

Employment Trends and Particularities in the Republic of Moldova and the European Union

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Abstract

This scientific work addresses the behavioural aspects of employment in the Republic of Moldova. The structural character of employment has a significant impact on the labour market competitiveness. The major changes that have occurred in society, as a result of labour intellectualization, have also generated substantial changes in the structure of employment, both in the Republic of Moldova and worldwide. Consequently, many people with a low level professional training have become vulnerable in the labour market, and a large number has even lost their jobs. At the same time, in the Republic of Moldova, the employment structure by activity fields or by education level proves that it is not appropriate to the current development situation of the society. This has made the labour market from the Republic of Moldova vulnerable, compared to the European labour market. As a result, the international labour migration in the Republic of Moldova has significantly increased which has made the local labour market more vulnerable and less attractive to foreign investors.

Starting from the above mentioned facts, we are aiming at making an analysis of the structural employment of the labour force in the Republic of Moldova, in order to outline the possible problems and risks which the labour market is to face, if the current situation persists in the future. In this scientific work in order to obtain conclusive results, statistical and comparative analysis as research methods will be applied.

Keywords: *labour force, employment, labour market, European labour market, field of activity, structural employment.*

JEL classification: F15, F16, J62, J64.

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1. Introduction

Employment is one of the most important issues facing society today. However, the level, structure and efficiency of employment reflect the macroeconomic performance and the ability of the economy to capitalize on human resources at national level. The lack of concerns as regards employment can have negative effects both economically and socially.

In recent years, there has been noticed an obvious economic change, by switching from the industrial to the service economy. As a result, this has led to a shift in the working population in general, and the employed persons, especially from the primary and secondary sectors to the service sector.

Respect for the human resources, in relation to the value they produce, must become a priority for the policies adopted in each country. The existence of the labour force that fails to survive, professionally, at a level imposed by the mutations that take place in a competitive economy is a major problem that concerned and concerns the Republic of Moldova. The issue of employment has become even hotter in the Republic of Moldova as a result of a fairly low employment rate compared to the EU member states.

In order to develop a competitive economy and ensure a high life quality, a high employment level is required for all categories of people. The new requirements imposed by competitive economy have created some categories of people, especially those with a low vocational training level, to self-exclude themselves from the labour market. Under these circumstances, state intervention, by implementing active labour market measures that would keep the workforce in the professional environment becomes a major one.

The fast technological development is creating certain uncertainties as to the future of employment. Taking into account the degree technology influences industry, the labour market might enter a period of major transformations. Given that the range of skills required by employers is rapidly changing, employees are constantly under the pressure of continuous learning and adapting to the technological revolution and emerging industries. The World Economic Forum in 2016 outlined the idea that changes in business models triggered by the Fourth Industrial Revolution will have a great impact on future employment patterns. This will be determined either by the emergence of new jobs that have not existed so far, or by an increase in labour productivity and professional skills. According to the WEF report, about 65% of children who are currently getting enrolled in their primary school classes will have completely new jobs at the end of their studies, based on specializations that do not currently exist.

Given the rapidly evolving labour market, it is difficult to anticipate the future structure of employment and to prepare the workforce for the skills required in the future.

Globalization, urbanization and the evolution of social structures accelerate the pace of change in the labour market and in the range of skills. Developing new

skills and competences to fully exploit the potential for economic recovery is a priority and a challenge for national public authorities.

2. The theoretical-conceptual framework of employment

The concept of employment is quite complex, fundamental to human nature, and the analysis of social employment policies cannot be made without really understanding its explanatory elements. There have been concerns about employment for a very long time, but a particular interest in employment has been noticed over the past two centuries, especially in the works of such economists as A. Smith, David Ricardo, John Stuart Mill and J.M. Keynes, focusing on full employment. This concept can be defined as a balance between labour supply and demand, implying the efficient employment of human resources in conditions of a natural rate of unemployment. This approach was abandoned at the beginning of the 8th decade of the 20th century, proving to be incompatible with the competitive spirit of the market economy.

