

## A COMPARATIVE ANALYSIS OF THE LABOUR MARKET BEHAVIOR IN THE EUROPEAN UNION AND THE REPUBLIC OF MOLDOVA

**BÎRCĂ ALIC**

ASSOCIATE PROF., PHD

THE ACADEMY OF ECONOMIC STUDIES OF MOLDOVA, REPUBLIC OF MOLDOVA

e-mail: [alibir@yahoo.com](mailto:alibir@yahoo.com)

### Abstract

*This paper is dedicated to the analysis of the the labor market in the European Union compared with the Republic of Moldova. Therefore, the author presents the characteristics of a number of labor market indicators such as the employment rate, the rate of participation in training programs, the share of inactive people, the unemployment rate etc. These indicators are calculated both at EU level and each member state level. They are also calculated for different categories of people: citizens of the country concerned; citizens of EU member countries, with the exception of the country concerned; citizens of the non-EU countries etc. In the endeavor of joining the European Union, this work presents several indicators which describe the development of the labor market. The analysis has found that the indicators that characterize the labor market in the Republic of Moldova are lower than those registered in the European Union. . Although it is difficult to make a comparison between the inactive population in the Republic of Moldova and the EU, as it targets different age groups, we can see that its share is much higher than that recorded in the EU countries. In 2014, excluding people at the retirement age, the inactive population aged 15 years and more is close to the active population with the same age.*

**Keywords:** labor market; flexicurity; employment; unemployment rate; lifelong learning.

**JEL Classification:** F15, F16, J62, J64.

### 1. Introduction

Given the development of a knowledge-based society, the goal of the European Union is to make the European economy become the most competitive and dynamic, capable of sustainable growth with more and better jobs and greater social cohesion. To achieve this goal, organizations must continuously improve their competitiveness in labor market conditions, adapt quickly to changes in the economic, social, informational fields and to the modernization of the working process based on highly skilled labor. This will eventually lead to the efficient use of professional, highly skilled HR. Unfortunately, this strategic objective was delayed and the global crisis to hit Europe in 2008 had its impact. In this regard, we can witness some downward trends in the indicators that characterize the labor market. The economic crisis of 2008 made the member states become more cautious in terms of the employment policies of the workforce. Thus, we can see an increase in the share of employees with fixed-term employment contracts. Most EU countries have taken various measures to strengthen and expand passive and active policies in the labor market, aiming to support employment during crisis.

Nevertheless, the EU remains a main attraction and progress area for the Republic of Moldova, the Ukraine and Georgia. Aspirations and economic arguments in favor of integration and eventually the accession of the Republic of Moldova to EU values are proven in the works of several local researchers [1], [5]. Thanks to the policies pursued by the EU institutions, the European labor market is an attraction, but also an aspiration for a large number of the local labor force.

### 2. An overview of the labour market

Generally, the *labour market* represents the economic area where labour force users (capital holders) deal freely as buyers and owners of labour resources, as sellers, where, by the help of the labour price mechanism, free competition between economic agents and other specific mechanisms, the labour demand and supply are adjusted. While it is considered a secondary market, the labour market has implications at both macro and micro economic levels.

Currently, the concept flexicurity is being promoted in the European labor market. Initiated and developed by the Danish Prime Minister Rasmussen P.N., flexicurity is a synergy between the employers' needs concerning flexibility and employees' needs regarding job security. Once the implementation of the Lisbon Strategy and the 2020 Strategy, flexicurity has become a key element of European policy on employment. The implementation of flexicurity on the European labor market supposes the consideration of four essential components: flexible and reliable contracts;

lifelong learning strategies; active and efficient policies in the labor field; modern social security systems [4]. The implementation of such elements by the member states must take place progressively, starting from the real situation of each member state.

Regarding the vocational training policy in the labor market, the EU supports and complements the actions of member states, while fully respecting their responsibility for the content and organization of vocational training.

To have a clear picture of the situation and labor market development, it is necessary to apply a certain number of indicators. According to the International Labor Organization, at country level there can be used 18 key indicators to characterize the labor market [18]. In our research, we will refer only to some of those recommended by the ILO and namely: employment rate, temporary workers, the inactive population, the participation rate of the population in lifelong learning, and the unemployment rate.

