

MOLDOVA

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POLITICAL, ECONOMIC AND SOCIAL FRAMEWORK

POLITICAL DEVELOPMENT

The Republic of Moldova entered into a new political crisis in 2021, after the Chicu Government resigned at the end of 2020, in the middle of the COVID-19 pandemic. After the failure of two attempts to elect a new government, in spring 2021, President Maia Sandu announced the dissolution of parliament and the holding of snap elections. Several parties sought to attain power, but the main battle was between the Action and Solidarity Party (PAS), previously led by Sandu, and the Electoral Bloc of Communists and Socialists (BECS).

PAS won an unprecedented victory in the 11 July 2021 elections, with 52.8 per cent of the votes, the best ever electoral result scored by an electoral candidate in the history of Moldovan parliamentary elections, securing the party a clear majority in the new parliament. Two more parties also entered the parliament – BECS (27.17 per cent of votes) and the Shor Party (5.74 per cent of votes). It should be mentioned that it was the first time in the political history of the Republic of Moldova that a pro-European party had won an absolute majority in parliament. The PAS victory in the parliamentary elections has been regarded as a reflection of Maia Sandu's victory in the 2020 presidential elections, where she won on a platform of fighting corruption and carrying out reforms, including in justice system. The victory of the pro-European party was welcomed by the international community and development partners, who promised to support Moldova along its European integration path and with the implementation of the planned reforms.

The new government elected by the PAS parliamentary majority and led by Natalia Gavriluta has established several priority areas, including the following: effective management of the health crisis caused by the COVID-19 pandemic; launching anti-corruption and justice system reform; raising incomes and improving the social protection of vulnerable sections of the population; and restoring external funding.

However, the achievement of these ambitions has been hindered by the systemic problems stemming from previous governments, as well as by the pandemic and energy crises, and the recent refugee crisis as a result of the Russian invasion of Ukraine.

In the foreign policy arena, the Republic of Moldova has re-established and revived relations with neighbouring countries and Western partners after the Socialist and the Democratic Party governments had led the country into international isolation due to the undermining of democratic processes. During multiple international meetings attended by Moldovan officials, foreign partners have made promises regarding providing political and economic support, with the European Commission announcing the launch of an Economic Recovery Plan for the Republic of Moldova amounting to up to 600 m Euro. Additionally, the EU has provided Moldova with Euro 60 m to overcome the energy crisis it is facing. Moldova has also reached an agreement with the International Monetary Fund for a US Dollar 590.6 m (Euro 524 m) funding programme with a term of 40 months.

Advancing the dialogue with the Russian Federation, however, has represented a challenge for Moldova. The visit paid to Chisinau in August 2021 by Dmitri Kozak, the deputy head of the Kremlin administration, was followed by a major energy crisis after the gas contract with the Gazprom expired and a new one had to be negotiated. A separate issue in the relationship with the Russian Federation that marked the year 2021 was the frozen conflict in Transnistria. The negotiation process in the '5+2' format was halted, with the situation further aggravated at the end of 2021 by the tensions in the region after Russia deployed a large number of armed forces on the border with Ukraine. Now, five weeks since the Russian invasion of Ukraine on 24 February 2022 (at the time of writing), Moldova's insecurity has reached a historic high since the war on the Dniester in 1992. In response to the Moldovan request for EU membership, Transnistria has renewed its plea for international recognition of its independence.

ECONOMIC AND SOCIAL SITUATION

The year 2021 was marked by a slight recovery of the economy and the relaunch of external financing, but also by new waves of the COVID-19 pandemic, and an energy crisis that arose towards the end of the year, which is going to influence economic development in 2022. Almost completely dependent on Russian energy, the country is suffering from high inflation, stagnation and disrupted supply chains.

