

FLEXIBILITY AND SECURITY OF THE LABOR MARKET IN A PANDEMIC CONTEXT

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Abstract

The flexibility and security of the international labor market has been severely affected by the pandemic crisis. The present study analyses the flexicurity strategy as a crisis tool for eliminate the negative consequences caused by pandemic crisis. European countries have successfully implemented the Kurzarbeit anti-crisis model. In order to financially support, EU has created The SURE program. In crisis, the employees worked part-time and the salary was paid by the employer for the hours worked, and the rest was compensated by the state.

In the Republic of Moldova, the labor market has been severely affected by the pandemic crisis, but measures to protect employers and employees have been delayed or selective. As a result, many employees lost their jobs, the number of unemployed has increase.

So, the countries that have implemented flexicurity actions or measures and have achieved tangible results in the segment of employment and modernization of the labor market, have reacted quickly and managed the changes and the shock caused by the labor market by COVID-19.

Finally, are presented measures for the recovery of the labor market in the post-pandemic period.

Keywords: *flexicurity, flexibility, security, labor market, pandemic crisis, Kurzarbeit model*

Clasificare JEL: *J40, J48, J65, J81, J88*

1. Introduction and context of the study

Globalization, international European economic integration, the development of new technologies in the field of information and communication, demographic change involve continuous changes in the labor market and profound structural changes in the economies of most countries in the world. Under these conditions, developed countries are continuously adjusting their employment policies, implementing new models.

On the other hand, the COVID-19 pandemic crisis has caused a clear transformation in the labor market. It is undeniable that the pandemic has brought with it a new economic crisis, which has put pressure on all world economies. Unlike other crises, the one we are currently facing is the consequence of an unpredictable situation, which requires quick decisions. Thus, these challenges require the continued development and application of flexicurity strategies for the development of open and responsive labor markets, as well as more productive jobs. Adapting to the new changes requires a more flexible labor market along with high levels of security, which at the same time respond to the new needs of employers and employees.

Labor market flexibility refers to the speed with which the labor market manages to adapt to changes in the economy or production. This concept refers not only to the flexibility of companies to demand or to their own production cycles, but also to the flexibility of employees in relation to the job. Just as companies adapt their needs to the labor market according to their business cycles, so do workers adapt their work needs to their personal lives.

2. Flexicurity - integrated strategy in the labor market

A strategic tool for simultaneously strengthening flexibility and security in the labor market is flexicurity, which is a harmonious combination of flexibility and security in labor relations, and the

practical application of flexicurity is presented as a policy strategy aimed at reconciling the requirement of employers for flexibility. and the requirement of security employees.

Flexicurity means making the labor market more flexible while increasing security in the face of social risks, and involves developing the adaptability of employees and employers, contributing to the positive management of changes in the labor market. As a result, businesses and workers can benefit from both flexibility and security in better work organization; upward mobility; increase skills; investment in vocational training by companies to help employees adapt and accept change.

The Organization for Economic Co-operation and Development characterizes flexicurity globally as follows: moderate legislation in the field of job protection; a high level of participation in lifelong learning; high spending on labor market policies (both active and passive); generous unemployment benefit schemes that balance rights and obligations; wide coverage of social security systems; wide area of union coverage [1, p.8].

In the literature, the concept of flexicurity was defined by Wilthagen and Tros (2004). According to the authors, flexicurity is presented as a political strategy that seeks synchronously and deliberately to increase the flexibility of labor markets, work organization and labor relations, on the one hand, and to strengthen security (social security and employment security), especially for groups disadvantaged by or outside the labor market, on the other hand. Making the labor market more flexible can only be achieved by increasing job security, but it is no longer a general goal, but rather a way to reach a compromise between employers and employees. The biggest paradox in flexicurity is that workers are much more flexible and creative when it comes to job security” [2, p.1]. So we can say that flexicurity is identified as a ”police strategy”, as a measure of ”normalization of atypical work” and can be understood as a compromise between flexibility and security.

The authors Keller and Seifert consider that the definitions formulated by Wilthagen and colleagues are too general and vague, leaving room for interpretation. According to the authors, flexicurity can be achieved by finding the balance between labor market flexibility and social security, implemented through deregulation [3, p.6]. Thus, the authors identify flexicurity as ”social protection” and ”deregulation policy”.