### 3. The analysis of the employment rate in the EU

Therefore, an important indicator that characterizes the labor market is the *employment rate*, which is calculated as the ratio between the employed population and the total of the same age. *Table 1* shows the employment rate of the population aged 20-64 in EU for different categories of people: citizens of the country concerned; citizens of EU countries except citizens of the country concerned; citizens of non-EU countries.

**Table no. 1. Employment rate of the population aged 20-64 for different categories in the EU during 2009-2014**

No.	Countries	2009			2014		
		Employment rate, % (Citizens of the country concerned)	Employment rate, % (citizens of EU member states except citizens the country concerned)	Employment rate, % (citizens of non-EU countries)	Employment rate, % (citizens of the country concerned)	Employment rate, % (citizens of EU member states except citizens the country concerned)	Employment rate, % (citizens of non-EU countries)
1.	EU – 28	69.5	69.3	59,0	69.8	72.0	56.5
2.	Austria	76.6	69.9	60.9	75.6	75.2	56.2
3.	Belgium	69.4	61.3	40.9	68.6	65.7	40.5
4.	Bulgaria	68.9	:	46.0	65.1	:	56.5
5.	Czech Republic	71.0	64.9	71.9	73.5	74.2	78.6
6.	Cyprus	76.0	73.6	69.5	66.7	67.0	77.5
7.	Croatia	62.2	67.6	39.8	59.3	:	37.1
8.	Denmark	78.5	78.3	61.0	77.1	77.0	56.2
9.	Estonia	70.2	77.4	64.5	75.7	81.4	66.7
10.	Finland	73.8	75.8	55.5	73.6	73.4	50.0
11.	France	70.9	65.9	48.0	70.9	69.6	48.3
12.	Germany	76.2	:	54.7	79.2	76.1	57.7
13.	Greece	65.3	66.0	72.4	53.3	54.2	54.1
14.	Ireland	67.3	67.4	59.6	67.5	69.2	54.7
15.	Italy	61.2	67.4	67.1	59.6	65.6	60.6
16.	Latvia	67.5	49.5	58.8	72.0	78.9	62.6
17.	Lithuania	67.1	:	57.2	71.8	:	72.9
18.	Luxemburg	68.6	73.9	57.7	69.8	76.2	57.0
19.	Malta	58.9	54.5	59.5	66.5	59.9	65.4
20.	Great Britain	74.7	78.1	63.0	76.6	80.6	62.6
21.	the Netherlands	80.6	75.3	56.0	76.8	75.3	50.6
22.	Poland	65.0	36.2	64.3	66.5	81.6	65.4
23.	Portugal	70.9	76.8	71.4	67.7	64.6	64.3
24.	Romania	63.5	:	64.9	65.9	:	:
25.	Slovakia	66.4	58.8	:	65.0	80.3	:
26.	Slovenia	67.8	80.6	57.1	68.1	60.3	58.1
27.	Spain	64.3	64.7	59.6	60.6	58.6	51.8
28.	Sweden	81.2	74.5	49.9	81.5	76.8	51.5
29.	Hungary	60.4	68.4	64.2	66.7	74.2	72.6

Source: Developed by the author based on statistics of the European Union [16].

From the information presented in Table 1 we can notice that over the period of 2009-2014, the employment rate in the EU-28 increased by 0.3 p.p. - for citizens of the country concerned and by 2.7 p.p. - for citizens of EU member countries, but for non-EU citizens the employment rate fell by almost 2.5 p.p. in that period.

For citizens of the country concerned, the employment rate increased or remained the same in most of the EU member states. In some countries, on the contrary, the employment rate decreased for the citizens of the country concerned. This regards primarily those countries that were most seriously hit by the economic crisis. For example, the employment rate for the citizens of the country concerned decreased by 3.8 p.p. - in Bulgaria, 2.9 p.p. - in Croatia, 12.0 p.p. - in Greece, 1.6 p.p. - in Italy, 3.8 p.p. - in the Netherlands, 3.9 p.p. - in Portugal and 3.7 p.p. - in Spain. In 2014, the highest rate of employment of citizens in the country concerned was in Sweden - 81.5%, while the lowest was recorded in Greece - 53.3%.