Employment can be defined as the population between certain age limits, and performing both an economic and social activity. In the Republic of Moldova, the employed persons include people aged between:

- 15 and 57 women;
- 15 and 62, for men, who have a job that allows them to carry out an economic and social income-yielding activity.

Employment can be envisaged in a broad and narrow sense. Broadly speaking, this concept includes the central and local public administration, and corporate activities that have a direct impact on the processes of creating new attractive jobs. This concept includes both the macroeconomic policy in the field of employment and the sector policies related to state education, health, social protection, production facilities infrastructure, etc. In a narrow sense, employment reflects the specific actions that appear on the labour market due to permanent changes in the ratio between labour supply and demand.

The large-scale changes occurring globally, driven by the transition from the classical industrial society to the service society or the knowledge-based society, are generating changes in the working field and content. These changes are having a major impact on education and training systems, which in turn influence the level of employment at national level. In Manea's view, the traditional and new visions are based on two aspects:

- work and employment, or efficient activities, aim to create a better life for people. Wealth creation is closely related to this goal.
- efficient activities and work are intrinsically linked to human potential.

At microeconomic level, HR specialists are concerned with identifying the structural, organizational and managerial elements of the new working content. In addition, in the process of staff policy development and implementation at organizational level, human resources managers must take into account several aspects: increasing the share of personality factors; substantially changing the

relationship between physical and intellectual work, increasing the element of creativity in professional activity as a result of the intellectualisation of work, etc. All these have a direct impact at macroeconomic level, increasing or reducing the level of employment.

Aceleanu believes that a country's economic performance depends on the labour market response to crisis. Moreover, Aiginger, Horvath and Mahringer (2011) demonstrated that there is a direct interdependence between economic performance and the labour market performance. They conducted a research that highlights the link between output performance at national level, analysed by the help of several indicators such as real GDP growth, current account balance and labour market performance, analysing the employment and unemployment developments before and after the crisis.

3. Education-based employment

The level of society development, in general, and of technology, in particular, has a direct impact on employment. At the same time, the added value created by the workforce depends on its training level. The higher the training level of the labour force, the greater value it can bring for society. Moreover, taking into account that knowledge and information are changing at an increasing pace, continuous training of the workforce is necessary. The concept of lifelong learning is essential for the competitiveness of the knowledge-based economy in order to ensure a high employment level. Lifelong learning is intended to provide the active population with the 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 motivations the fact that we live in a knowledge-based society and economy in which access to state-of-the-art information and knowledge along with motivation and ability to wisely use resources, have become significant elements for stimulating labour market supply, competitiveness and social inclusion.

Analysing the structure of the employed persons according to studies in the Republic of Moldova, we can notice that it has registered a negative trend in the last years (Table 1).

From Table 1, we can see a slowdown in the share of employed persons with higher education in the total over 2011-2016. Although the number of employed people with higher education increased by almost 20 thousand people during the analysed period, their share in the total employed persons increased by only 0.7pp. At the same time, we have witnessed a decrease in the number of employed persons with specialised secondary education or college by about 30 thousand people. This may also be due to the reforms in education which are taking place in the Republic of Moldova.

It is worrying to see an increase in the number of people without any vocational education in the total of the working population. In this case, we refer to

employed persons with a high school degree or general secondary education and those having secondary and primary education. During the analysed period, the number of employed people with high school education and general secondary education grew by almost 8 thousand, while the persons with secondary and primary education increased by over 50 thousand people. In 2016, in the Republic of Moldova virtually every fifth person employed had only secondary education. This makes the labour market in the Republic of Moldova even more vulnerable, as it cannot ensure sustainable employment for these categories of people and the risk of becoming unemployed is much higher compared to the employed persons with vocational education.

