

MOLDOVA

Trade Union Monitor

September 2024

**FRIEDRICH
EBERT
STIFTUNG**

POLITICAL, ECONOMIC AND SOCIAL FRAMEWORK

CONTEXT

In 2023, a pivotal juncture in the Republic of Moldova's European integration trajectory was reached, characterized by the European Commission's recommendation to commence accession negotiations. This decision follows logically from Moldova's achievement of candidate status for EU membership in June 2022. At the same time, Moldova is preparing for complex negotiations with the EU and alignment with EU laws, despite challenges such as weaknesses in public administration, economic instability, a large budget deficit, and limited public support for the European path.

An analysis of the political and economic interactions between the Republic of Moldova and the EU shows a history of reliance on external pressures, such as worsening diplomatic relations with Russia, Kremlin-imposed trade embargoes, and the ongoing conflict in Ukraine. These external factors have often overshadowed internal reforms and improvements in national economic competitiveness. Nevertheless, perpetuating the European integration process solely through geopolitical stimuli is unsustainable in the face of sluggish domestic reforms, akin to the unsustainable reliance on developmental partner assistance to fund budget deficits indefinitely.

Moreover, the initiatives undertaken by the authorities during this period have been largely driven by the exigency to swiftly adhere to EU prerequisites, prompting apprehensions regarding the efficacy of certain reforms. Primarily, the focal point of the public policy has revolved around the judicial reform. While EU institutions have lent support to the government's determined stance on reform implementation, deficiencies persist across multiple policy domains, reflecting inadequacies in institutional capabilities and a pressing need for governance enhancements. Nonetheless, a propitious political climate prevails within the EU, largely influenced by geopolitical considerations, fostering a palpable inclination towards initiating accession negotiation proce-

dures with the Republic of Moldova as early as 2024. This inclination underscores the significance of sustained efforts towards bolstering reform efficacy and governance standards, thereby fortifying the nation's footing on its European integration journey.

POLITICAL DEVELOPMENTS

According to a presidential decree issued on February 16, 2023, the new government reshuffled its ministers in July of the same year, replacing three of them. The process of selecting these replacements was mainly based on considerations of political loyalty rather than expertise in specific sectors. Addressing the perennial issue of personnel shortages within public institutions, the government implemented salary increases for 1,300 officials within the executive branch, citing the imperative to enhance institutional competence. While salary increments are deemed instrumental in attracting and retaining talent within the public sector, effective recruitment strategies also hinge upon the deployment of competitive processes and adherence to meritocratic principles. Instances of cancelled competitions, such as in the appointment of a director for the National Agency for Energy Regulation, raise doubts regarding the government's unwavering commitment to merit-based selection procedures.

The prolonged state of emergency, initiated during the energy crisis in October 2021 and extended in response to Russian military aggression against Ukraine starting on February 24, 2022, saw multiple extensions by parliament, totalling 12 resolutions by September 2023. Although facilitating streamlined decision-making, the extended state of emergency grants the government considerable leverage, potentially circumventing robust political and inter-institutional oversight. Combined with the parliamentary majority enjoyed by the ruling Action and Solidarity Party, this situation warrants vigilant monitoring to prevent potential abuses or deviations from legal protocols. Notably, the ruling party's absolute political control impeded consultative processes, leading to diminished legislative transparency. Between 2021 and 2022,

approximately 83% of draft normative acts were not published on the parliament website within the legally mandated timeframe, while only 9% were subjected to public debates. Moreover, anti-corruption expertise accompanying legislative acts was reportedly neglected, undermining efforts to address corruption effectively.

Amidst efforts to fulfil EU requirements, the government devised a comprehensive Action Plan in August 2022, comprising 60 actions aimed at meeting nine key EU conditions. However, the successful execution of these measures hinges not only on institutional capabilities but also on inter-agency collaboration and coordination. Challenges persist, particularly in areas such as public finance management, public administration reform, and justice, where the EU has identified deficiencies in institutional capacities and adherence to anti-corruption principles. While progress has been made, with six EU conditions being partially implemented and one fully addressed, the EU's interim assessment in June 2023 revealed shortcomings in meeting all requirements, notably concerning judicial reforms and anti-corruption efforts.