After the most severe recession in 2020 (–7.4 per cent), 2021 registered the highest GDP growth rate in the past three decades, at 9.8 per cent, due to a favourable year for agriculture, improved economic conditions in the region, a stimulative budgetary policy, as well as the stabilization of the political situation. As a result, in addition to the ‘traditional’ factors fuelling economic growth in Moldova, such as households’ final consumption, there has been a fairly rapid increase in asset investment (mainly in machinery and equipment) made by economic agents from their own sources or loans. Yet this trend does not indicate a qualitative change in the economic growth paradigm, but rather is determined by the resumption of investment processes that were postponed in 2020 due to the pandemic restrictions, the worsening of the economic situation in the region, increased uncertainty against the background of political developments and, last but not least, drought, which had a dramatic effect on the agricultural sector. Moreover, the data suggest that the economic recovery is taking place against the backdrop of growing trade and current account deficits, with imports growing faster than exports. In these circumstances, the rapid economic growth of 2021, which is compensatory, temporary and associated with the growth of macroeconomic imbalances, may turn from representing an opportunity in 2021 into a challenge for 2022–2023, anticipating a slowdown in economic growth, which could also create certain challenges for budget execution. In this regard, the economy needs to achieve tangible progress in attracting investment in infrastructure and high value-added economic activities with export potential.

In 2021, in the context of the economic recovery, real wages grew by 10.4 per cent year-on-year (y-o-y), and at a higher pace in the real sector compared to the public one. Thus, the average wage in the public sector in 2021 was Moldova leu (MDL) 8,241.9 (3.7 per cent higher than in 2020), while in the real sector it was MDL 10,320.0 (12.2 per cent higher than in 2020). The wage growth trend was driven by the increasing labour-force shortage – employers have been forced to actively increase salaries in order to attract and retain workers.

Despite the economic recovery, the labour force did not recover fully after the decline recorded in 2020. While in 2020 the employed population decreased by 4.4 per cent (–32,800 people), in January to September 2021, the employment level increased only by 1.4 per cent y-o-y (+11,700 people). This modest recovery of the labour market was attributable to the employment of men, while the employment of women stagnated. During the first nine months of 2021, the number of employed men grew by about 2.8 per cent y-o-y (+10,900 people), while the number of employed women stayed unchanged.

The political changes in Chisinau have been followed by challenges in the negotiation of a new contract with Gazprom, which have been complicated by the unprecedented rise in the natural gas price on international stock exchanges. Despite these challenges, an agreement was reached with Gazprom on relatively favourable terms, based on a formula that allows the price to be set according to the overall price for oil and gas on the stock exchange, calculated at the 70/30 per cent rate (the global price for oil and gas, respectively) in the cold season and vice versa in the warm season. In spite of the compensation mechanism put in place by the government, the increased prices for gas, electricity and heating, if permanent, risk hitting dramatically companies, households and the public administration. As for the energy issue, despite the new agreement with Gazprom, there are still many unresolved problems, including the historical debt, the implementation of the Third Energy Package and the lack of effectiveness of the National Agency for Energy Regulation. Failure to resolve these problems will lead to risks in respect of the gas supplies from Gazprom.

The year 2021 was marked by a strong acceleration of inflationary trends. Thus, growth rates for consumer prices increased during 2021 from 0.2 per cent y-o-y in January to 13.9 per cent y-o-y in December. In February 2022, the inflation rate grew to 18.5 per cent according to the National Bureau of Statistics. These inflationary processes were driven by a series of external factors: the regional gas crisis, global supply chain disruptions, and record growth in global food prices. According to economists’ forecasts, consumer prices will continue growing at two-digit rates (11–17 per cent) during 2022. This will put pressure on the social protection system and will increase economic and social inequalities.

With regard to social policies, there has been a qualitative boost, in response to the gas and COVID-19 pandemic crises. Thus, the minimum pension was increased to MDL 2,000 from MDL 1,188.05, a compensation mechanism to mitigate the effects of the gas tariff increases on households and companies was developed in record time, and a package of support measures was developed in the context of the pandemic, including a technical unemployment mechanism, granting days off for parents/guardians faced with pandemic restrictions, as well as two days off after receiving the vaccine, which was compensated from the state budget.

Despite the positive developments in 2021, in 2022 the war in Ukraine, coupled with the refugee crisis, will weaken the economy, which is still reeling from the pandemic and energy crises.