Table 1. Employment by education level in the Republic of Moldova in 2011-2016

Nr	Education	2011		2013		2015		2016	
		Thousand people	%	Thousand people	%	Thousand people	%	Thousand people	%
1.	TOTAL	1173,5	100	1172,8	100	1203,6	100	1219,5	100
2	Higher education	278,3	23,7	297,9	25,4	294,0	24,4	297,4	24,4
3.	Specialized secondary education, college	193,6	16,5	172,1	14,7	170,6	14,2	163,8	13,4
4.	Secondary vocational education	270,5	23,1	260,4	22,2	268,1	22,3	268,5	22,0
5.	High school education, general secondary education	233,2	19,9	225,5	19,2	239,1	19,9	241,0	19,8
6.	Secondary and primary education	197,9	16,8	216,9	18,5	231,8	19,2	248,8	20,4

Source: Developed by authors based on data from the National Bureau o Statistics.

At the same time, we have found that at the level of the European Union the employed persons with secondary education is decreasing. In 2016, the share of the employed persons with secondary education was 17.6% (Figure 1).

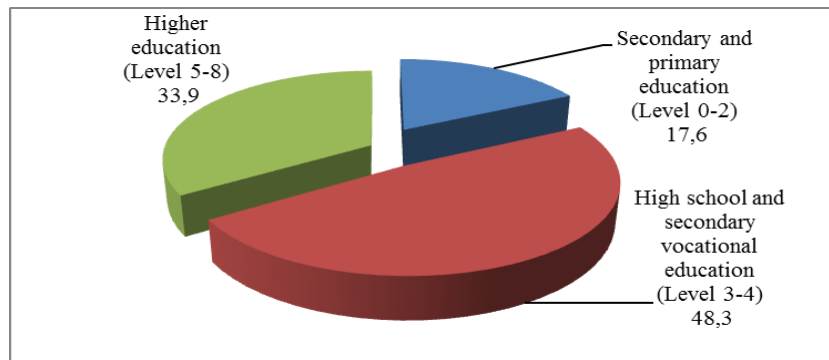


Figure 1. Structure of employed persons by education level in the EU, in 2016 (%)

Source: Developed by the authors.

From Figure 1, we can point out that the share of the employed persons with general secondary and secondary vocational education is almost 50% of the total employed persons in the European Union, which in 2016 was 218 949,9 thousand persons. A broader analysis of the evolution and structure of the employed persons by education level in the EU is presented in Table 2. The studies presented in Table 2 were grouped into three categories according to the International Standard Classification of Education (ISCED).

Table 2. Evolution of employment according to education level in the EU Member States 2010-2016 (%)

Countries	Primary and secondary education (Level 0-2)		High school and secondary vocational education (Level 3-4)		Higher education (Level 5-8)	
	2010	2016	2010	2016	2010	2016
EU – 28	21,5	17,6	49,2	48,3	29	33,9
Austria	15,8	12,9	64,7	53,1	19,4	34
Belgium	20,5	16,3	38,9	39,9	40,6	43,8
Bulgaria	12,5	10,2	60,2	57,4	27,3	32,4
Czech Republic	4,9	4,1	77,0	72,1	18,1	23,8
Cyprus	22,2	16,1	39,2	37,8	38,6	46,1
Croatia	15,6	9,9	62,4	62,1	22,0	28,0
Denmark	24,7	20,1	41,9	42,4	31,2	34,4
Estonia	7,8	9,7	53,8	50,6	38,4	39,7
Finland	14,3	10,4	46,8	46,5	39,0	43,1
France	22,6	15,1	44,5	44,9	32,8	39,8
Germany	13,4	12,4	58,9	58,7	27,6	28,7
Greece	32,2	22,8	39,8	41,9	27,9	35,3
Ireland	18,3	13,2	36,4	37,4	42,2	46,1
Italy	35,4	31,2	47,1	47,6	17,5	21,2
Latvia	9,1	7,7	59,9	55,1	31,0	37
Lithuania	4,2	3,4	55,9	52,1	39,9	44,4
Luxemburg	18,6	16,2	40,1	31,4	37,4	41,5