Externally, Moldova's support for Ukraine and condemnation of Russian aggression have strained relations with Russia, prompting disinformation campaigns and subversive actions against the Moldovan government. Amidst this geopolitical turbulence, European actors have intensified efforts to integrate Moldova into the EU enlargement package, akin to initiatives involving Ukraine and Western Balkan states. However, challenges persist, notably regarding the integration of the Transnistrian region, which remains separate from the National European Integration Plan and poses unique obstacles to Moldova's European integration aspirations.

The confluence of these factors has contributed to a decline in support for the ruling party and a growing scepticism towards the European trajectory among the populace. Additionally, pro-Russian political factions have garnered momentum, exploiting the challenges faced by the incumbent government.

Currently, two Eurosceptic parliamentary groups exist in the Moldovan Parliament: the socialist-communist bloc and the Shor Party. These parties have historically oscillated between a policy that balances relationships with the EU and Russia and one more favourable to Russia, but the war in Ukraine has caused significant shifts in their political stances. The socialist-communist bloc comprises two parties traditionally competing for the pro-Russian electorate. Despite winning thirty-two seats, this bloc has failed to increase its support amid financial constraints and leadership challenges, exemplified by Igor Dodon's temporary withdrawal from the Socialist Party leadership. The internal factions within the bloc lack clarity, potentially leading to further electoral losses, benefitting the Shor Party. Led by controversial figure Ilan Shor, implicated in the 2014 billion-dollar scandal, the Shor Party, perceived as the most dynamic opposition force, faces allegations of corruption and ties to the Russian government, despite potential appeal among Russian-speaking voters. Its current unconstitutional status underscores its

contentious nature. Shor's anticipated migration to the Renaissance Party, characterized by populist rhetoric and targeting marginalized demographics, suggests a continuation of similar political strategies and another set of risks for the European path of Moldova.

ECONOMIC AND SOCIAL SITUATION

The Republic of Moldova grapples with enduring challenges that hinder its alignment with other Central and Eastern European (CEE) nations. These obstacles include a shrinking labour force, insufficient investments in technology and innovation, low product sophistication, obstacles to competition and finance access, and the impact of climate change. Consequently, Moldovan entrepreneurs face difficulties in both domestic and international markets. Despite some progress, Moldova's GDP per capita convergence with the CEE region remains inconsistent, subject to fluctuations, particularly during crises. Despite Moldova's transition from low-income to middle-income status, poverty remains a significant issue, particularly with a pronounced urban-rural income disparity. In 2022, approximately one-third of the population lived below the absolute poverty line, with substantial gaps between urban (17.1%) and rural (40.1%) areas.

In 2023, Moldova has experienced a significant economic slowdown, marking the first year in two decades where growth will not suffice to recover from the previous year's recession. GDP growth is approximated at only around 0.8%, primarily driven by a substantial increase of approximately 30% in the agricultural sector due to favourable conditions. Without this boost from agriculture, the economy would have nearly stagnated. Other sectors, such as industry and domestic trade, are expected to stagnate due to weak domestic and foreign demand. Additionally, the construction sector is projected to remain in decline due to high uncertainty and reduced investment activity. Weak domestic demand will lead to a decrease in imports, which will positively impact the balance of payments and the national currency. However, it will negatively affect the budget balance, which heavily relies on import receipts. Overall, despite these challenges, the Moldovan economy is anticipated to continue growing, albeit at a slow pace.

The expected deceleration in economic growth is attributed to the waning effects of agricultural recovery, while other growth drivers are anticipated to remain subdued. Factors such as persistent inflation in the EU leading to restrictive monetary and financial conditions, prolonged conflict in Ukraine, and global security concerns, particularly in the Middle East, are expected to dampen both external and domestic demand, further exacerbating uncertainty and impeding investment. Companies' limited capitalization and restricted access to bank loans contribute to technological underdevelopment, with credit primarily utilized for current operations rather than investment endeavours. Addressing this issue necessitates effective measures to enhance financial intermediation, addressing both cyclical and structural obstacles hindering companies' access to finance.

