited during the previous year from job professional training. The share of such persons in the total number of employees covered by the survey¹¹ is increasing (from 8,1% in 2006 up to 10,2 % in 2008).

One in six persons considers that the job he/she holds does not correspond to his/her field of education (17,2%). This share kept the same level during the last years. The majority of this people ($\frac{3}{4}$) have a higher education level than the one required for their occupation (13,3% of total employment) and one fourth have a lower education level than the one required for their occupation (3,9% of total employment). At the same time, the main reason for 8,4% of persons willing to change the situation at their workplaces is the wish to use adequately their skills/qualifications (6,8% in 2006 and 7,9% in 2007). The inadequate employment as related to qualification¹² registered 2% last year.

The structure of employed population by education level did not suffer any modification over the time. Almost one in two persons has upper secondary education (46,6%), one in five persons has higher education (20,7%), one in six persons has general secondary education/college (16,8%), or lower secondary education (15,5%).

Table 20. Skills development and life-long learning

	2006	2007	2008
Share of employed persons in high skilled occupations (ISCO 1-3, age 25-64), %	30,8	29,1	29,6
Share of employees who received job training within the last 12 months, %	8,1	9,4	10,2
Share of employed who have more education than is normally required in their occupation (age 15-64), %	13,6	13,6	13,3
Share of employed who have less education than is normally required in their occupation (age 15-64), %	2,9	3,3	3,9
Share of employed persons by Level of Education, %:			
Pre-primary	0,0	0,1	0,1
Primary	1,0	0,7	0,5
Lower secondary education	16,2	15,8	15,5
Upper secondary education	44,5	46,1	46,6
General secondary education (college)	17,3	17,3	16,8
Higher education	21,0	20,1	20,7
Persons on skill-related inadequate employment as a percentage of the employed, %	1,6	1,8	2,0

7. Workplace relationships and intrinsic nature of work

Currently we do not have the given proposed indicators. We consider it important to develop in future the respective statistics in Moldova.

¹¹ The survey covers about $\frac{3}{4}$ of the total number of employees and half of the total number of population employed in national economy.

¹² According to the Resolution concerning the measurement of underemployment and inadequate employment situations, adopted by the 16th ICLS (1998).

Conclusions

The given report represents an attempt to assess the situation on the labour market as related to quality of employment, using for this purpose the indicators developed by Task Force, which are currently available for Moldova. This exercise allowed us to make an inventory of the existing statistics regarding the Quality of Employment statistical framework, to undertake a first analysis of the indicators as related to their need and relevance for Moldova. When analyzing the relevance, it is very important to consult the persons who are responsible for the development, evaluation and monitoring of labour force policies.

The report is actually more like a fact-finding study of the situation based on different dimensions. At the same time, we can provide some findings based on quality of employment indicators' analysis.

The situation on the labour market regarding the quality of employment is not a favourable one in Moldova. More active and adequate measures are needed for some dimensions/sub-dimensions so as to improve the quality of employment: first of all, regarding the *income from employment; working time arrangements, social protection (informal employment phenomenon)*, etc.

At the same time, certain positive trends (of indicators' improvement) are shaped for some sub-dimensions, although the evolution of these trends over the period of last three years is very slow. These would be: *safety at work, fair treatment in employment* (as related to women's situation), *working hours* (time-related underemployment), and *skills development*.

So as to have a more comprehensive analysis in future, the indicators should be disaggregated by sex, age group, area, etc. It is necessary, as well, to implement in practice the missing indicators, and of course to develop and use, as widely as possible, the data from the administrative sources.

When talking about labour market policies in Moldova, we should formulate well-defined objectives for improving the quality of employment in the first dimensions/sub-dimensions, and gradually to tend to obtain performance in such dimensions as workplace relationship and intrinsic nature of work.

Annex: Statistical Measurement of Forced Labour

Background

Labour migration represents one of the main socio-economic problems in the Republic of Moldova, being a consequence of poverty and, at the same time, a key strategy to cope with. The phenomenon of labour migration has a direct impact on national labour market. Therefore the management of the labour migration impact on labour market is one of the Priority Directions of the National Employment Strategy for 2007 – 2015. The National Bureau of Statistics (NBS) has an important role in monitoring and evaluating labour market policies.

In this context, NBS has initiated and launched a household survey on Labour Migration, as a complementary module to the existing Labour Force Survey.

At the same time, as result of the “Technical consultation on forced labour indicators, data collection and national estimates”, held during December 13-14, 2006, in Geneva by the ILO, as well as based on the activity of the EC Project “Elimination of Trafficking in Human Beings in Moldova and Ukraine through labour market based measures¹³”, the Republic of Moldova has been selected, together with other 6 states, as a country where the ILO will test the methodology for collecting data on the proportion, particularly of the irregular migration.

Taking into consideration the fact that labour migration of Moldavian citizens in the majority of cases is occurring in irregular conditions, it was considered to incorporate in the survey some aspects related to forced labour of migrant workers.

According to ILO expert’s suggestions, we have added supplementary questions in the *Labour Migration* questionnaire, which would allow estimating some aspects of forced labour. (The objective was to include a set of questions related to the conditions of work of labour migrants so as to derive estimates on forced labour and trafficking among labour migrants).