Countries	Primary and secondary education (Level 0-2)		High school and secondary vocational education (Level 3-4)		Higher education (Level 5-8)	
	2010	2016	2010	2016	2010	2016
Malta	50,4	42,0	28,7	32,4	20,9	25,5
Great Britain	17,6	15,9	44,2	40,5	37,2	43,4
the Netherlands	25,1	21,3	42,4	41,9	31,9	35,7
Poland	7,2	5,2	65,6	61,2	27,2	33,6
Portugal	63,4	46,2	19,0	26,9	17,6	26,9
Romania	22,5	18,7	61,1	60,2	16,5	21,1
Slovakia	3,9	4,4	76,1	72,2	20,0	23,5
Slovenia	12,5	8,5	61,0	56,9	26,5	34,6
Spain	39,0	33,9	23,9	24,0	37,1	42,1
Sweden	15,9	12,6	50,3	46,6	33,6	40,7
Hungary	11,3	12,0	64,6	61,9	24,1	26,1

Source: Developed by the authors based on the European Union statistics (EUROSTAT).

According to Table 2, in most EU Member States, the share of the employed persons with primary and secondary education, with few exceptions, decreased during 2010-2016. Making a comparison between the Republic of Moldova and the Baltic States - Estonia, Latvia and Lithuania - countries that until 1990 were part of the same system, we have found that the share of the employed persons with primary and secondary education from the Republic of Moldova, in the total employed persons, is 2 times higher than in Estonia, almost 3 times higher than in Latvia and 6 times higher than in Lithuania.

Regarding the employed persons with higher education, we can see that its share in the total employed persons increased in all EU countries during the analysed period, which is a natural phenomenon when we take into account the process of work intellectualization that is taking place in the society. The highest increase is seen in such countries as Sweden, Austria, Greece, Poland, Portugal and Slovenia. In 2016, a lower share of the employed persons with higher education in the total employed persons, compared to the Republic of Moldova, was registered in the following countries: The Czech Republic, Italy, Romania and Slovakia.

The structure of employed persons depends on the level of sector development in the national economy. In the countries having a high industrial development level, the share of the employed persons with vocational secondary education in the total employed persons is higher.

4. Employment according to professional status

The employed are classified according to their professional status according to the International Classification of Professional Status (ICSE-93). Professional status represents the position held by an employed person, depending on the way of income earning through the activity performed, namely: employees; employers, self-employed persons and unpaid family persons.

The employees represent the highest share, out of the total employed persons, in relation to the other types of labour force. Figure 2 presents the structure of the employed persons according to professional status in the Republic of Moldova.



Figure 2. Structure of the employed persons by professional status in the Republic of Moldova

Source: Developed by the authors based on information from the National Bureau of Statistics.

Figure 2 shows that the largest share of the employed persons in the Republic of Moldova is registered among employees, followed by the self-employed. Although employees make up the largest share, they also represent a sign of concern, as between 2011 and 2016 it fell by more than 7 per cent, from 70.6% to 63.0%. Compared to the EU Member States, the share of employees in the total employed persons is much lower, therefore the Republic of Moldova, in the process of assertion to the European Union, has to recover from a significant fall. The information presented in Table 3 serves as evidence.

Table 3. The share of the employees in the total employed persons in the EU and the Republic of Moldova over 2009-2016

Countries	2009			2016		
	Employed persons	Total employees	The share of employees in total employed persons	Employed persons	Total employees	The share of employees in total employed persons
EU – 28	214 981,3	180 978,3	84,2	218 949,9	186 128,0	85,0
Austria	3 909,3	3 420,8	87,5	4 142,7	3 656,5	88,3
Belgium	4 389,4	3 759,6	85,7	4 540,6	3 894,8	85,8
Bulgaria	3 204,8	2 815,6	87,9	2 954,3	2 617,1	88,6
Czech Republic	4 857,2	4 058,5	83,6	5 015,9	4 180,0	83,3
Cyprus	371,0	304,5	82,1	358,7	312,2	87,0
Croatia	1 708,2	1 386,4	81,2	1 566,6	1 362,7	87,0
Denmark	2 724,1	2 480,1	91,0	2 747,7	2 521,2	91,8