Over the past two decades, Moldova has experienced a decline in its population, which has adversely affected the country's socioeconomic development prospects. Although Moldova currently benefits from a demographic dividend, with 59.6% of the population in 2022 in the working age bracket between 15 and 64, future generations will face challenges as larger cohorts reach retirement age while smaller cohorts enter the labour market. This demographic shift will impact two critical dimensions: labour availability and the sustainability of the pension fund. Employers are already reporting difficulties in finding labour, and according to estimates, the gap between labour supply and demand is forecasted to increase, reaching approximately 25% by 2026. Moldova's low employment rate, standing at about 45% in 2023, significantly below the regional average of around 60%, exacerbates the labour-force deficit. The prevalence of inactive population segments highlights issues with unattractive salaries and working conditions that hinder the balance between professional and family roles. Additionally, labour emigration is expected to persist due to higher wages in European countries, further widening the gap between labour supply and demand.

Moldovan businesses are grappling with significant rises in energy, logistics, and financing expenses, alongside the imperative to adapt supply and sales chains. Despite these challenges, there persists scepticism among Moldovan firms regarding the government's capacity to foster a stable and conducive environment for economic growth. Nonetheless, findings from the Business Barometer, a sociological survey conducted between December 2022 and May 2023 with over 400 participating businesses, suggest a noteworthy improvement in sentiment. The overall index of the Business Barometer reflects this enhancement, transitioning from -33.4% in December 2022 to -19.2% in May 2023, although pessimistic expectations still prevail among a greater proportion of companies compared to those anticipating positive developments.

In the second quarter of 2023, Moldova experienced modest growth in real average gross wages and real average pensions, with increases of 1% and 4%, respectively, compared to the same period in 2022. However, this growth rate is considered slow, particularly in light of the projected economic growth of 3–4% annually for the years 2023 and 2024, which may not significantly boost the population's income. Despite a slight nominal increase in remittances received by the population in 2022, owing to the depreciation of the local currency (MDL), real remittances plummeted by approximately 20 % due to high inflation rates in 2023.

Although there is an expected decrease in the inflation rate from an average of 13 % in 2023 to 5 % in 2024, consumer prices are still anticipated to remain high, posing financial challenges for many households. In the first half of 2023, household final consumption continued to decline, albeit at a slightly slower rate of -5.6 %. The reduction in household consumption was particularly notable in services procurement, which decreased sharply by 23.1 % in real terms. This decline was primarily driven by significant increases in utility

and housing service prices, notably central heating (+ 142.1 %) and natural gas delivery via the gas network (+ 38.5 %), reflecting the broader energy crisis. To mitigate the impact of the energy crisis, the government implemented the »Help at the Meter« program between November 2022 and March 2023. The program provided partial compensation for increased tariffs on natural gas, thermal energy, and electricity. In the winter season of 2023–2024, the »Help at the Meter« program underwent significant revisions, resulting in a substantial reduction in the number of beneficiaries. These changes included adjustments to the eligibility criteria and the adoption of a more comprehensive approach to selecting potential beneficiaries for the program.

LABOUR

The labour force participation rate among individuals aged 15 and above, representing the proportion of the labour force within the total population of this age cohort, stood at 45.4%, depicting a marginal increase compared to the preceding year (42.3% in the second quarter of 2022). Likewise, the labour force participation rate for individuals aged 20–64, indicating the percentage of the labour force within the total population of this age group, amounted to 58.8%, exhibiting a comparable rise to the previous year's figure (54.5% in the second quarter of 2022). Women comprised a higher proportion of the labour force at 50.1%, as opposed to men at 49.9%, while economically active individuals from rural areas surpassed those from urban areas (54.5% and 45.5%, respectively).

In terms of employment distribution across economic sectors, 22.2% were engaged in agriculture, with the remaining 77.8% in non-agricultural pursuits. Among these, 15.1% were employed in industry, with 12.9% in manufacturing and 7.4% in construction, while the service sector employed 55.3% of the workforce. Regarding ownership structures, 27.6% worked in the public sector, while 72.4% were employed in the private sector or other ownership forms.

