

## EMPLOYMENT DIFFICULTIES EXPERIENCED BY YOUNG PEOPLE IN THE RURAL AREAS OF THE REPUBLIC OF MOLDOVA

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### *Abstract*

*The basic aim of our investigation was to elucidate the problems of young people as part of the human potential of rural areas. As a result of processing statistical data related to the evolution of the labour market in the Republic of Moldova, there were highlighted the differences between the average indicators of the labour market in the country, both in urban and rural areas, putting a particular emphasis on young people. Also, according to the generalization of a survey data there were found the causes that repress the desire of graduates of agricultural education institutions to find jobs in rural areas. The final conclusion is that even if in the country at governmental level, certain attempts are made to attract young people to work in villages, their efficiency is still insufficient.*

*Key words:* labour market, rural area, unemployment, young people

### INTRODUCTION

It is well known the essential role of young people in ensuring country's economic and social potential. The level of young people employment represents a key factor in the future development of society. Therewith, a qualitative job offers a number of advantages to young people, and namely:

- the opportunity to enhance their knowledge and professional skills;
- the opportunity to grow intellectually;
- psychological benefits manifested by getting satisfaction from a certain social status in the work group, from the performed duties and responsibilities etc.

According to the Youth Legislation of the Republic of Moldova, the notion of young people designates those aged 16-30 years (1999).

The Article 46 of the Labour Code of the Republic of Moldova stipulates that the individual acquires the capacity to work at the age of 16. Also, it is stated that the conclusion of the individual employment contract is possible from the age of 15 years provided the written consent of parents or guardians (2003).

According to the definition of the International Labour Organization, the youth

comprises the population aged 15-24 years (Ministry of Labour, Social Protection and Family. Stimulating the employment of young people. Proposals of public policies. April 2012).

### MATERIALS AND METHODS

As material for this investigation we took the publication of the Ministry of Labour, Social Protection and Family „Stimulating the employment of young people”, data on young people employment and unemployment presented in the edition of the National Bureau of Statistics of the Republic of Moldova „Labour force in the Republic of Moldova. Employment and unemployment. 2013”, a series of statistics that show the evolution of labour market indicators in the period 2008-2012 taken from the official site of the National Bureau of Statistics of the Republic of Moldova, the results of a questionnaire involving 210 students of State Agrarian University Moldova in the last academic year, 1<sup>st</sup> Cycle.

The used methodological tools included: critical analysis of the problem, dynamics evaluation of the labour market indicators, comparative analysis of these indicators by areas, identification of trends and issues

related to youth employment, highlighting the gap between the average indicators in the country and those related to rural areas.

## RESULTS AND DISCUSSIONS

Making a study of basic indicators characterizing the labour market in the Republic of Moldova in the period 2008-2012 (Table 1), we found out that there was an

essential gap between the national average indicators and the indicators related to young people (15-24 years). Thus, if the average activity rate in 2012 was 40.7%, then the activity rate of the young population was only 20.2%. A similar situation was also observed when examining the employment rate: the national average rate was 38.4%, while the employment rate of young people reached only 17.6%.

Table 1. Evolution of the labour market indicators in the Republic of Moldova in the period 2008-2012

Indicators	2008	2009	2010	2011	2012
Average activity rate, %	44,3	42,8	41,6	42,3	40,7
Youth activity rate, %	20,8	21,5	21,9	22,3	20,2
Average employment rate, %	42,5	40,0	38,5	39,4	38,4
Youth employment rate, %	18,5	18,1	18,0	18,9	17,6
Average unemployment rate, %	4,0	6,4	7,4	6,7	5,6
Youth unemployment rate, %	11,2	15,4	17,8	14,9	13,1

Source: Labour force in the Republic of Moldova. Employment and unemployment, 2013; Statistics by areas. Labour force.

The problem of the low level of youth employment is also confirmed by the fact that the unemployment rate of youth exceeds considerably the average unemployment rate in

the country. The situation is getting worse because there were no improvement trends in the analyzed period (Figure 1).