Regarding the employment rate for citizens of EU countries, except citizens of the concerned country, it increased in most countries in the surveyed period. The most significant increases were recorded in Austria - 5.3 p.p., Estonia - 4.0 p.p., France - 3.7 p.p., Lithuania - 30.4 p.p., Malta - 4.5 p.p., Poland - 45.4 p.p. and Slovakia - 21.5 p.p. Therefore in some countries, the employment rate for the same category of people declined by 6.6 p.p. - Cyprus, 1.3 p.p. - Denmark, 2.4 p.p. - Finland, 1.8 p.p. - Italy, 12.2 p.p. - Portugal, 20.3 p.p. - Slovenia and 6.1 p.p. - Spain. It should be noted that in 2014, the employment rate for citizens of EU countries exceeded the employment rate of the citizens in the concerned country: Czech Republic - 0.7 p.p., Estonia - 5.7 p.p., Ireland - 1.7 p.p. Italy - 6.0 p.p., Luxembourg - 6.4 p.p., United Kingdom - 4.0 p.p., Poland - 15.1 p.p., Slovakia - 15.3 p.p. and Hungary - 7.5 p.p.

The third category of the EU population includes citizens from outside the EU. In most of the EU countries, the employment rate of non- EU citizens is lower compared with those recorded for both nationals and citizens of EU member countries. In some countries - Lithuania and Malta - the employment rate of non- EU citizens exceeds the rate of employment of citizens of EU member states, except citizens of the concerned country, while in other countries - the Czech Republic and Cyprus - it even exceeds the employment rate of the citizens in the country concerned. Similarly, we have found that Belgium and Croatia have the lowest employment rate for non- EU citizens, being up to 40%, which is much lower than the employment rate for the citizens of the country concerned.

In conclusion, we can state that the employment rate varies from one country to another, as it depends on the retirement age in each country, and from one category of population to another. As for Belgium and Croatia where the employment rate for citizens of non-EU countries is very low, we can conclude that these countries aim to protect the domestic labour force through the policies that they promote nationally. For the Czech Republic and Cyprus, where the employment rate of non-EU citizens is higher than that of the nationals, it can be inferred that either those states are facing a shortage of domestic labour, or the organizations from those countries employ foreign labour force, offering a lower salary than the one offered to the citizens of their country.

#### 4. The evolution of temporary employees

Out of the overall number of the working population, *employees* have the highest share in the structure. Although a quantitative analysis of the number of employees in the EU-28 would be irrelevant, we have aimed to make a qualitative assessment, which is the share of temporary employees in the overall number of employees (*Table 2*).

According to *Table 2*, in the EU-28, the share of temporary employees (citizens of the country concerned) in the overall number of employees of the same category increased from 11.8% in 2009 to 12.6% in 2014. As for the share of temporary employees (citizens of EU member countries, excluding the country concerned), in the overall number of employees concerned, it remained stable in the surveyed period. At the same time, there was an increase by 1.3 p.p. of the share of temporary employees (citizens of non-EU countries) in the total number of employees from the same category in 2014 compared to 2009. It should be noticed that if in some countries like Romania, Lithuania, Latvia, Estonia, the share of temporary employees (citizens of the country concerned) in the total number of employees of the same category did not exceed 5% in 2014, then in other countries like Poland and Spain, their share was over 20%.

In 2014, the share of temporary employees (citizens of non-EU countries) in the total number of employees for the same category was above 80% in Cyprus, more than one third was in Spain, Portugal and Poland, and in countries such as Slovenia and France their share exceeded 25%. The fact that the share of temporary employees (citizens of EU member countries and of non-EU countries) exceeded the total employees for the same category was determined by two factors. Firstly, most foreign nationals had been emigrating over a certain period, i.e. the individual employment contract was concluded for a fixed period. Secondly, it can be looked at as a caution measure of the countries concerned, in order to avoid additional financial costs that they would have to bear as unemployment allowances and other social payments, when employing for an unlimited period.