The occupational status breakdown revealed that the majority of workers were employees (78.3%), followed by self-employed individuals (17.1%) and unpaid family workers (4.1%). Most employees (87.9%) held indefinite employment contracts. The prevalence of undeclared work among employees increased to 8.0% compared to 6.2% in the second quarter of 2022, with verbal agreements being more common among men (10.3%) than women (6.1%).

Informal employment accounted for 17.2% of the total workforce, with 24.4% of employed individuals engaged in informal jobs. In the non-agricultural sector, informal employment constituted 12.1%, with construction exhibiting the highest proportion (68.6%). Employees constituted 27.7% of informally employed individuals.

The estimated number of unemployed individuals according to the International Labour Office definition was 35.6 thousand, an increase from the second quarter of 2022 (21.6

thousand). Men comprised 56.7% of the total unemployed, and urban residents constituted 59.5%. The national unemployment rate reached 3.8%, up from 2.4% in the second quarter of 2022, with rates of 4.3% for men, 3.3% for women, 5.0% in urban areas, and 2.8% in rural areas. Large disparities existed between available job vacancies and unemployed individuals, with 88% of vacancies located in urban areas compared to 12% in rural areas, while 38% of the unemployed resided in urban areas and 62% in rural areas.

TRADE UNIONS IN MOLDOVA – FACTS AND FIGURES

HISTORICAL OVERVIEW

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 organising 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 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 main body, the National Confederation of Trade Unions of Moldova (CNSM) unites on voluntary principles 24 national-branch union centres that bring together about 290 thousand union members according to the data provided by the Confederation.

The CNSM comprised 24 sectoral unions in 2021 (25 in 2019) and 5501 primary trade union organisations. Women have their own organisation within the CNSM, as do the youth. The chairperson of the CNSM, Igor Zubcu, and the two vice-chairpersons, Sergiu Sainciuc and Lilia Frant, 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 European Trade Union Confederation (ETUC) since October 2022. 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 last congress took place in June 2022 with Igor Zubcu being re-elected as the chairperson of the CNSM. In 2023 at the 5th PERC General Assembly, Zubcu was also elected as the president of the Pan-European Regional Council of the International Trade Union Confederation (PERC). This appointment contributed to the consolidation of the position of the trade union movement from the Republic of Moldova on the international level.

Moldovan unions' membership has experienced a dramatic decline over the past three decades, from 1.5 million in 1993, to 568,375 in 2007, 397,536 in 2015, 330,000 in 2021, and 291,000 in 2023 according 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. Women accounted for 64% of the membership in 2023, while the share of women's representation in the CNSM's decision-making bodies was only 37%. In 2023, the trade union density was assessed at 42% of employees and 19% out of all employed population, significantly higher than the OECD average of 16% for employees. Though the data shows a relatively stable situa-

Table 1

The most significant trade union confederations in Moldova

Trade Union Confederation	Presidents and Vice-presidents	Members	International Memberships
Confederația Națională a Sindicatelor din Moldova, CNSM (National Trade Union Confederation of Moldova)	President: Igor Zubcu, Vice-presidents: Sergiu Sainciuc, Lilia Franț	284 636	ITUC, ETUC, ITUC-PERC

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	President: Ghenadie Donos Vice-president: Nadejda Lavric	100 853	IE, ETUCE
Sindicatul »Sănătatea« (Trade Union »Health Care«)	CNSM	President: Igor Zubcu Vice-president: Natalia Chihai	43 468	PSI, EPSU
Federația Sindicatelor Angajaților din Serviciile Publice SINDASP (Federation of Employees from Social Services)	CNSM	President: Vlad Canțîr	23 408	PSI, EPSU
Federation of Trade Unions from Moldova »SINDEX«	CNSM	President: Mihail Lașcu Secretary General: Angela Otean	26 133	PSI, EPSU
Federația Națională a Sindicatelor din Agricultură și Alimentație »Agroindsind« (National Federation of Agricultural Trade Unions)	CNSM	President: Vasile Mămăligă Vice-president: Vasile Evstratii	14 452	AUF
»Sindindcomservice« Federation of Workers' Unions in the Sphere of Social Services and Goods Production	CNSM	President: Ecaterina Manastîrschi Vice-president: Sergiu Suruceanu	10 589	PSI, EPSU

tion, 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 unions to survive, forcing them to merge), a decrease in the number of collective labour agreements (CLAs), and blockages in the functioning of social dialogue.