Andranik Tangian, formulated in his works a quantitative definition of flexicurity. In his view, flexicurity is the employment and social security of atypical employees, in other words, those who usually do not have a full-time permanent job. The author identifies flexicurity as a “state of affairs in the labor market” and as an “analytical concept”. We consider this definition to be relatively narrow [4, p. 8].

Eamets and Paas define flexicurity by increasing labor market mobility - labor flows, labor movement, functional and occupational mobility, geographical mobility and the flexible organization of working time - with opportunities for a new job, work, without substantially lowering the income level. It is understood that the unemployed should receive sufficient training and active support in the labor market in order to secure a new job as soon as possible. Unemployment benefits must be sufficient to cover major loss of income and the payment period is relatively short, so that people will not lose the motivation to look for new jobs [4, p. 8].

Analyzing the definition given by Wilthagen and Tros, the Moldovan author Alic Bîrcă highlighted four dimensions for both flexibility and security. The dimensions of flexibility refer to:

1. numerical flexibility, external and internal, expressed by adapting the number of employees;
2. functional flexibility, determined by the production system and that of the work organization;
3. flexibility of working time;
4. salary flexibility [5, p.31].

External numerical flexibility or the flexibility of employment and dismissal refers to the continuous adjustment of the flow of employees on the labor market. External numerical flexibility is achieved through fixed-term employment contracts, temporary employment, flexible employment conditions or reasonable restrictions on dismissal, which are based on market mechanisms, legislation or contracts collective.

Internal numerical flexibility contributes to increasing the performance of organizations by increasing adaptability, innovation and productivity; internal optimization of the number of employees in different sectors or activities; adopting flexible solutions regarding the organization and use of working time.

Functional or organizational flexibility refers to the measures adopted at the level of the units that imply the incorporation of flexibility in the structure of work processes, work organization and workplaces, including flexibility in terms of employee mobility. Functional flexibility involves teamwork, the acquisition of multiple skills and the rotation of tasks, or it involves a continuous process of lifelong learning. Functional flexibility requires a flexible legal framework, associated with permissive collective labor agreements, but also vocational training, which is an essential condition for employees to be able to move from one job to another within the unit, depending on its needs or theirs.

Of particular importance in terms of functional flexibility is the work at home or telework, which in the conditions of the COVID-19 pandemic has expanded widely.

Salary flexibility aims at differentiating salaries based on the criteria of qualification, experience and responsibility of the employee. Although employers can negotiate with employees the salaries, established by individual employment contracts, they cannot derogate from the legal limits - the minimum gross salary in the country.

Therefore, the flexibility expressed in its four forms offers employers more employment opportunities and options.

As previously mentioned, the Moldovan author Alic Bîrcă deduced from the definition given to flexicurity by the authors Wilthagen, Tros and Lieshout four dimensions of security, which we will analyze further:

1. job security;
2. employment security;
3. income security;
4. combined security [5, p. 32].

Job security aims to protect employees against redundancies and major changes in working conditions with respect to a specified job.

Security of employment means ensuring that you remain in employment, but not necessarily with the same employer, and providing equivalent employment, corresponding to the individual's qualifications and previous working conditions. Vocational integration is ensured by offering training and vocational training opportunities.

In other words, job security refers to the security of the worker to remain an employee, but which involves a change of job or position, or even the employer. However, job security concerns the chances of workers being able to get a job, giving them the opportunity to transition to another job, either at the same level, or to a higher job, or from some form, vocational training to a job, or from unemployment or from a precarious form of employment to a stable job.

Income security reflects the degree of income protection in the event of the termination of paid employment. Income protection is achieved through the following mechanisms: minimum wage mechanism, wage indexation, comprehensive social security, including progressive taxation. In this sense, the International Labor Organization has adopted Convention no. 95/1949 on the protection of wages, a document which established measures for the elimination of abusive practices by employers.

Combined security is about reconciling paid work with other responsibilities and social obligations (work-life balance, work-family balance, etc.). Thus, combined security is a combination of paid work with other forms of activity, such as the fulfillment by employees of obligations related to education, vocational training, family, etc.