Table no. 2. Share of temporary employees in the overall employees aged 20-64 for different categories in the EU during 2009-2014

No.	Countries	2009			2014		
		The share of temporary employees in the total number employees, % (citizens of the country concerned)	The share of temporary employees in the total number employees, % (citizens of EU member states except citizens of the country concerned)	The share of temporary employees in the total number of employees, % (citizens of non-EU countries)	The share of temporary employees in the total number employees, % (citizens of the country concerned)	The share of temporary employees in the total number employees, % (citizens of EU member states except citizens of the country concerned)	The share of temporary employees in the total number employees, % (citizens of non-EU countries)
1.	UE – 28	11.8	15.9	19.6	12.6	15.9	20.9
2.	Austria	5.1	8.6	6.1	5.7	9.1	9.3
3.	Belgium	6.8	9.6	16.1	7.2	13.4	24.4
4.	Bulgaria	4.5	:	:	5.1	:	:
5.	The Czech Republic	7.2	10.8	13.1	9.4	11.1	12.3
6.	Cyprus	8.3	7.5	48.2	11.5	14.3	80.7
7.	Croatia	10.8	9.2	13.4	16.4	;	;
8.	Denmark	7.2	10.3	12.6	7.4	10.5	10.7
9.	Estonia	2.2	:	2.3	2.5	:	5.1
10.	Finland	13.2	15.6	19.1	13.9	18.7	24.9
11.	France	12.7	12.2	16.8	14.2	16.2	28.7
12.	Germany	11.7	:	:	10.6	15.7	18.9
13.	Greece	10.5	21.7	18.8	10.7	20.5	18.2
14.	Ireland	7.4	9.1	11.7	8.5	6.2	14.1
15.	Italy	11.8	16.6	12.6	13.1	19.1	14.0
16.	Latvia	4.3	:	3.6	3.2	:	3.1
17.	Lithuania	2.2	:	:	2.6	:	:
18.	Luxemburg	6.3	5.8	10.4	7.0	7.3	12.2
19.	Malta	3.9	:	8.4	7.0	:	8.9
20.	Great Britain	4.4	7.9	8.9	5.2	9.2	11.1
21.	the Netherlands	14.0	18.4	22.0	17.6	23.0	34.2
22.	Poland	25.7	:	52.4	27.9	:	44.8
23.	Portugal	20.2	25.0	34.0	20.5	39.1	36.6
24.	Romania	1.0	:	:	1.5	:	:
25.	Slovakia	4.1	:	:	8.6	:	:
26.	Slovenia	15.5	10.4	11.9	15.6	:	29.5
27.	Spain	21.5	38.1	40.4	22.2	33.6	38.7
28.	Sweden	12.0	11.7	21.8	14.1	20.5	41.6
29.	Hungary	8.3	9.6	:	10.6	;	:

Source: Developed by the author based on statistics of the European Union [16].

## 5. The participation of the population in learning programs

Another important aspect concerning the labour market refers to lifelong learning. The concept of lifelong learning is essential for the competitiveness of the knowledge-based economy and includes both active and inactive population. Lifelong learning is designed to provide citizens with tools for personal development, social integration, participation in the knowledge-based economy and the opportunity to remain active in the labour market.

*The development of lifelong learning strategies is a priority, having as main incentives the fact that we live in a knowledge-based society and economy, where access to state-of-art information and knowledge along with motivation*

and ability to wisely use the resources have become significant elements in stimulating the labour market supply, competitiveness and social inclusion. EU implications on the European policies in education were and are geared towards identifying ways to address these challenges. Some EU member states have made more progress in this area, others are barely at the beginning of implementing such a strategy. This finding is proven by the information presented in Table 3, which reflects the participation rate for persons aged 25-64 in learning programs over 2009-2014. The reason for selecting this aged group of 25-64 was to show how many people in this category are prone to follow learning programs. It should also be noted that Table 3 does not include employees who participated in training or professional development programs offered by organizations where they work.

Table 3 shows that the participation rate of the population aged 25-64 in learning programs has been growing in the EU. Compared to 2009, the participation rate of the working population in lifelong learning increased approximately by 1.5 p.p. until 2014, while of the inactive population by 0.9 p.p. Lifelong learning is a priority for Nordic countries - Denmark, Sweden and Finland. In 2014, the participation rate of the population in lifelong learning in these countries was 31.7%, respectively- 28.9% and 25.1%. At the other end are Romania, Bulgaria and Croatia, with a participation rate of the population in lifelong learning by just 1.5%, - 1.8% and 2.5%. In this area, France made an important leap. While in 2009, the participation rate of the population in lifelong learning was 5.7%, in 2014 it reached 18.6%.