TRADE UNIONS AND THEIR CORE TASKS

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 to this date 44 ILO conventions and one protocol, with two conventions having been rejected.

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. One of the main difficulties is the insufficient representation of employers' associations, which are missing in many sectors.

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 mostly due to the lack of dialogue at this level. The social dia-

logue 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 NCCCB (The National Tripartite Commission for Consultation and Collective Bargaining) was established on a tripartite basis involving the government, trade unions, and employers. This body negotiates and concludes collective agreements on various labour relations issues, such as wages, working hours, rest periods, and child labour. To date, 21 collective agreements have been finalized. At the branch level, commissions for consultations and collective bargaining are more frequently established depending on the presence of central public authorities (ministries), national branch trade union centres, and employers' associations. These committees are typically tripartite, but if one of the partners is absent, they operate as bipartite. Currently, collective agreements are in place in 19 of the 24 national trade union centres.

At the territorial level, commissions for consultations and collective bargaining are established based on the administrative structure of the country's 32 districts. These commissions are tripartite, involving territorial structures of trade unions, territorial structures of employers (or the largest private economic units), and local public administration. Collective agreements are concluded at the territorial level, with current agreements in 9 districts, indicating that tripartite social dialogue at this level remains modestly developed.

At the level of economic units (institutions, organizations, and enterprises), »employer-employee« social dialogue committees are set up on a bipartite basis, with equal representation from employers and union/employee representatives. Collective labour agreements are concluded at the unit level, with approximately 1,000 to 1,100 agreements (new or amended) concluded annually. According to national trade union centres, there were 4,143 collective agreements in force in 2022. Broadly, employers and employees often lack transparent and effective procedures for information and consultation, and for preventing and resolving workplace conflicts and grievances. The low representation of employers' organizations in some sectors and of trade unions in private enterprises complicates collective bargaining at this level further.

At the bilateral level, there have been some interactions; for instance, the Covid-19 pandemic crisis enhanced the interface between trade unions and authorities. The CNSM and CNPM (National Confederation of Employers of the Republic Moldova) jointly sought state funding for technical unemployment through a letter addressed to the Prime Minister. However, this initiative faced a passive response from the government, resulting in no action taken to fulfil their request.

The social partners have negotiated collective bargaining agreements stemming from the Labour Code of 2003, cov-

ering specific obligations. The application of these agreements is mixed, being implemented at the enterprise level in the private sector and at the sectoral level in the public sector, with a relatively high coverage of 43% in 2020, which is significantly higher than the OECD average of 32%.

RESULTS IN 2023–2024

Income of the Population

After a long advocacy campaign from the National Trade Union Confederation, starting on January 1, 2024, the Government has increased the minimum wage to 5,000 MDL, representing a 25% rise or an additional 1,000 MDL. Concurrently, the reference values for calculating the salaries of employees in the public sector will also see an increase. The basic reference value will rise by 10.5%, while the reference value for teaching staff and employees in salary classes 1 to 25, according to the annexes of Law no. 270/2018, will increase by 15%. Additionally, the reference value for staff in administrative authorities and institutions under the Ministry of Internal Affairs, excluding those benefiting from a specific increase, will rise by 21%. This 21% increase also applies to teaching, scientific, and management staff in research and innovation organizations.

Starting October 1, 2023, salaries for employees in public medical and sanitary institutions within the mandatory medical assistance insurance system were increased by 15%. Additionally, the specific increase for medical personnel, including those in public positions with special status from medical authorities, institutions, structures, the Forensic Medicine Centre, and social assistance institutions, was raised from 60% to 75%.