Starting from the two basic elements of flexicurity - flexibility and security, Wilthagen, A. C. et al. (2014) highlighted four components of flexicurity, which are also found in the European Commission Communication “Towards Common Principles of Flexicurity: More and Better Jobs through Flexibility and Security”, through which it can be implemented: Life Long-Learning; Flexible Contractual Agreement; active labor market policies (Active Labor Market Policies); Modernized Social Security Systems [6].

Lifelong learning. Lifelong learning strategies include measures to permanently adapt the employability of workers, starting with the school level and ending with the post-retirement level. Investing in human resources and skills training is becoming increasingly necessary to respond to rapid change and innovation. Only through continuous investment in skills do business opportunities increase in the face of economic change, but so do workers' chances of staying employed or finding new jobs. The task of companies is to anticipate changes and human resource requirements, to plan in-house training and retraining programs for employees, and lifelong learning strategies need to be comprehensive and address the lack of employment prospects for employees.

Only in such conditions can the employer and the employee ensure the continuity of the legal employment relationship by the fact that the employee will be able to respond to new requests arising with the changes made on the labor market. This becomes a crucial factor both for the competitiveness of companies and for the chances of long-term employment of workers. Increased participation in lifelong learning is positively associated with high employment and reduced long-term unemployment.

Unfortunately, many companies in Central and Eastern European countries, including those in the Republic of Moldova, cannot afford to finance employee learning and retraining programs on their own, even though they are aware that a well-developed multilateral employee is more effective for the organization than the change of workers, or in these situations the state must intervene, by creating teaching and grouping centers according to the interests of employees with their further training. Therefore, the full lifelong learning strategy requires the active involvement of governments, the social partners, businesses and individual workers.

Flexible employment contracts. This component requires flexible and secure contractual provisions, both from the perspective of the employer and the employee, as well as of the persons, who are part of the excluded categories, provided for by labor law, collective agreements and a modern work organization.

Active labor market policies. Active labor market policies are aimed at helping people cope with rapid change, reduce periods of unemployment and facilitate the transition to new jobs. They provide for mechanisms that facilitate the re-employment of the unemployed and the excluded subjects of “output”. As an example, we mention the creation of agencies for finding jobs and participating in specialized courses to find jobs; fiscal stimulation of employers, which create and offer new jobs, etc.

Modernized social security systems. The essence of the social security system is to guarantee a certain economic security of the protected persons in the event of social events - unemployment, partial or total incapacity for work, illness, transition to another job, etc. It should be noted that modern systems Social Security, which provides adequate unemployment benefits, cannot be analyzed separately from active labor market policies and conditions, both of which are key components, the application of which ensures, in practice, income security and financial support during job change.

As stated in the European Commission Communication “Towards common principles of flexicurity: more and better jobs through flexibility and security”: “Good unemployment benefits are needed to offset the negative consequences of income during relocation. However, they can have a negative effect on the intensity of job search activities and can reduce financial incentives to accept a job. This can be avoided by establishing effective job search support and employment incentives, thus ensuring a balance between rights and obligations. Evidence shows that job search assistance, such as job search courses and job search clubs, are among the most effective measures to help the unemployed find a job. Expenditure on active labor market policies is associated with a lower level of cumulative unemployment. The effectiveness of active labor market policies is positively related to less stringent legislation in the field of job protection” [1, p. 7].

All four components of flexicurity are closely interdependent, so depending on the coefficient of flexibility and security, the other components will be modified. So we can say that the coefficient of flexicurity is a fixed element, and active labor market policies and modern unemployment benefits are the variable elements of flexicurity, and in turn, lifelong learning policies are one of the key elements of achievement.

Flexicurity was first used and implemented in Denmark in the 1990s, with the premise of an unemployment rate exceeding 10% and opportunistic behavior on the part of people with low wages who were not encouraged to enter employment, given that unemployment was high. This situation required a reform of labor legislation by implementing the concept of flexicurity, which did not diminish the degree of protection offered by the state, but introduced active labor market policies, which was a real innovation for the labor market. As a result of the implementation of the concept of flexicurity, the “golden triangle” was created consisting of a mix of three sides: 1) labor market flexibility combined with 2) social security and 3) an active labor market policy with some rights and obligations for the unemployed.