**Table no. 3. The participation rate for persons aged 25-64 in learning programs during 2009-2014**

No.	Countries	2009			2014		
		Total population, %	Active population, %	Inactive population, %	Total population, %	Active population, %	Inactive population, %
1.	<b>UE - 28</b>	<b>9.3</b>	<b>9.9</b>	<b>7.1</b>	<b>10.7</b>	<b>11.4</b>	<b>8.0</b>
2.	Austria	13.8	14.9	9.5	14.2	15.1	11.1
3.	Belgium	6.8	7.4	5.1	7.1	7.4	6.2
4.	Bulgaria	1.4	1.2	2.0	1.8	1.4	2.9
5.	Czech Republic	6.8	7.5	4.0	9.3	10.4	4.7
6.	Cyprus	7.8	8.0	6.8	6.9	7.2	5.1
7.	Croatia	2.3	1.8	3.4	2.5	2.2	3.4
8.	Denmark	31.2	31.9	28.0	31.7	32.2	29.5
9.	Estonia	10.5	11.7	4.3	11.5	12.4	7.1
10.	Finland	22.1	23.6	16.1	25.1	26.5	19.4
11.	France	5.7	6.0	4.5	18.6	20.1	13.1
12.	Germany	7.8	7.7	7.9	7.9	7.6	9.2
13.	Greece	3.3	3.2	3.5	3.0	2.8	3.5
14.	Ireland	6.3	6.0	7.3	6.7	5.6	10.1
15.	Italy	6.0	5.9	6.2	8.0	8.4	7.3
16.	Latvia	5.4	5.7	3.6	5.5	5.8	4.1
17.	Lithuania	4.4	4.8	2.6	5.0	5.6	2.0
18.	Luxemburg	13.4	15.3	7.5	14.0	15.1	9.4
19.	Malta	6.1	7.7	3.6	7.1	8.6	3.9
20.	Great Britain	20.1	21.8	13.3	15.8	17.3	9.6
21.	the Netherlands	17.0	18.5	10.5	17.8	19.6	10.0
22.	Poland	4.7	5.5	2.6	4.0	4.5	2.3
23.	Portugal	6.5	6.0	8.7	9.6	10.0	7.8
24.	Romania	1.5	1.1	2.5	1.5	1.3	2.0
25.	Slovakia	2.8	2.7	2.8	3.0	3.0	2.9
26.	Slovenia	14.6	16.3	8.4	11.9	13.0	8.2
27.	Spain	10.6	11.0	9.2	9.8	10.3	7.7
28.	Sweden	22.2	22.0	23.2	28.9	29.1	27.7
29.	Hungary	2.7	2.5	3.4	3.2	3.3	2.9

**Source:** Developed by the author based on statistics of the European Union [16].

In terms of active population, people having a higher risk of losing employment are concerned, and the learning programs are intended to maintain them active on the labour market, which leads to the reduction of unemployment.

The inactive population is attracted in learning programs in order to further insert them in the labour market. We can observe an active policy in this respect promoted by the Nordic countries - Denmark, Finland and Sweden. In 2014, the share of inactive people involved in learning programs in the total inactive population aged 25-64 was 29.5% - in Denmark, 19.4% - in Finland and 27.7% - in Sweden.

## 6. The evolution of inactive population

One of the main objectives of the EU is to reduce the number of inactive population in the age group of 15- 64 as in the post crisis period the inactive population aged 15-64 increased in most EU countries. *Table 4* shows the development of the share of inactive population aged 16-64 in the total population of the same age.