Countries	2009			2016		
	Employed persons	Total employees	The share of employees in total employed persons	Employed persons	Total employees	The share of employees in total employed persons
Estonia	573,5	525,6	91,6	612,3	553,7	90,4
Finland	2 423,3	2 110,0	87,1	2 379,5	2 076,1	87,2
France	25 544,5	22 795,7	89,2	26 242,7	23 255,1	88,6
Germany	37 807,8	33 675,4	89,1	40 255,6	36 401,4	90,4
Greece	4 469,2	2 935,5	65,7	3 610,3	2 409,4	66,7
Ireland	1 917,0	1 601,6	83,5	1 953,4	1 656,2	84,8
Italy	22 324,2	16 957,9	76,0	22 241,1	17 183,3	77,3
Latvia	876,8	778,7	88,8	862,3	753,4	87,4
Lithuania	1 289,7	1 137,8	88,2	1 317,7	1 159,5	88,0
Luxemburg	214,8	197,7	92,0	259,4	233,2	89,9
Malta	157,9	136,4	86,4	188,1	163,3	86,8
Great Britain	28 318,6	24 572,5	86,8	30 436,5	26 010,2	85,5
the Netherlands	8 443,4	7 360,6	87,2	8 223,4	6 910,0	84,0
Poland	15 629,5	12 180,4	77,9	15 901,8	12 680,9	79,7
Portugal	4 644,9	3 739,7	80,5	4 371,2	3 739,5	85,5
Romania	8 804,7	6 206,2	70,5	8 166,1	6 181,5	75,7
Slovakia	2 356,6	1 988,3	84,4	2 471,7	2 093,4	84,7
Slovenia	954,8	819,2	85,8	902,5	781,6	86,6
Spain	18 957,5	15 814,6	83,4	18 182,7	15 160,9	83,4
Sweden	4 391,4	3 963,0	90,2	4 735,6	4 318,5	91,2
Hungary	3 717,3	3 255,9	87,6	4 309,4	3 862,1	89,6
Republic of Moldova*	1 184,4	836,6*	70,6	1 219,5	768,3*	63,0
Republic of Moldova**	1184,4	633,6**	53,5	1219,5	717,1**	58,8

* Number of employees according to the Labour Force Survey.

** Number of employees according to Business Statistical Reports.

Source: Developed by the authors based on the European Union statistics (EUROSTAT) and the National Bureau of Statistics from the Republic of Moldova.

Table 3 shows that in most EU countries the share of employees in the total employed persons exceeds 80%, except Greece, Romania and Italy. Similarly, we can observe that, in 2009, in most EU countries, the share of employees in the total employed persons increased. The same situation is noticeable in the case of the Republic of Moldova. According to the Labour Force Survey, the share of employees in the total employed persons was 70.6% in 2009. If in 2009 the share of employees in the total employed persons in the Republic of Moldova was at the same level as in Romania, and even exceeded that registered in Greece, in 2016, it was the lowest compared to the EU Member States. If to analyse the Business Statistics Reports, the share of employees is even lower in the total employed persons. Therefore, we can conclude that a part of the employees works informally without signing an individual employment contract with the employer in order to avoid the income tax payment, and social and medical insurance contributions.

According to share, the self-employed persons in the Republic of Moldova represent the second category in the total employed persons. Between 2011 and 2016, their share in the total employed persons increased by over 6 pp., from 25.6% to 31.8% (Figure 3). Unpaid family persons represent the third category,

according to the share, in the total employed persons. Thus, in this case, we are witnessing an increase in their share over the analysed period. Compared to 2016, the share of unpaid family persons in the total employed persons increased by 1.5 pp. (Figure 3). We have found that in the Republic of Moldova entrepreneurs represent the labour force category with the lowest share in the total employed persons. Over the analysed period, it remained almost unchanged and differs greatly from what is happening in EU member countries (Table 4).