These results have led to the spread of the institution of flexicurity in the EU, registering in practice several models, of which can be noted in addition to the Danish Model, and the Austrian Model, the French Model, the Finnish Model. For example, the Austrian model relied on stimulating labor mobility, with employers being required to transfer a fixed monthly amount to an individual savings account, opened in the name of each employee, to benefit from redundancy. The French model focused on modernizing the labor market in conjunction with the reform of public employment services and the development of a vocational training system.

From the above, we can conclude that a successful flexicurity strategy must carefully balance the income security function of the unemployment benefit system with the appropriate “activation” strategy designed to facilitate job transitions and to intensify the development of the professional career.

The COVID-19 pandemic-induced health crisis and the measures taken by the authorities to limit its spread have led to appropriate adjustments in the labor market. Authorities in most European countries have opted for measures to encourage the maintenance of employment, providing financial support to companies in the economy. There has been a general trend in Europe to resort to part-time work schemes, which are essentially a social security system in which employers are allowed for a limited period of time to adjust their workforce in the event of recession along the intensive margin.

Flexicurity measures are being taken in the European labor market, with the aim of combining the need for flexibility with employers with the need for job security, which is important for employees. Thus, at least in the short term, European firms make significant use of a strategy to reduce labor costs through margin-intensive work - reducing the work schedule.

The use of part-time work schemes has already become a tradition in some countries, such as Germany, Austria, Belgium and Switzerland.

This crisis instrument, called *Kurzarbeit*, was first applied in Germany during the financial crisis of 2008-2009. *Kurzarbeit* means working on a reduced schedule and involves a partnership

between employers and the state, so as to avoid redundancies in the event of reduced activity in crisis situations.

The Kurzarbeit tool (part-time work schemes) implemented in Germany during the 2008-2009 recession has been extensively researched and reflected in the literature, demonstrating the beneficial effects on employment.

Illustrative in this respect are the results obtained by Balleer et al. (2016) or Hijzen and Martin (2013), who estimate that the schemes saved between 466,000 and 580,000 jobs, ie around 1.3 percentage points of the unemployment rate, respectively a higher level of employment. 2 percent compared to the situation in which this instrument would not have been used [7, 8]. On the other hand, there were also unfavorable consequences, highlighted by Cooper et al. (2017), in terms of the efficient allocation of employees in the German labor market, production losses being estimated at about 1.5 percentage points of GDP. Therefore, in order to limit the negative effects, it would be preferable to create a mechanism in which firms bear an increasingly substantial share of costs, depending on the length of participation in the program, as the economy progresses on the upward slope of the business cycle (Hijzen and Martin, 2013; Cahuc and Carcillo, 2011) [9, 8].

The COVID-19 pandemic crisis has led to the implementation of the Kurzarbeit model in several states of the European Union. Germany is implementing the program, following the pattern of the 2008-2009 economic crisis, with the German state covering up to 80% of net employee compensation that would have been reduced as a result of reduced working hours, including social security contributions due by employers. Austria has implemented this model of financial support (under the name Corona-Kurzarbeit), which assumes that employees receive 90% of their net salary despite reduced working hours, with employers bearing the remuneration for hours actually worked and the state the difference. EU member states that have implemented support measures to subsidize reduced working time include France, Hungary, the Czech Republic, Romania, Slovenia, etc.

These schemes (short time work schemes) have the role of reducing the incidence of unemployment, supporting the income of employees, maintaining the production capacities and human capital of enterprises and maintaining economic stability.

The Kurzarbeit model in Romania. In order to avoid redundancies due to the epidemic and to keep jobs, the Kurzarbeit model was implemented in Romania by Emergency Ordinance 132/2020, later being adopted Law no. 58/2021, in this sense. In accordance with Law no. 58/2021 provides for the possibility of reducing by 80% the monthly working time of employees, with the granting of an allowance of 75% of the basic salary related to the hours of reduction of working hours, during the state of emergency, alert or siege, plus another 3 months after its termination. The 75% benefit is borne by the unemployment insurance budget after the employer has fulfilled the declaratory and payment obligations related to the income from salaries and assimilated to the salaries of the period for which the request is made [10].