**Table no. 5. Share of inactive population aged 15-64 in the total population of the same age over 2009-2014**

No.	Countries	2009			2014		
		The share of inactive population aged 15-64 in the total population of the same age, %	Share of inactive male population aged 15-64 in the total population of same gender and age, %	The share of inactive women aged 15-64 in the total population of same gender and age, %	The share of inactive population aged 15-64 in the total population of the same age, %	Share of inactive male population aged 15-64 in the total population of same gender and age, %	The share of inactive women aged 15-64 in the total population of same gender and age, %
1.	UE - 28	24.6	17.2	31.9	27.7	21.9	33.5
2.	Austria	21.8	16.0	27.5	24.6	20.0	29.2
3.	Belgium	27.3	20.8	33.8	32.3	27.6	37.0
4.	Bulgaria	26.3	20.9	31.6	31.0	27.1	35.0
5.	Czech Republic	24.2	15.0	33.5	26.5	18.8	34.4
6.	Cyprus	20.4	12.5	27.7	25.7	20.0	30.9
7.	Croatia	32.5	26.4	38.4	33.9	29.1	38.7
8.	Denmark	18.0	14.3	21.8	21.9	18.9	25.0
9.	Estonia	19.3	15.0	23.3	24.8	20.7	28.7
10.	Finland	20.6	18.7	22.5	24.6	23.2	26.1
11.	France	23.9	19.0	28.7	28.7	24.7	32.6
12.	Germany	19.6	13.4	25.9	22.3	17.5	27.1
13.	Greece	27.4	15.5	39.4	32.6	24.0	41.0
14.	Ireland	24.2	15.4	33.1	30.2	22.9	37.4
15.	Italy	33.3	21.1	45.4	36.1	26.4	45.6
16.	Latvia	19.4	15.8	22.7	25.4	22.2	28.4
17.	Lithuania	22.4	19.6	25.0	26.3	24.0	28.4
18.	Luxemburg	26.0	17.6	34.7	29.2	22.8	35.8
19.	Malta	37.3	17.9	57.2	33.7	20.1	47.9
20.	Great Britain	20.9	13.8	27.9	23.3	17.8	28.7
21.	the Netherlands	18.7	12.5	25.0	20.7	15.4	26.0
22.	Poland	29.4	21.4	37.0	32.1	25.4	38.9
23.	Portugal	21.1	15.9	26.2	26.8	23.3	30.0
24.	Romania	32.0	23.6	40.3	34.3	25.7	43.1
25.	Slovakia	24.9	16.1	33.5	29.7	22.4	37.1
26.	Slovenia	23.7	19.7	27.9	29.1	25.7	32.7
27.	Spain	22.8	14.6	31.1	25.8	20.5	31.2
28.	Sweden	15.5	12.4	18.8	18.5	16.4	20.7
29.	Hungary	32.9	25.5	39.9	33.0	26.6	39.3

*Source:* Developed by the author based on statistics of the European Union [16].

Analysing the share of inactive population aged 15-64 in the total population of the same age over 2009-2014, we have noticed that it tended to increase in EU-28, and at the level of each member country. This observation is both for the male and female population of the same age. It should also be mentioned that the share of inactive population in the total population of the same age in more developed EU countries such as Sweden, Denmark, the Netherlands and Germany was much lower compared to that of the lower developed countries and of those countries which were more severely affected by the economic crisis of 2008 (Italy, Croatia, Poland, Greece and Ireland).

## 7. The evolution of unemployment

The unemployment rate is another important indicator of the labour market and describes the level of economic development of a country. Looking at the unemployment rate in the EC, we have noticed that this varies from country to country depending on the difference in periods and the level of development of each country (*Table 6*).

**Table no. 6. The unemployment rate in terms of the education of the population aged 15-64 in the EU countries over 2009-2014**