TRADE UNION POLITICAL CONTEXT

While the first year of the COVID-19 pandemic revealed Moldovan unions’ weaknesses in defending and protecting their members’ rights and interests, with unions failing to convince the government to adopt efficient mechanisms to support employers and employees, in the last year unions have intensified their activity, and have managed to achieve several tan-

gible results for their members. This is to a significant extent due to two major events: the change of government following the snap parliamentary elections and the change of the Moldovan Trade Union Confederation's leadership at the end of 2021, after the previous president Oleg Budza was dismissed for abuse of office. In particular, the change of government and the activity of the Ministry of Labour and Social Protection (MLSP) have played an important role in the revival of the social dialogue. The MLSP took over the coordination of the National Committee for Consultations and Collective Bargaining (NCCCB) from the Ministry of Economy, which proved beneficial for the dialogue between the social partners. The first meetings of the Minister of Labour and Social Protection after entering office were with the National Trade Union Confederation of Moldova (CNSM) and the Employers' Confederation, and improving the state of social dialogue in Moldova was announced as one of the immediate priorities of the new minister. The activities that followed in pursuit of this aim included taking over the coordination of the NCCCB, organizing the first meeting of the NCCCB (which took place in December 2021, after a break of 13 months), and resuming the regular monthly meetings of the committee.

It should be noted that the social partners also agreed on the resumption of the activity of tripartite committees at the sector level and, where appropriate, on setting up new committees, including bipartite structures (in sectors in which one social partner is missing). Methodological support in this process is provided, if necessary, by the Secretariat of the NCCCB.

Dialogue and cooperation have also been intensified between the CNSM and the National Employers' Confederation. The leaders of the confederations have agreed on an agenda of common priorities, including increasing the minimum wage in the real sector, increasing the minimum pension, strengthening the capacities of the State Labour Inspectorate, establishing a rotating mechanism for leading the NCCCB, and organizing regular joint meetings to address pressing issues.

An important result achieved by the social partners, thanks to the persistent efforts of trade unions, was the decision by the NCCCB in December 2021 to increase the level of the minimum wage in the real sector from MDL 2,935 to MDL 3,500.

Other results worth mentioning that have been obtained through the contribution of trade unions include the following:

- *Increasing the minimum wage* in the public sector from MDL 2,000 to MDL 2,200 in January 2021 and further increasing it in January 2022 to MDL 3,100.
- *Payment of the annual premium* for achievements in the year 2021 to 150,000 employees in the public sector. While the annual premium is a legal obligation, the government had not introduced these expenditures in the draft budget for 2022. Following advocacy activities by the trade unions, such as meetings with governmental stakeholders, press conferences and protests, the trade unions managed to secure payment of the annual premium for public sector employees for the years 2021 and 2022. Moreover, in 2022 the Ministry of Finance agreed to initiate modifications to the law on a unitary payment system in the public sector, in order to remove the gaps and to ensure wage fairness.
- *Increasing the wages of staff working in public medical institutions* financed by the compulsory health-care insurance funds, by 40 per cent for non-medical management staff and by 57 per cent for administrative-household staff, starting in November 2021.
- *Granting a single allowance* in the amount of MDL 16,000 for medical staff infected with COVID-19 while at work.
- *Granting a single allowance for the descendants of medical staff* who died in the fight against COVID-19, in the amount of MDL 100,000.
- *Increasing the single childbirth allowance* from MDL 8,299 to MDL 9,459, beginning on 1 January 2021, and by MDL 10,068 beginning on 1 January 2022.
- *Increasing the minimum pension* from MDL 1,188.05 to MDL 2,000, beginning on 01 October 2021.
- *Introducing a new category of pension – a long-term early retirement pension* – beginning on 1 January 2022.
- *Granting a solidarity supplement to the pension* in a fixed amount, beginning on 1 April 2022.
- *Making significant progress in the process of modifying the law on occasional workers in the agricultural sector*, which had completely excluded agricultural workers from the social protection system. The trade unions, supported by the Friedrich-Ebert-Stiftung, and together with the relevant parliamentary standing committees, developed a new draft law to remove the gaps and ensure social protection for workers in the agricultural sector.
- *Signing of a new country programme for decent work* in the period 2021–2024 by the International Labour Organization (ILO), the Moldovan Government, and employees' and employers' representatives. Over the next four years, the signatories have committed to focusing on job creation and employment for young people, promoting decent working conditions, respecting the right to work, and improving the social dialogue.

To support employees during the COVID-19 pandemic, the following subsidies have been obtained from the state budget:

- An allowance for employees with children up to twelve years of age and children with disabilities, who benefit from days off in the case of the suspension of the educational process involving a physical presence (up to MDL 250 per day).