At the same time, during the period of applicability of the measure, it is forbidden to hire staff to perform activities similar to those performed by employees whose working time has been reduced. During the period of application of the measure, the employee benefits from all other related rights provided in the individual employment contract in proportion to the actual time worked. During the flexible working period, no collective redundancies can be made, the employees cannot initiate additional work, and the management cannot receive bonuses, increases, etc.

Employers who are in bankruptcy, dissolution, liquidation or whose activities are suspended or restricted according to the law, nor employers who are registered in non-cooperating jurisdictions for tax purposes (in tax havens) cannot benefit from this measure.

The Kurzarbeit model, approved in Romania, applies only to the private sector, not to the public administration.

Following the rapid spread of the COVID-19 pandemic, short-term work schemes have been implemented and are widely applied at European level. To this end, the European Commission has made available to the Member States a financial support instrument to combat the negative economic and social consequences of the COVID-19 epidemic, namely the SURE (Temporary Support to Mitigate Unemployment Risks in an Emergency) program. This temporary instrument has almost 100 billion euros, will remain operational until 31 December 2022 (with the possibility of extension if necessary), and through it will be credited, at favorable cost, national labor systems with reduced schedule. In this way, the affected Member States can receive financial assistance from the EU in the form of loans, money to deal with the sharp rise in public spending on maintaining employment. The SURE instrument is a key element of the EU's comprehensive strategy to protect citizens and mitigate the very serious socio-economic consequences of the COVID-19 pandemic. Loans provided through the SURE instrument will help Member States to cover the costs of national short time work schemes - programs that allow companies to reduce their work schedule and at the same time provide support for providing income to employees.

At the same time, we will further highlight the experience of some states regarding the applied measures, intended for specific categories of employed persons.

In Italy, by Decree-Law no. 18 of March 17, 2020, “social depreciation” measures were approved, which compensate the reduction of incomes due to social isolation and implicitly the restriction of economic activity, such as: granting a non-taxable allowance of 600 euros / month for freelancers, holders of collaboration contracts and tourism workers (including seasonal workers).

Germany has launched a € 50 billion package of measures for households and specific categories of employees, which involves the creation of a separate aid fund for smaller companies and self-employed workers for artists and taxi drivers, booksellers, etc.; small companies and sole proprietorships, with up to five employees, receive € 9,000 for three months to cover current expenses or pay debts; companies with 6-15 employees will receive 15,000 euros for three months.

The US \$ 2 billion anti-crisis program also includes supporting the family's income by providing \$ 1,200 for an adult or \$ 2,400 for a couple and additional child care. Unemployment benefits were increased by \$ 600 a week for 4 months.

In France, 100% of technical unemployment is paid by the state. In support of companies, but also of the self-employed, social security and tax payments have been postponed.

If we go back to the beginning of the health crisis, we attest that the main concern, in the conditions of social isolation and interruption of economic activity, was to maintain the income of the population at a level that does not drastically reduce the standard of living, especially by partial subsidy of suspended jobs.

However, the states affected by the health crisis have taken and continue to take action and are implementing complex plans in two directions:

- 1) mitigation of the effects on enterprises and households of measures of social isolation and temporary interruption of economic activity;
- 2) facilitating the resumption of business activity and reducing the magnitude of the economic crisis that is expected to follow the health crisis.

Initially, the implementation of financial support schemes for companies and employees affected by the new economic reality was one of the priorities of public policies adopted during the peak of the crisis, but their opportunity and long-term sustainability become a matter of concern, especially in the context where the degree of uncertainty about the pre-pandemic recovery trajectory remains extremely high, with the risk of an inefficient allocation of resources.

If initially the shock generated by the pandemic was perceived as a temporary one, the latest data suggest a prolongation of the health crisis, which can produce structural changes in economic activity globally. As a result, these strategies may not have the expected effect, being costly to maintain over the longer term. On the other hand, restrictions applied in certain areas, such as tourism, international passenger transport, public catering, may persist longer than initially

expected, or it could influence labor migration to firms with more prospects. favorable growth - companies with business models compatible with social distance, online commerce, courier services, activities that can be carried out remotely through technology or the health sector have a high potential for development.