No.	Countries	2009				2014			
		Total	Inclusive of			Total	Inclusive of		
Primary and secondary education	Vocational education and college		University degree (bachelor, master and doctorate)	Primary and secondary education	Vocational education and college		University degree (bachelor, master and doctorate)		
1.	UE - 28	8.6	14.0	8.1	5.0	10.3	18.9	9.4	6.1
2.	Austria	4.5	9.4	4.1	2.3	5.7	11.8	5.1	4.0
3.	Belgium	7.7	13.2	7.8	4.5	8.6	16.4	8.8	4.7
4.	Bulgaria	6.6	15.2	5.9	2.9	11.5	28.6	10.7	5.2
5.	Czech Republic	6.5	23.3	6.0	2.5	6.2	22.4	6.1	2.9
6.	Cyprus	5.4	6.4	5.5	4.6	16.4	20.3	18.4	13.0
7.	Croatia	8.6	9.9	9.4	5.3	17.5	26.4	18.8	9.6
8.	Denmark	5.5	7.9	5.5	3.7	6.8	10.5	5.9	4.7
9.	Estonia	13.3	26.2	15.7	6.3	7.5	13.8	8.4	5.0
10.	Finland	7.4	11.2	9.0	4.1	8.8	18.0	9.5	5.1
11.	France	8.7	13.5	8.4	5.5	9.9	16.3	10.3	6.3
12.	Germany	7.7	16.9	7.7	3.4	5.1	12.0	4.7	2.5
13.	Greece	9.4	9.4	10.7	7.4	26.7	28.7	30.3	20.1
14.	Ireland	11.7	16.9	13.1	7.2	11.5	20.4	13.7	6.6
15.	Italy	7.5	9.1	7.0	5.6	12.9	17.0	12.0	8.0
16.	Latvia	17.3	30.0	18.9	8.1	11.1	24.5	11.9	5.7
17.	Lithuania	13.7	29.2	16.3	6.1	10.9	30.7	13.7	4.3
18.	Luxemburg	4.9	7.2	4.2	4.2	5.9	10.2	6.3	4.0
19.	Malta	5.9	7.7	4.7	2.4	5.9	9.3	3.7	2.6
20.	Great Britain	6.6	11.0	6.8	4.0	6.3	11.8	7.0	3.2
21.	The Netherlands	3.0	4.5	3.0	2.1	6.9	11.3	6.9	3.7
22.	Poland	8.1	15.2	8.5	4.4	9.1	19.7	10.2	4.7
23.	Portugal	9.8	10.6	9.4	6.5	14.5	16.2	15.3	10.1
24.	Romania	6.7	8.0	6.8	4.4	7.1	7.7	7.2	5.9
25.	Slovakia	11.7	40.1	11.2	4.3	13.2	41.4	12.6	6.4
26.	Slovenia	5.8	9.0	6.3	3.2	9.9	16.4	10.5	6.3
27.	Spain	17.2	23.4	16.4	9.7	24.6	34.0	24.2	14.8
28.	Sweden	7.3	12.3	7.4	4.6	8.1	20.0	7.1	4.4
29.	Hungary	9.9	22.6	9.2	4.0	7.8	18.6	7.4	3.2

*Source:* Developed by the author based on statistics of the European Union [16].

The information presented in *Table 6* shows that the unemployment rate in EU rose from 8.6% in 2009 to 10.3% in 2014. The economic crisis of 2008 affected the economy of most EU countries, some succeeding to overcome its negative effects faster, others on the contrary, experienced and are still facing serious economic problems, a fact which led directly to the growth of the unemployment rate. Thus, in 2014 the unemployment rate reached 26.7% - in Greece, 24.6% - in Spain, 17.5% - in Croatia and 16.4% - in Cyprus. Also in 2014, the lowest unemployment rate was recorded in Germany - 5.1%, Austria - 5.7%, Luxembourg and Malta - by 5.9%. In 2014, the highest unemployment rate in terms of education was among people with primary and secondary education. Among this category of persons, the highest unemployment rate was recorded in Slovakia – 41.4%, Spain - 34.0%, Lithuania - 30.7%, Greece - 28.7% and Bulgaria - 28.6 %.

Similarly, in some EU member states, we have seen very serious differences in the unemployment rate between people with primary and secondary education and those with higher education. In the Czech Republic, the unemployment rate among people with primary and secondary education was 22.4%, while among people with higher education it was only 2.9% in 2014. Such differences were also noticed in Germany, UK, Finland, Latvia, Lithuania etc. This proves once again that people with higher education manage to find a job faster compared to those with primary or secondary education.

In 2013, people who were looking for a job in one of the EU countries used several methods. The following are the methods and countries whose the unemployed mostly used in search for a job:

- **addressing the employer directly:** Greece - 89.8%, Slovenia - 85.3%, Austria - 79.2%, Czech Republic - 78.8%, Spain - 78.5%, and so on;
- **addressing a public employment company:** Croatia - 88.5%, Lithuania - 86.4%, Czech Republic - 84.5%, Slovakia - 80.5%, Germany - 79.4%, and so on.;
- **contacting private recruitment agencies:** Netherlands - 44.7%, Portugal - 44.2%, Belgium - 41.7%, Luxembourg - 36.1%, and so on.;
- **networking:** Greece - 94.1%, Slovenia - 92.9%, Hungary - 90.8%, Czech Republic - 90.0%, Croatia - 89.7%, and so on;
- **advertising (job ads):** Slovenia - 75.9%, Denmark - 70.8%, Great Britain - 63.7%, Germany - 58.8%, Austria - 52.9%, France - 50.6% and so on.