- A technical unemployment allowance, established in the context of the conditions of the state of emergency, siege and war, and of restrictions imposed due to the state of emergency in public health (due to COVID-19) (up to MDL 250 per day).
- Compensation for employees for the implementation of special measures to ensure security and the protection of life (two days for the administration of each dose of the COVID-19 vaccine – up to MDL 500 per day).
- Assistance for employees facing reduced activity.
- Compensation for the cost of medicines for people with mild and moderate forms of COVID-19 who are treated at home.

Also, during 2021 new collective agreements were signed in the area of social services, and in the manufacturing of goods, education, science, and construction sectors. In total, 20 collective agreements at the sector level were signed. Additional agreements were also signed on the amendment and completion of collective agreements in the gas, agriculture, and education, research and culture sectors. However, insignificant progress was made on other issues promoted by trade unions, such as the creation of a wage guarantee fund in the case of insolvent companies, simplifying the process for obtaining the status of a legal entity for trade union organizations, and the promotion of a simplified extrajudicial mechanism in the case of labour disputes.

TRADE UNIONS IN MOLDOVA – FACTS AND FIGURES

HISTORICAL OVERVIEW

In the not-too-distant past, until the demise of the Soviet Union, Moldovan trade unions were part of the all-Soviet labour unions system. The Soviet trade unions were regarded as a pillar of the party-state regime, being politically subordinated to and used by the state to exert control over workers and society. They were more of a state instrument than the genuine trade unions that are typical of market economies. In practical terms, Soviet trade unions were a giant bureaucratic machine in the service of the Communist Party, which were in charge of collecting membership fees and organising members' lives around their places of employment, such as housing, transport to and from the workplace, holidays, childcare, canteens etc. Since the power to fix wages belonged exclusively to the state and, at the same time, employment was fully guaranteed, trade unions had no responsibilities with regard to collective bargaining or securing jobs, not to mention organizing strikes.

After Moldova gained independence in 1991, following the collapse of the Soviet Union, trade unions became independent organisations from the political and legal points of view. By default, they inherited a vast membership (~1.5 million people), an important collection of assets like sanatoriums,

hotels and holiday resorts, as well as a distinctively Soviet organizational culture. These assets soon led to corrupt behaviour on the part of some union leaders, resulting in illegal transactions and personal enrichment, as revealed by investigative journalists. As part of the transition process from a command to a post-socialist market economy, the unions had to deal with new challenges, particularly in regard to representing workers in collective bargaining. They were slow and not very efficient in taking over such roles as setting the price for labour and influencing the development of employee-friendly economic and social policies, for which they lacked both capacity and willingness. The latter was to some extent a result of their corrupt behaviour, and consequently political dependence. The Soviet legacy in terms of the traditional understanding of trade unions' role also impeded the unions' transformation into a genuine labour movement. The Moldovan state still retains the leading role in regulating the conditions of capital-labour relations, while trade unions have limited capacity and power to influence policies and the price of labour, despite the existing social dialogue platforms.

TRADE UNION LANDSCAPE

The trade union movement in Moldova has the following features in terms of the way the representation of employees' interests is organised: (a) there is only one trade union confederation, which for a small country like Moldova seems to be a good solution to ensure a stronger representation of trade unions in the tripartite social dialogue between trade unions, employers and government; (b) there is centralisation of resources and bargaining power at the level of sectoral union federations, hence the increased importance of their work – which involves securing sectoral collective agreements; and (c) there is a relatively limited role of enterprise-level unions, which have low bargaining power. Consequently, collective agreements at the enterprise level most often only transpose the provisions of higher-level collective agreements, without offering additional rights and guarantees to employees.

The CNSM comprised 24 sectoral unions in 2021 (25 in 2019), with a membership of around 330,000 (as claimed by the CNSM), with women accounting for 58 per cent of members. Women have their own organisation within the CNSM, as do the youth. The chairperson of the CNSM, Igor Zubcu, and the three vice-chairpersons, Sergiu Sainciuc, Mihail Hincu and Petru Chiriac, form the CNSM leadership. The CNSM has been a member of the International Trade Union Confederation (ITUC) since February 2010 and also a member of the Moscow-based General Confederation of Trade Unions of the Commonwealth of Independent States. CNSM congresses, which are held every five years, elect the chairperson, members of the council and executive committees. They decide on the duties of the statutory organs and the programmes they are supposed to follow. The next congress is due in June 2022.