Throughout 2023, several salary classes were added and increased for employees in various branches of the public sector. Changes were also made to Government Decision no. 743/2002 regarding the remuneration of employees in units with financial autonomy. These changes include:

- Ensuring payment of the difference in salary up to the amount of the tariff or monthly position salary established before Government Decision no. 874/2022 if the current salary is lower.
- Establishing the indicative nature of Annex no. 4 (The range for wages calculated by applying the complexity coefficient based on the type of work and sector of activity) in the negotiation process for the real sector, excluding state, municipal enterprises, joint-stock companies with full or majority state capital, monopolistic entities, self-management authorities, and public institutions.
- Implementing an annual review mechanism for the minimum wage by the central specialized labour body.
- Revising the complexity coefficients for some branches of the national economy.

Young graduates from higher education and professional technical institutions who are employed within the first year after graduation in public institutions in the field of culture or local public authority subdivisions will receive single allowances, as allocated by the Ministry of Culture. Additionally, facilities have been granted to young specialists with studies in veterinary medicine.

Social Security

Starting January 1, 2024, the allowance for temporary incapacity to work caused by ordinary illnesses or non-work-related accidents, paid by the employer, will be established regardless of the duration of the contribution period.

On the same date, the one-time childbirth allowance will be increased from 10,068 lei to 20,000 lei. Additionally, the monthly allowance for raising a child up to the age of 3 will be calculated based on the insured income of one of the spouses, resulting in a higher allowance amount.

The CNSM has developed a draft law to ensure favourable conditions for old-age pensions, eliminating the requirement for a full contribution period for those who have completed their contribution period under special working conditions. This bill has been accepted and proposed for approval.

The CNSM has also proposed a draft law to include the period of residency and the period of caring for a child up to the age of 3 in the contribution period necessary for granting early retirement for a long career. This draft law is currently under discussion. New benefits have been introduced in the public social insurance system include:

- A one-time allowance for the period of custody of an adoptable child.
- A one-time allowance for an adopted child or a child taken into foster care.
- An allowance for raising a child older than 3 years who is adopted or taken into foster care.

Additionally, the Convention No. 190 of the International Labour Organization (ILO) on eliminating violence and harassment in the workplace was ratified on December 28, 2023.

Health and Safety

In 2023, the Labour Inspectorate of Trade Unions conducted numerous activities to monitor and improve labour conditions.

- Inspectors visited 275 entities, impacting 30,443 employees, of which 26,910 (88.4%) were union members and 18,775 (61.7%) were women.
- They identified 6,443 deviations from the legal framework, with 625 related to labour relations (labour legislation) and 5,818 (90% of the total) related to safety and health at work.

- Measures to correct the identified deviations were reported by 233 entities, representing 84.7% of the total, an increase of 9.7 percentage points compared to 2022.
- Inspectors participated in 81 training seminars on occupational safety and health (OSH).
- They provided 1,353 consultations to union members on labour relations and occupational health and safety.

Additionally, the CNSM's Risk Factor Control Laboratory conducted 3,842 measurements at 5 entities, found 796 deviations from established norms, and proposed remedial measures.

Legal Framework

After numerous appeals to the relevant authorities, on June 7, 2023, the CNSM positively approved the draft Government Decision regarding the amendment of Article 10 of the Trade Union Law No. 1129/2000. Consequently, on July 31, 2023, the Parliament of the Republic of Moldova adopted the final reading of this amendment, which exempts trade unions from the state registration fee of 1,149.00 MDL.

The legislator also accepted trade unions' proposals to amend the Labour Code, including:

- Recognizing June 1, International Children's Day, as a non-working public holiday.
- Establishing mandatory conditions and a specific period for employees' right to work during prenatal leave.

Additionally, the CNSM participated in approving 15 draft normative acts related to labour relations. These proposals focused on:

- Exempting trade unions from the state registration fee.
- Establishing sanctions for violating legislation on trade unions and the rights guaranteed by law and trade union statutes.
- Creating a simplified mechanism for terminating tax codes when a trade union organization ceases activity, along with addressing other issues raised by CNSM member organizations.

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