Comparing the share of self-employed persons in the total employed persons in the Republic of Moldova to that registered in EU Member States we have found that it is much higher. In the Republic of Moldova, it is over 3 times higher than that registered in the European Union. Within the European Union, Greece is the country with the largest share of self-employed persons in the total employed persons. In 2016, it accounted for 22.2%, almost 10.0 pp. lower than that in the Republic of Moldova. The share of self-employed in the total employed persons is more than twice as high as that in Ireland, Romania and Poland, more than three times higher than in Belgium, Cyprus, Italy and Portugal, over six times higher compared with those registered in Estonia, Germany, Luxembourg, Sweden and Hungary, or more than 7 times higher than in Denmark.

The same situation is characteristic of unpaid family persons. Analysing their share in the total employed persons, we can see that it is growing. Compared to 2011, the share of unpaid family persons in the total employed persons increased by 1.5p. p in 2016, from 3.1% to 4.6%. Similar to the self-employed persons, the share of unpaid family persons in the Republic of Moldova in the total employed persons is the highest, except Romania, where, in 2016, it was 7.8%. In EU Member States, in 2016, it was less than 1%, except Greece, Croatia, Italy, Poland and Slovenia.

Table 4. Structure of employed persons by professional status in EU Member States in 2016

Countries	Employees, thousand people	Share of employees in the total employed persons, %	Self-employed persons, thousand people	The share of self-employed persons in the total employed persons, %	Entrepreneurs, thousand people	The share of entrepreneurs in the total employed persons, %	Family workers, thousand people	The share of family workers in the total employed persons, %
EU – 28	186 128,0	85,0	21 881,8	10,0	8 741,6	4,0	2 125,7	1,0
Austria	3 656,5	88,3	263,0	6,3	185,4	4,5	37,7	0,9
Belgium	3 894,8	85,8	428,2	9,4	185,6	4,1	32,0	0,7
Bulgaria	2 617,1	88,6	216,8	7,3	103,0	3,5	17,4	0,6
Czech Republic	4 180,0	83,3	659,7	13,2	151,2	3,0	24,8	0,5
Cyprus	312,2	87,0	37,2	10,4	6,1	1,7	3,1	0,9
Croatia	1 362,7	87,0	104,2	6,7	80,4	5,1	19,2	1,2
Denmark	2 521,2	91,8	120,4	4,4	89,9	3,3	16,1	0,6

Countries	Employees, thousand people	Share of employees in the total employed persons, %	Self-employed persons, thousand people	The share of self-employed persons in the total employed persons, %	Entrepreneurs, thousand people	The share of entrepreneurs in the total employed persons, %	Family workers, thousand people	The share of family workers in the total employed persons, %
Estonia	553,7	90,4	33,8	5,5	24,3	4,0	:	:
Finland	2 076,1	87,2	202,9	8,5	92,7	3,9	7,8	0,3
France	23 255,1	88,6	1 798,3	6,9	1 092,0	4,2	96,1	0,4
Germany	36 401,4	90,4	2 061,2	5,1	1 680,9	4,2	112,2	0,3
Greece	2 409,4	66,7	801,6	22,2	262,0	7,3	137,4	3,8
Ireland	1 656,2	84,8	3 419,9	15,4	85,9	4,4	12,6	0,6
Italy	17 183,3	77,3	198,7	10,2	1 354,4	6,1	283,6	1,3
Latvia	753,4	87,4	66,7	7,7	35,2	4,1	7,0	0,8
Lithuania	1 159,5	88,0	116,4	8,8	30,5	2,3	11,2	0,
Luxemburg	233,2	89,9	13,4	5,2	10,0	3,9	2,1	0,8
Malta	163,3	86,8	16,3	8,7	8,5	4,5	:	:
Great Britain	26 010,2	85,5	3 602,2	11,8	692,9	2,3	70,1	0,2
the Netherlands	6 910,0	84,0	948,9	11,5	328,8	4,0	35,7	0,4
Poland	12 680,9	79,7	2 201,9	13,8	607,5	3,8	411,5	2,6
Portugal	3 739,5	85,5	411,6	9,4	197,0	4,5	23,1	0,5
Romania	6 181,5	75,7	1 257,5	15,4	86,2	1,1	640,8	7,8
Slovakia	2 093,4	84,7	298,2	12,1	77,5	3,1	2,6	0,1
Slovenia	781,6	86,6	70,9	7,9	33,1	3,7	16,9	1,9
Spain	15 160,9	83,4	2 060,1	11,3	870,0	4,8	85,4	0,5
Sweden	4 318,5	91,2	246,0	5,2	164,2	3,5	6,9	0,1
Hungary	3 862,1	89,6	226,1	5,2	206,0	4,8	11,7	0,3