Moldovan unions' membership has experienced a dramatic decline over the past 29 years, from 1.5 million in 1993, to 568,375 in 2007, 397,536 in 2015 and 330,000 in 2021, ac-

Table 1

The most significant trade union confederations in Moldova

Trade Union Confederation	Chair and Vice Chair	Members	International Memberships
Confederația Națională a Sindicatelor din Moldova, CNSM (National Trade Union Confederation of Moldova)	Chair: Igor Zubcu, Vice Chairs: Sergiu Sainciuc, Mihail Hincu, Petru Chiriac	330 000	ITUC, GTUC

Table 2

The largest industry associations and individual trade unions in the Republic of Moldova

Trade Union Association / Trade Union	Confederation	Chair and Vice Chair	Members	International Memberships
Sindicatul Educației și Științei din Republica Moldova, SES (Education and Science Trade Union)	CNSM	Chair: Genadie Donos Vice Chair: Nadejda Lavric	106 277	EI
Sindicatul »Sănătatea« (Trade Union »Health Care«)	CNSM	Chair: Aurel Popovici	37 028	PSI
Federația Sindicatelor de Construcții și Industria Materialelor de Construcții »SINDICONS« din Republica Moldova (Federation of Trade Unions in Construction)	CNSM	Chair: Victor Talmaci	4 083	BWI
Federația Națională a Sindicatelor din Agricultură și Alimentație »Agroindsind« (National Federation of Agricultural Trade Unions)	CNSM	Chair: Vasile Mamaliga Vice Chairs: Leonid Palii, Iurie Pojoga	34 069	–
Federația Sindicatelor Angajaților din Serviciile Publice SINDASP (Federation of Employees from Social Services)	CNSM	Chair: Vlad Cantir	27 951	PSI, EPSU
Federația Sindicatelor din Comunicații, FSC (Federation of Trade Unions in Communications)	CNSM	Chair: Ion Pirgaru Vice Chair: Elizaveta Iurcu	14 021	UNI, IndustriAll

cording to data provided by the unions. This is mainly due to the general decline in the number of employees in Moldova, continuous migration, and members' withdrawal from unions as a result of unions' low efficiency and the public distrust towards them. According to the ILO, the unionization rate in Moldova in 2016 stood at 23.9 per cent, while the coverage of collective bargaining was estimated at 43 per cent. Though the ILO data show a relatively stable situation, interviews with unions indicate several alarming signals: very low unionization in the private sector, an accelerated decline in unionization in some sectors (which makes it difficult for some union federations to survive, forcing them to merge), a decrease in the number of collective labour agreements (CLAs), and blockages in the functioning of social dialogue.

Industrial unions in turn comprised around 6,000 grassroots organisations in 2019, down from 7,200 in 2014, according to information made available by CNSM. The greatest union density, in terms of trade union confederations, is in the public sector, such as in education and science, health care and

public services, as well as in agriculture and food processing, and construction. It is also the public sector that has the most CLAs (~80 per cent).

WORKING CONDITIONS OF TRADE UNIONS

Key legislation governing trade union rights and the social dialogue are Article 42 of the Constitution, the Law on Government, the Unions Law, the Employers Law, the Law on the Organisation and Functioning of the National Commission for Consultations and Collective Bargaining and of the Commissions for Collective Consultations and Collective Bargaining at sectoral and territorial level, as well as the Labour Code. Moldova's legislation on trade unions largely complies with the ILO standards on freedom of association.

The Moldovan Government has ratified 43 ILO conventions and one protocol, with two conventions having been rejected. The most recent convention to be ratified, in May 2021,

was Convention C161 on Occupational Health Services, which will enter into force in May 2022. According to the commitments under the Association Agreement with the EU, the Republic of Moldova has to transpose and implement 39 EU directives: eight directives on labour law; 25 directives on health and safety at work; and six directives on anti-discrimination and gender equality. To date, the Moldovan authorities have transposed 27 EU directives into national legislation, including seven in the field of labour law, 17 in the field of health and safety at work, and three in the field of anti-discrimination and gender equality.