Based on these realities, we consider that only labor conservation measures are not enough, they are effective only in the short term, active policies are needed, which favor a smoother transition to the new economic reality, which can take the form of employment programs. professional retraining, training or facilitating the reallocation / optimization of resources through the development of online platforms designed to reduce frictions in the labor market and to facilitate the process of searching for candidates and matching them with vacancies.

At the same time, we note that countries that have implemented flexicurity actions or measures and have achieved tangible results in the segment of employment and modernization of the labor market, have reacted quickly and managed to cope with the changes and the shock caused by the labor market by COVID-19, implementing actions and measures to maintain labor relations, to support companies and employees, even if there is a degree of uncertainty about the return of the pre-pandemic situation.

Labor market in the Republic of Moldova. The COVID-19 pandemic crisis had detrimental consequences for the domestic labor market, leading to the need to rethink the organization of work. Some of the local organizations were not prepared both in terms of infrastructure and labor, to carry out distance professional activity. As a result, many organizations have temporarily ceased their activities, while others have made redundancies, especially those without IT skills, to enable them to carry out teleworking. As a result, a large number of employees have been affected by their workplace due to the COVID-19 pandemic - some have been absent from work, others have been working remotely or have worked fewer hours a week. All this has had a negative impact on the quality of professional life.

The employment rate decreased in the second quarter of 2020, compared to the same period in 2019, from 41.4% in 2019 to 38.2% in 2020. This is due to the establishment of the state of emergency during this period. .

The information presented by the National Agency for Employment (ANOFM) shows that the number of unemployed increased in 2020, compared to 2019, by more than 1.6 times, exceeding the number of over 50 thousand people, being approximately equal to that recorded in 2015, when the economy of the Republic of Moldova was affected by the theft of billions of dollars from the banking system.

The pandemic crisis was most affected by the labor force working in the informal sector of the economy, which in 2019 accounted for 23% of the employed population. A large part of the labor force in this category is active in trade, the sector of the economy most affected by the pandemic, but, not being socially insured, they did not have state support and borne the consequences of the pandemic crisis on their own.

The pandemic also had a strong impact on the number of vacancies in the national economy, which decreased in 2020 compared to 2019 by over 10,000. As a result, the number of vacancies was 2 times lower than the number of registered unemployed. In 2020, only 18.2% of registered unemployed people got a job, as opposed to 35.7% of registered unemployed people, who were employed in 2019.

As for unemployment, the Republic of Moldova registered a rate of 3.8%, being at the level of that registered in Germany and the Netherlands, at the same time, at the EU level the unemployment rate was 7.1%. Although we have a low unemployment rate and we are at the level of Germany and the Netherlands with this indicator, the employment rate is 2 times higher in these countries than in the Republic of Moldova, constituting in Germany - 72% and 74% respectively in the Netherlands. Below, for the 15-64 age group, in 2020.

Unlike European countries, the Republic of Moldova did not provide direct financial support to companies to maintain employees, and the support provided was often indirect or delayed, unlike in developed countries, which are concerned with the long-term sustainability of enterprises. and during the health crisis they provided companies with funds for maintaining labor relations. For example, in Romania, during the crisis caused by COVID-19, 1.5 million people received technical unemployment paid by the state for a total amount of over 520 million euros.

Although technical unemployment is provided for in the Republic of Moldova by the Labor Code, its costs have been entirely placed on the shoulders of the employer. Even if the government declared a refund of 100% or 60% of the contributions and taxes on the salary paid to employees declared technically unemployed or stationary by their employers, the companies encountered many difficulties in this regard, as follows:

First of all, this measure came late, and in the meantime many employees were sent on rest leave, paid or on their own, or even fired.

Secondly, the reimbursement was made post-factum, after the companies paid the contributions and taxes on salaries, it was not an exemption. Thus, during the period of inactivity, many companies found themselves without enough money to cover all expenses, and given that labor relations in Moldova are very flexible, employee expenses were cut among the first.