Source: Developed by the authors based on the European Union statistics (EUROSTAT)

We are not witnessing the same situation as regards entrepreneurs. In the Republic of Moldova, their share in the total employed persons remained basically the same over the analysed period, representing only 0.6-0.7%. Additionally, it is significantly lower than in the EU Member States. Except for Romania, the share of entrepreneurs in the total employed persons in the Republic of Moldova is at least 3 times lower than in the EU member states (*Figure 3*).

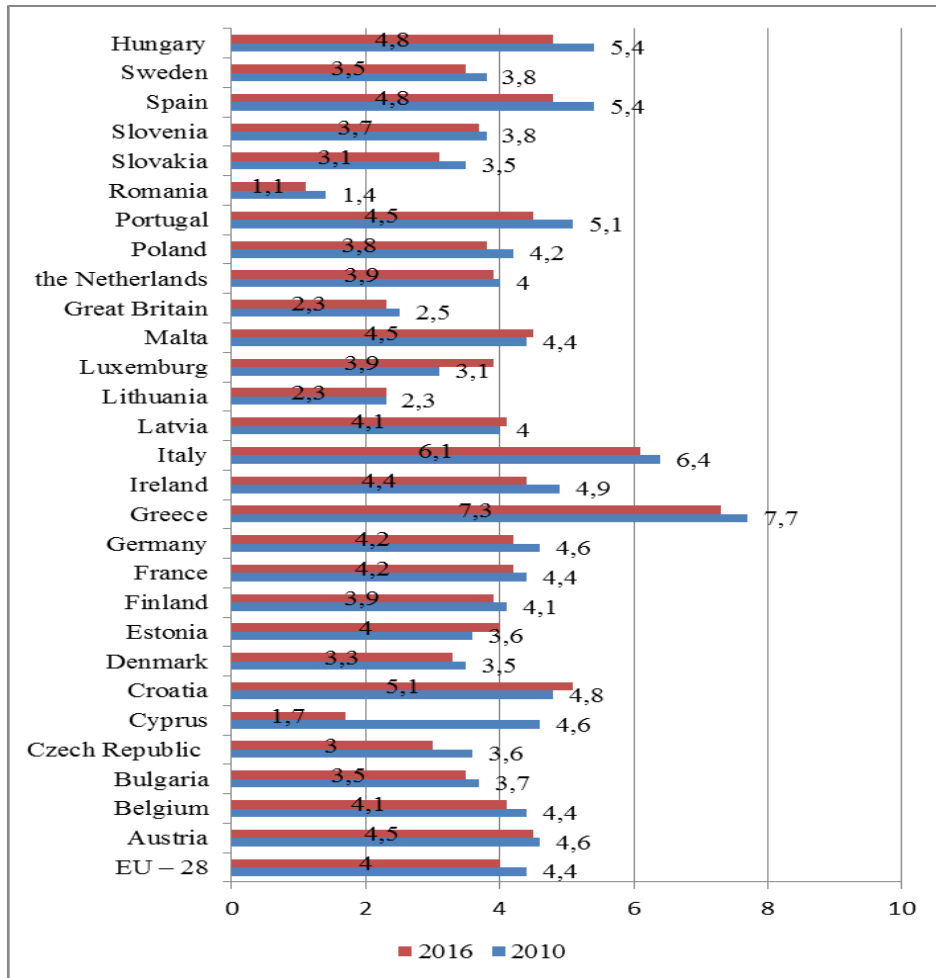


Figure 3. Evolution of the share of entrepreneurs in the total employed persons in EU Member States, %