In their working environment, trade unions are – in theory – independent and can freely organize their activities, having also the right to strike. However, there are restrictions in the case of employees working in areas related to health care, energy and water supply, telecommunications, air traffic, the defence system, public and legal order, as well as some categories of public service employees. A major impediment in the work of trade unions has been the continuous political instability, which hampers social dialogue at the national level, blocking negotiations in the tripartite format. The same goes for social dialogue at the sectoral level involving government representatives. An additional difficulty at this level is the insufficient representation of employers' associations, which are missing in many sectors. Weak employers' representation is also characteristic at the enterprise level, where it matches the poor capacity and low bargaining power of employees' representatives.

TRADE UNIONS AND THEIR CORE TASKS

In Moldova, the organisation of employees has two legally recognised forms: unions and elected representatives of employees. In practice, only unions exist. Social dialogue in Moldova takes place at three related but still distinct levels: national, sectoral and at the enterprise level. Due to the consolidation and centralisation of resources and skills, trade unions are especially active at the national and sectoral levels, where there is a certain parity of industrial relations, while at the enterprise level the balance in the employer–union relationship is often biased in favour of employers. The social dialogue at the national and sectoral levels, is usually tripartite, which provides a central role for the government and sectoral ministries. This situation has often been a source of blockages as political crises and changes in government make the tripartite dialogue extremely difficult – and even inexistent at times.

At the national level, the tripartite social dialogue takes place within the NCCCB, which is composed of representatives of the government, trade unions and employers. However, the government is given a central role, holding the presidency and the secretariat of the commission. Although the legislation provides for the NCCCB to meet at least once a month, it has met much less frequently: once in 2015, eight times in 2016, five times in 2017, six times in 2018, only once in 2019, after a break of almost 12 months, four times in 2020, and only once in 2021.

In recent years, the CNSM has faced another major problem, namely the role of employers' associations in the bilateral dialogue with government promoting their interests to the detriment of the interests of employees. As highlighted by an analysis by FES Moldova, the Economic Council, under the Prime Minister, which acts as a bipartisan dialogue (lobby) structure sitting between the government and business associations, has managed to promote several changes to the labour legislation, excluding unions from consultations and actually replacing the NCCCB. Yet in recent years trade unions, employers and the government have still managed to sign a series of collective agreements at national level on specific issues, such as working time and rest time, a model collective bargaining agreement, minimum guaranteed pay in the real sector, the criteria applicable in the case of collective layoffs. In the absence of a consolidated version available in the public space, the multitude of collective agreements limits their applicability and efficiency, especially in enterprises without trade unions. Unlike national collective agreements, which cover specific topics, sectoral collective agreements cover the full range of minimum rules on employees' rights applicable at sectoral level. Thus, in 2021, there were 20 sectoral collective agreements registered in Moldova, covering the following sectors: public services, education, health, forestry, sewage, defence, cadastre, the agriculture and food industry, trade, communications, construction, culture, carriers and roads, energy, and light industry. At the same time, important sectors of the national economy, such as the rail, air transport, energy, and hotel-restaurant-catering sectors, are not covered by collective agreements. Very often the sectoral collective agreements repeat the minimum rules set by existing legislation and do not add value to the agreements, introducing pay systems based on the minimum wage set by government. According to a study conducted in 2016, about 85 per cent of the provisions of such agreements »are null and void, reiterating the provisions of labour laws«. Thus, the sectoral collective agreements have a lower impact than the legal framework allows by setting minimum rules.

Regarding CLAs at the enterprise level, together with the entry into force of Law no. 205/2015, it is no longer compulsory to register agreements with the State Labour Inspectorate, which makes it difficult to estimate the number of existing CLAs at the enterprise level in Moldova, especially given that the State Labour Inspectorate does not publish the number of valid CLAs, but the number of CLAs registered during one year – while many contracts have multi-year validity. Even in these conditions, the decrease in the number of CLAs at enterprise level is obvious: in 2017–2018 there were 1,183 new contracts, down by 44 per cent compared to the 2015–2016 period, when there were 2,111 contracts. Starting from 2014, there has been an obvious and continuous decline in collective bargaining at the enterprise level. At the same time, the total number of CLAs registered with the State Labour Inspectorate does not reflect the situation of collective bargaining in the sectors of the real economy. About 80 per cent of all CLAs are signed in the public sector: public administration, social security, education, health and social assistance. The number of CLAs in other sectors is very small and has decreased considerably in recent years: from 213 in 2015 to 123

in 2018. In 2021, there were only six CLAs registered in the manufacturing sector (down from 22 in 2018), three in the banking sector, and only one in the rail sector. The very low number of CLAs in the competitive economy is explained by the lack of a legal obligation to sign these documents and relatively weak trade unions at the enterprise level. In most cases, the contracts signed at enterprise level repeat mechanically the provisions of the sectoral agreements. Under these conditions, enterprise-level collective agreements are an underused tool in the real economy and contribute only to a very small extent towards improving the situation of employees at national level.