Thirdly, the reimbursement was not automatic, this being the subject of a thematic fiscal control, and the companies could wake up in one of the three situations: not to receive reimbursement at all, for various reasons (whether they are not included in the nomenclature of activities in categories provided by the government, whether they have not implemented stationary or technical unemployment, or have not submitted the appropriate documents, etc.), to receive 60% of the amount of contributions and taxes, or to receive full reimbursement.

Another measure implemented by the government was to increase the unemployment allowance for the period of emergency to the level of the minimum wage in the real sector of 2775 lei. But this measure has encouraged layoffs, rather than helping to maintain employment. Therefore, we find that the measures taken by the government were unfavorable to labor relations.

Some of the employees during the pandemic crisis worked at home, at a distance. The general trend that is being observed internationally is that homework or teleworking will largely replace office work. That is why Moldovan employers will have to adapt their management styles and provide control and monitoring to employees who work remotely.

Another effect of the health crisis on the domestic labor market is the increase in the supply of new jobs in certain sectors: online sales, courier, information and communication technologies, etc., or this opens new opportunities for Moldovan entrepreneurs. It is important to focus on training in these areas.

The recovery of labor market imbalances can be achieved by implementing active labor market policies in the Republic of Moldova, with the main objective of increasing employment opportunities for job seekers and improving the correlation between vacancies and labor force (unemployed).

The interventions of government institutions on the labor market fall into three categories:

- 1) services on labor market policies;
 - 2) measures on labor market policies;
 - 3) financial aid for labor market policies.
- 1) Labor market services are provided in particular by the Public Employment Service (PES) on the labor market, whose clients are mostly jobseekers.
 - 2) Measures on active labor market policies fall into several categories: job creation, stimulating the start-up of start-ups, vocational training, stimulating employment, assisted employment and rehabilitation. For the most part, there are no differences between the active measures developed on the labor market in the Republic of Moldova and those in the EU, except that the domestic labor market does not include job rotation and job sharing as measures that

stimulate employment. At the same time, we note that, unlike the EU member states, the Republic of Moldova is in the initial phase of implementing active labor market policies, which encounters certain difficulties in the implementation process. Vocational training is one of the active policies of the labor market, which has a longer implementation duration in the Republic of Moldova.

- 3) Financial aid is the third category of interventions in the form of labor market policies. Under these conditions, there are a variety of financial aids granted to individuals in the event of partial or total loss of employment or early retirement, but which have a more limited application in the case of the Republic of Moldova. This is limited to the granting of unemployment benefits. At the same time, it should be noted that the share of those who receive unemployment benefits is quite low in the total number of unemployed. This demonstrates that most of the workforce that goes to ANOFM does not meet the legal requirements for obtaining unemployment benefits.

The COVID-19 crisis puts labor markets in many countries in a state of emergency, by disrupting supply chains, slowing world trade and export demand, reducing working hours, but especially by drastically shutting down domestic economic activities, especially those in the field of public services, which is a new challenge.

Governments around the world are taking steps to secure jobs and maintain the economic activity of companies, which are in the area of making employment more flexible and modularizing working time. Although reducing working hours can prevent job losses, the system of financial incentives provided by governments cannot counteract the collapse of employment, given that no one knows how long this crisis will last.

The pandemic has led to a sharp decline in labor demand in some sectors of activity, but on the other hand, there has been a shortage of labor in other sectors. Under these conditions, workers temporarily laid off from sectors that have stopped or reduced their activity may be relocated to these sectors, which are facing a shortage of employees. Such an adjustment, to make the labor market more flexible, can be facilitated by raising barriers to temporary employment, facilitating access to loans and subsidizing retraining and training.

Temporary relocation of workers to areas with a labor shortage must be carried out in the light of two objectives: keeping as few differences as possible between the profile of the worker to be relocated and the skills needed for the new job, in areas with a large labor deficit. ; maintaining opportunities for relocated workers to resume their old jobs, while maintaining employee-employer links.

The outbreak of the COVID-19 pandemic brought to the fore the problem of expanding telework, as one of the methods of organizing the production and performance of companies, and implicitly of employment. From the literature we deduce the idea that telework could be practiced even after the pandemic, given that the digitization of activities or the partial passage of some activities in execution through the online system, will reduce the costs of work with utilities.