Source: Developed by the authors based on the European Union statistics (EUROSTAT)

Affected by the 2008 crisis most EU economies have suffered, which has also affected entrepreneurship. In the period of 2010-2016, the share of entrepreneurs in the total employed persons decreased in most EU countries, except Croatia, Estonia, Luxembourg, Malta and the Netherlands. Cyprus being one of the EU countries that has suffered greatly since the 2008 economic crisis, recorded the most drastic reduction in the share of entrepreneurs in the total employed persons, more than 2.5 times.

The fact that the share of entrepreneurs in total employed persons in the EU member states remains high is due to the policies implemented at EU level to support entrepreneurship. Developing and promoting entrepreneurship training has, for many years, been one of the key policy objectives of EU institutions and

Member States. Indeed, in conditions of high unemployment among young people and the rapid changes of economies and complex societies based on knowledge, transversal skills, such as entrepreneurship, are essential not only to shape the mind-set of young people, but also to ensure skills, knowledge and attitudes that are essential for the development of entrepreneurial culture in Europe. If some countries have long ago committed themselves to encouraging entrepreneurial education, others are just starting out, and the results presented in Figure 4 come to ascertain this fact. However, employment has been one of the most important objectives of entrepreneurial education strategies both at Community and Member State level.

Unlike EU Member States, the share of entrepreneurs in the total employed persons in the Republic of Moldova is quite small, representing only 0.6% (Figure 3). Compared to Romania, the country with the smallest share of entrepreneurs in the total employed persons in the EU Member States, it is almost two times smaller, and compared to Italy, the country with the largest share of entrepreneurs in the total employed persons, it is approximately 10 times smaller.

Although the Republic of Moldova is undertaking entrepreneurial development steps, it still has much to recover in order to reach the EU member states in terms of the share of entrepreneurs in the total employed persons. Entrepreneurship education is an important component of economic strategies to encourage job creation. Developing human capital by promoting entrepreneurial skills and culture could lead to a lower unemployment rate and an increase in the number of start-ups.

The low share of entrepreneurs in the total employed persons is also related to the historical past of the Republic of Moldova, a country that stems from the socialist system where, virtually, no entrepreneurial activity existed. Moreover, Moldovans by their nature have a less developed entrepreneurial spirit that would tempt them to develop their own business.

Conclusions

Employment is an important component because it shows the development level of the country. The higher the employment rates, the higher the living standards of the population are, because any employment place provides income to the person. However, the employment rate in the Republic of Moldova remains at a fairly low level. It is worrying that the share of the employed persons with primary and secondary education in the total employed persons has been increasing. As this category carries out simple jobs, the added value created by them is far lower than of those with higher education. Moreover, in conditions of a knowledge-based economy, the proportion of persons with higher education increases which allows them to carry out more complex activities, required by the new constraints of the labour market.

Another problem concerns the employment level according to professional status. In this case, there is a reduction in the share of employees in the total

employed persons, but at the same time there is an increase in the share of self-employed persons that "stimulates" informal employment. This refers, in particular, to persons engaged in farming who have the status of self-employed or family worker who carries out an informal activity.

Additionally, there is a very small share of entrepreneurs in the total employed persons, only 0.6-0.7%. At the same time, the share of entrepreneurs in the total employed persons exceeds 3% in most European countries, reaching even 7% in Greece. Lacks of entrepreneurial education as well as economic instability are seemingly the main reasons people are less tempted to start up a business.

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