TRADE UNIONS AND THEIR (POLITICAL) WEIGHT

Moldovan trade unions have lost credibility and influence over the past 15 years, with their popularity experiencing a continuous decline. This has mainly been caused by their inefficiency, integrity problems involving some leadership representatives, and their loss of independence. Over the years, trade union leadership has been politically influenced by ruling parties, mainly the Communist Party, the Party of Socialists of the Republic of Moldova and the Democratic Party of Moldova. Thus, trade unions have been instrumentalized in election campaigns and used to promote the agenda of these political parties. The integrity problems experienced by some union leaders, as reported by investigative journalists, as well as scandals such as the one involving the former chair of AGROINSIND and his deputy, who have both been condemned for abuse of office and embezzlement of funds, have also had a negative impact on the image and credibility of trade unions. At the end of 2021, the CNSM president, in office since 2007, was dismissed on grounds of fraudulent mismanagement of the unions' funds and property. A parliamentary committee of inquiry was set up to investigate the above-mentioned crimes, which revealed the connections of the CNSM leadership with the 2014 Moldovan bank fraud scandal.

The COVID-19 pandemic has revealed even more starkly the unions' weakness and inefficiency, with their inability to offer viable solutions to mitigate the impact of the pandemic on their members. Their proposal to the government in the first year of the pandemic to subsidize technical unemployment, for example, was very weak, with unions taking no further actions to push the issue forward. The recommendation of the trade unions to put employees on unpaid leave for the period of the state of emergency was also met with criticism. Moreover, the CNSM applied this to its own personnel, most of whom were sent on leave for one month, after which their contracts passed into the stationing regime, where employees were paid only 75 per cent of their basic salary and 50 per cent of their normal salary. Later, it was revealed that difficulties with the payment of salaries of CNSM staff were caused by the misuse of unions' money by the CNSM leadership, which triggered the dismissal of the president of the CNSM as just described.

In the context of further flexibilization of labour relations and diminishing employees' rights, unions have failed to prevent the modifications to the Labour Code and thus protect the in-

terests of their members. As to unions' priority areas, such as establishing a unified minimum wage in the economy, fighting the informal economy and undeclared work, and increasing the role of CLAs, no results have been achieved. However, the CNSM has been successful in restoring the functions of the State Labour Inspectorate with regard to occupational safety and health and the investigation of labour accidents. This is an important step towards ensuring the functional integrity of the State Labour Inspectorate in accordance with international labour standards. Another important result is the unions' contribution to the ratification by the Moldovan parliament of ILO Convention no. 161 on occupational health services, which was the result of several years of effort. Another important result of the CNSM at the end of 2021 that should be highlighted is its contribution to the increase in the minimum wage in the real sector from MDL 2,935 to MDL 3,500. The latter was the result of an advocacy campaign by the CNSM, supported by FES, which ended with a positive decision being taken by the social partners at the first meeting of the NCCCB in December 2021. The challenge ahead is to increase the level of the minimum wage in the public sector and to ensure a unified minimum wage across the economy. A further increase in the minimum wage as a next step in 2022 was discussed by the unions with its social partners in order to valorise the minimum wage with the recently increased minimum pension, or to establish it at the level of 50–60 per cent of the average wage in the economy, in accordance with the recommendations of the revised European Social Charter standards, to ensure compliance with the principle of equal pay for work of equal value, including between women and men.

Despite positive examples of the unions' work, public trust in trade unions, and trust among their members, is still quite low. According to the Public Opinion Barometer, 61 per cent of the respondents said they do not trust trade unions and only 15.6 per cent have some trust in them. A lower level of trust is reported only for the parliament and political parties. According to an opinion poll on employees' perceptions of their situation, they do not see trade unions as an institution that is able to ensure in a decisive manner the protection of employees' rights and to contribute to an increase in their income. Thus, in order to improve their public image and gain their members' trust, trade unions need to reform, become independent from political factors, and play an active role in policymaking to the benefit of their members.

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