The maintenance of the employment of the active population is a priority for any state. Therefore, each country develops and applies its own policies to facilitate employment for persons who, at a certain time, are outside the labour market.

Any action or policy implemented in the labour market implies certain financial resources the country concerned must bear. As to GDP, the financial resources allocated for policies and actions promoted in the labour market in 2012, constituted in Denmark - 3.68%, Belgium - 2.89%, the Netherlands - 2.87%, Finland - 2.44 %, Czech Republic - 0.5%, Latvia - 0.48%, 0.29% Romania etc. [16].

Given that unemployment in the EU reached maximum levels in some countries (Spain, Greece, Ireland, etc.), the European Commission presented a range of measures to boost the creation of new jobs. The EC also identified the areas with the greatest potential to create new jobs for the future, and namely: the green economy, health services and ICT. In this context, the former president of EC J.M. Barroso mentioned: "Europe needs a strategy to create jobs in response to unacceptable rates of unemployment it is facing. EU has an enormous unused potential in terms of encouraging the market in this direction. Altogether, these sectors of the green economy, health services and new technologies will generate 20 million new jobs in the coming years. Member states should take advantage of these opportunities, mobilize existing resources and stimulate domestic labour market closely together with their social partners" [7].

## 8. Analysis of the labour market indicators in the Republic of Moldova

The labour market in the Republic of Moldova is still developing, far from being considered a mature one. To make a comparison with the situation in EU, *Table 7* presents the main indicators characteristic of the labour market in the Republic of Moldova.

Considering the indicators presented in *Table 7* and comparing them with those in EU countries, we have found that the activity and employment rate are below those recorded in the EU states. Although it is difficult to make a comparison between the inactive population in the Republic of Moldova and the EU, as it targets different age groups, we can see that its share is much higher than that recorded in the EU countries. In 2014, excluding people at the retirement age, the inactive population aged 15 years and more is close to the active population with the same age. This can be explained by the fact that a relatively large number of the population is in the process of studying or a significant number of the population in this age group is unable to work.



**Table no. 7. The main indicators characteristic of the labour market in the Republic of Moldova during 2009-2014**

No.	Indicators	2009	2013	2014
1.	Average annual number of population, thousands persons	3565.6	3558.57	3555.2
2.	The active population aged 15 and over, thousands persons	1265.3	1235.8	1232.4
3.	The activity rate, %	42.8	41.4	41.2
4.	Employed population, thousands persons	1184.4	1172.8	1184.9
5.	Employment rate, %	40.0	39.3	39.6
6.	The number of unemployed according to the ILO, thousands persons	81.0	63.1	47.5
7.	Unemployment rate, %	6.4	5.1	3.9
8.	The inactive population aged 15 years and over, thousands persons	1693.1	1751.2	1756.1

*Source:* Prepared by the author based on the National Bureau of Statistics [17].

At the same time, we have stated that the unemployment rate in the Republic of Moldova is lower than that recorded in developed EU countries. The unemployment rate is low in the Republic of Moldova because a large part of the active population without a job does not apply to the local labour offices to register as unemployed. As for salaries, they are much lower compared to those in the EU countries.

## 9. Conclusions

The European labour market is quite large, accommodating labour force belonging to different ethnics and cultures. Each EU member country, through the policies it promotes on the labour market, firstly, tries to protect its own citizens. Thus, in most cases, the employment rate in that country for people aged between 20 and 64 is higher than the employment rate for citizens of the same age from EU member countries and those from non-European countries. The employees are the main category of the employed population. As a precaution, and also to avoid redundancies, organizations from EU member countries have been increasingly applying employment contracts for specified periods of time, which has led to an increase in the share of temporary employees in the total number of employees.

Unemployment in the EU varies from country to country. Countries that were more affected by the economic crisis of 2008 showed a significant increase in unemployment in the coming years. We can also see that in all EU countries, the highest unemployment rate is recorded among persons with primary or secondary education. This forced the EU to adopt the strategy of lifelong learning, which aims to maintain on the labour market those people who are exposed to greater risks of losing their jobs.

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