COVID-19 has had a serious impact on the global labor market, addressing three key issues:

- 1) the number of jobs (reflected both in the form of unemployment and in the form of a low degree of employment);
- 2) quality of work;
- 3) the effects on specific groups, more vulnerable to the negative effects on the labor market (young people with precarious jobs, older and disabled workers, women (because they have a share in the affected sectors more severely or because they stay at home to have family members), self-employed workers or those on online platforms, low-wage workers, migrant workers and people known as “invisible workers”, ie those who do undeclared work). The poverty of the employed has increased significantly.

5. Conclusions

In order to remove the consequences of COVID-19 on the labor market, we highlight the most probable option - the gradual restart of the economy, given that the functionality of the economy is a necessary condition of the functionality of the labor market.

The European Economic and Social Committee (EESC) has launched the *COVID-19 Recovery and Reconstruction Program*, which is based on six principles: solidarity, competitiveness, sustainability, job protection, income protection and participation. At the heart of this strategic program are jobs, the workforce, to adapt to changes in the production system, emphasizing the importance of knowledge and their constant use through the system of education, training and lifelong learning.

The competitiveness of the production system can be relaunched by strengthening the system of SMEs, large enterprises and social enterprises - vectors of development in the digital and ecological transition and in the supply of decent jobs. By offering support packages and a favorable business environment for SMEs, new jobs will be obtained, which would lead to a relaunch of the economy and productivity. Protecting jobs and incomes for all workers, including workers in vulnerable groups (workers with precarious jobs, poor children, people with disabilities, citizens in marginalized areas, etc.), is a priority for governments, and policies must include a long-term perspective (training, lifelong learning, etc.).

The social partners can train in the development and improvement of support measures to compensate for the lack of economic activity in many sectors, in order to protect all types of workers, as well as small businesses. Adequate and sustainable unemployment benefits and other forms of assistance are needed, including minimum European standards on net replacement rate, duration of unemployment benefits and coverage. Where feasible, short-term work schemes may be introduced in consultation with the social partners.

Simplifying access to telework, in consultation with the social partners, is another way to ease the situation for businesses, employees and the self-employed. In addition, governments could provide financial assistance and technical support to SMEs to help them quickly develop teleworking capabilities.

Redefining work is becoming crucial in the post-COVID-19 recovery phase. In the private and public health and care sector, the pursuit of productivity growth has been detrimental to the quality of services and undermined work experience, with dramatic effects during the health crisis in most countries. Switching to service-based activities would lead to a labor-intensive economy, which would offset the precarious nature of jobs in these sectors, supporting higher levels of employment and re-creating jobs in the real economy. As a result, it is essential to have policies to support quality work in labor-intensive sectors that provide high quality services.

In the opinion of the Romanian authors V. Vasile, C. Boboc, S. Ghiță, S. Apostu ș. a. In order to recover the labor market and remove the effects of the pandemic crisis, several specific measures need to be taken, some of which we will mention below:

- Supporting employment through strategic investments - transport infrastructure, modernization of information system in the central and local administration sector;
- Ensuring decent, quality employment in strategic areas of development (essential, key jobs) - activities of extraction and processing of natural resources, energy, social services - health, education;
- Partial subsidization of jobs for small and medium-sized businesses, with the obligation to keep those persons employed for a period at least equal to the period of support from public funds and the renunciation of technical unemployment;
- Exemption from the payment of profit tax for investments made by companies for the

digitization of activities - networks, equipment, etc., including full tax deductibility for the value of digital skills training courses for employees;

- The transition from informal employment and informal small business to formal employment in companies officially integrated into the business environment;
- Flexibility of forms of employment, from supporting part-time employment, to ensuring full-time contracts with modular working time, at the level of a calendar year;
- Establishing training standards for the training of digital skills and abilities for all categories of professions and trades, by accrediting specific training modules;
- Reconsidering the role of counseling for vocational training - providing counseling for education for the labor market and career development at all levels of formal education - school counselors for the labor market;
- Stimulating employment growth in small firms, with production of local goods and services, by promoting through fairs and exhibitions with sales, supported by local public authorities - public-public / public-private partnership [11].

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