Proposed methodology¹⁴

According to the ILO/SAP-FL¹⁵ methodology, forced labour and trafficking are estimated using a combination of the following three elements: deception, exploitation, and coercion. Exposure to the risk of deception, exploitation or coercion is determined by a complex of factors and the individual characteristics of migrants and of the history of emigration.

Deception concept

Deception represents the cases when a person was forced to work, to provide services that were not part of the initial agreements, and to which a person didn’t originally agree. This concept also includes aspects of life and living conditions which were not agreed with the migrant by employer or any other person who mediated the departure and employment abroad. The difference between the situation/conditions promised by the employer/mediator at the time of recruitment and the real

¹³ The project “Elimination of human trafficking from Moldova and Ukraine through labour market based measures”, was financed by the European Commission through the AENEAS programme and the Government of Ireland and implemented by the International Labour Organisation and ICMPD, Vienna.

¹⁴ Source: Analytical report “Labour migration and the risks of migration in Republic of Moldova” (draft).

¹⁵ Special Action Programme to Combat Forced Labour.

situation of the migrant will be used as a landmark feature in giving meaning to the concept of deception.

To calculate the incidence in this case, seven items concerning three aspects were included: salary amount and deductions from it, living and employment conditions (including the type of work), and the owner/employer.

Element	The question from the questionnaire through which the element is determined	The coefficient assigned in case the conditions are met
1.Deceived about conditions of work	1.1. Working conditions were worse	2
2.Deceived about housing and living conditions	2.1. Other accommodation conditions than the ones promised by the employer	2
3.Deceived about the nature of the job, location or employer	3.1. The type of work/job was different from the one promised	4
	3.2. Location of workplace was different	
	3.3. Another employer than the one promised	
4.Deceived about wages/earnings	4.1. Unforeseen or higher deductions from the salary	2
	4.2. Salary was lower	

Concept of exploitation

According to the definition used in this study, exploitation is characterized by an excessive amount of work, poor remuneration, poor working conditions and a high level of violence. In fact, to characterize exploitation some basic indicators expressing decent work were used.

Element	The question from the questionnaire through which the element is determined	The coefficient assigned in case the conditions are met
1.Bad living conditions	1.1. Forced to accept accommodation from a third party	2
2.Excessive working days or hours	2.1. Weekly rest day(s)?	2
	2.2. Excessive working hours/days	
	2.3. Forced to work hours/days of excessive paid work	
3.Hazardous work	3.1. Hazardous work without protection	2
4.Low or no salary	4.1. Payment for overtime work?	2
	4.2. Lower salaries than the ones paid to natives	
	4.3. Forced to work hours/days of excessive unpaid work	
5.No respect of labour laws or	5.1. Long-term/permanent employee without written	2

contract signed	contract	2
	5.2. Delayed payment	
6.No social protection (contract, social insurance, etc.)	6.1. Health insurance?	2
	6.2. Paid sick leave?	
	6.3. Contributions to pension fund?	
	6.4. Compensation for work accidents?	
	6.5. Unemployment insurance?	
	6.6. Paid annual leave?	
6.7. Refusal of sick leave		
7.Very bad working conditions	7.1. Violence from employer/colleagues/customers/clients	2
8.Wage manipulation	8.1. Unforeseen or higher deductions from the salary	2

Concept of coercion / coercion through threat

As definition, the concept of coercion / coercion through threat includes all the procedures applied by the employer or recruiter to require someone to work contrary to the will of the victim or to prevent the departure from the working place.

The methods applied in this case may be both, physical and psychological. Also this concept includes salary retention, as a way to prevent the employee to leave working place, when the salary is necessary to ensure this leave.

Element	The question from the questionnaire through which the element is determined	The coefficient assigned in case the conditions are met
1.Forced into illicit/criminal activities	1.1. Forced to commit illegal activities	2
2.Forced tasks or clients	2.1. Forced to accept a job he/she did not wanted	2
	2.2. Forced to fulfil tasks he/she did not wanted	
	2.3. Forced to provide sexual services	
	2.4. Forced to move away from one employer to another one without consent	
	2.5. Placed in this job without own consent	
3.Confiscation of documents	3.1. ID documents (travel tickets) confiscated	4
4.Debt bondage	4.1. Loan or advance was imposed or falsified	4
	4.2. Unforeseen debts to be paid back to other persons	
5.Isolation, confinement or surveillance	5.1. Limitation of the freedom to move and communicate	4
6.Threat of denunciation to authorities	6.1. Threats of deportation/denunciation to authorities	2
7.Threats of violence against victim	7.1. Threats against	2

8. Violence on family (threats or effective)	8.1. Threats against to family	2
9. Violence on victims	9.1. Physical/sexual violence	2
10. Withholding of wages	10.1. Forced to stay at the working place for a longer period of time, waiting for the salary to be paid	2
	10.2. Salary withheld/Non payment of wages	
11. Dependency on exploiters	11.1. Forced to accept	2

According to the applied treatment model, each element of the forced labour components (deception, exploitation and coercion) is assigned points, and the amount of the obtained points served as basis for distributing the migrants in the group of “success” migrants (migrants that were not deceived, were not exploited or forced) and the group of migrants with “forced labour” experience. The level 4 of the indicator was taken as baseline for distributing the migrants depending on the obtained scores. If a migrant obtained a coefficient lower than 4, he/she was considered to be a “success” migrant, but if a migrant obtained a score over 4 points, he/she was treated as a person exposed to *deception* or *exploitation* or *coercion*.