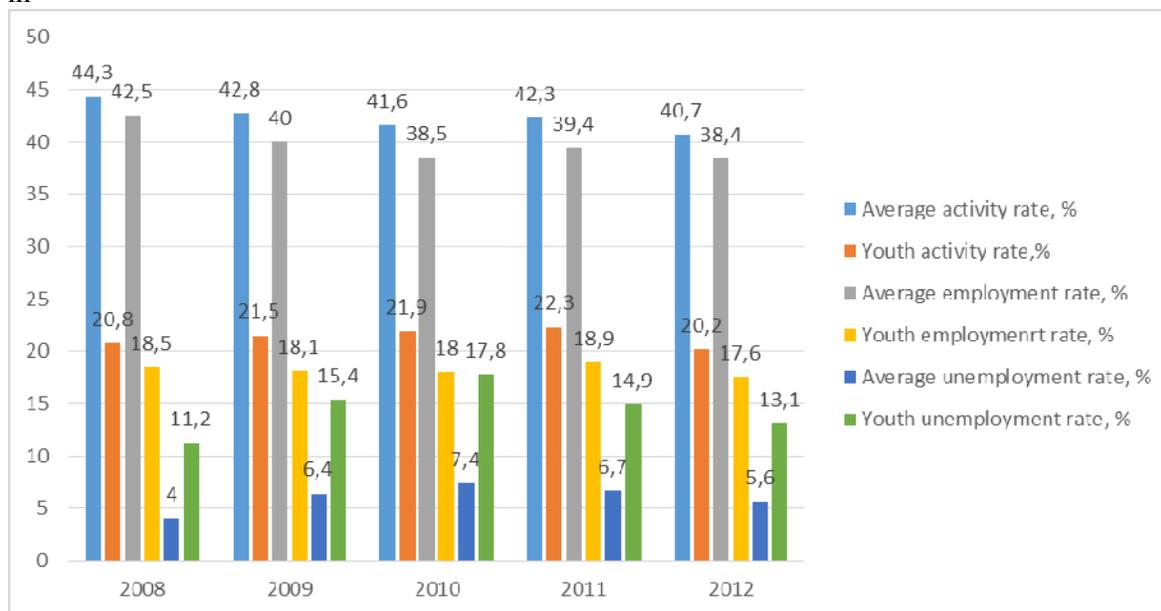


Fig. 1. Comparative evolution of the average indicators of the labour market and of the indicators related to the young population in the Republic of Moldova in the period 2008-2012

When examining labour market indicators by areas we noticed that the problems of youth segment are more acute in the rural areas. Thus, examining the evolution of the

following indicators: the activity rate and the employment rate (Figure 2), we found out the following:

- the activity rate of young people in rural areas in 2012 was by 8.1 percentage points lower than in urban areas;
- the employment rate of young population from rural areas in the same year was lower than in urban areas by 6.5 percentage points;
- compared to 2008, the gap between the mentioned indicators in 2012 was higher.

Thus, if in 2008 the difference between the

activity rates by areas constituted 2 percentage points, the same difference for the year 2012 increased

by 6.1 percentage points. The absolute increase of the difference between the employment rates by areas in this period was of 5.7 percentage points.

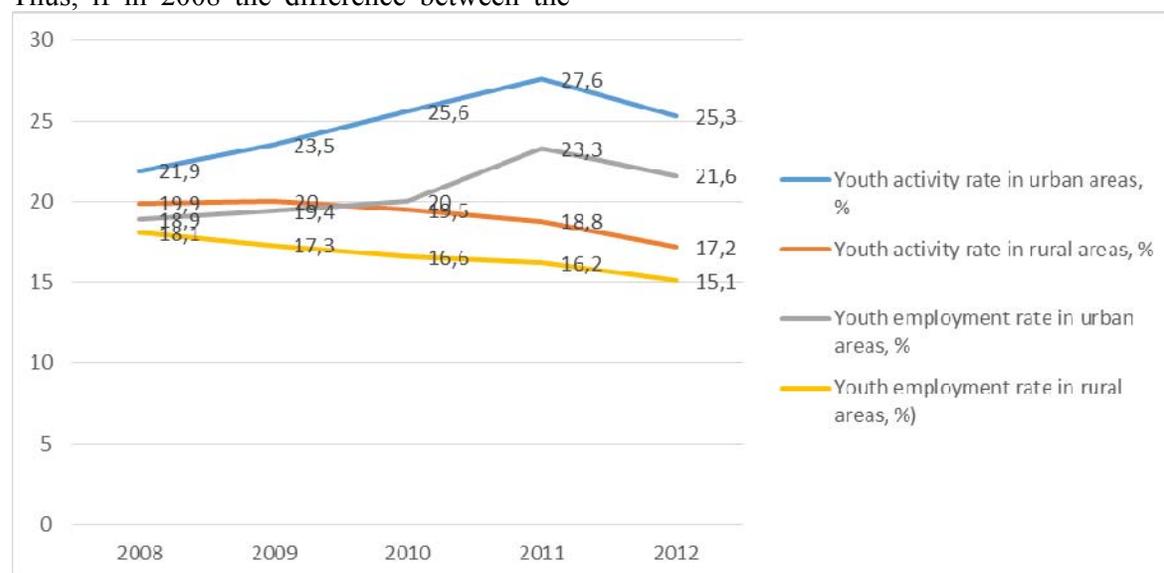


Fig.2. The evolution of activity and employment rates of the young population of the Republic of Moldova by areas in the period 2008-2012

An apparently better situation can be found in the comparative examination of the unemployment rate. Thus, if in 2012 the unemployment rate of young people in urban areas was 14.6 %, then in the rural areas it was only 11.8%, i.e. by 2.8 percentage points less (Figure 3).

It seems that the increased rate of youth unemployment is a normality that could be explained by the lack of experience, lack of social relationships etc. Compared to European statistics, the unemployment rate of young population in the Republic of Moldova is even lower (in the EU every seventh young person is unemployed, while in the Republic of Moldova - every fifth). If, however, we make an objective assessment of the situation, there can be highlighted the following aspects: the study of the Ministry of Labour, Social Protection and

Family states that every fifth young person looking for a job is unemployed (2012).

Therefore, the statistics considers only the young people who have legalized the status of unemployed. It is well known, however, that the number of unemployed people is much higher in the Republic of Moldova, a great part of them being gone abroad. On the other hand, it is obvious that in conditions of low activity and employment rates, the actual unemployment rate of young people cannot be at such a low level. Thus, we conclude on a situation which is actually more serious than the one officially presented.

The low level of youth employment rate leads to a smaller share of this category of employees in the total employed population. In addition to the low percentage of young people in the total employed population, it can be also noticed a very small share in the segment of young employees with higher and specialized secondary education (Table 2).

However, when comparing the data by areas, one can notice that there is a significant gap in

this regard: in 2012, there were 2.76% of employed young people with higher education and 0.97% with specialized secondary

education while in the rural areas these indicators were respectively 0.91 and 0.67%.

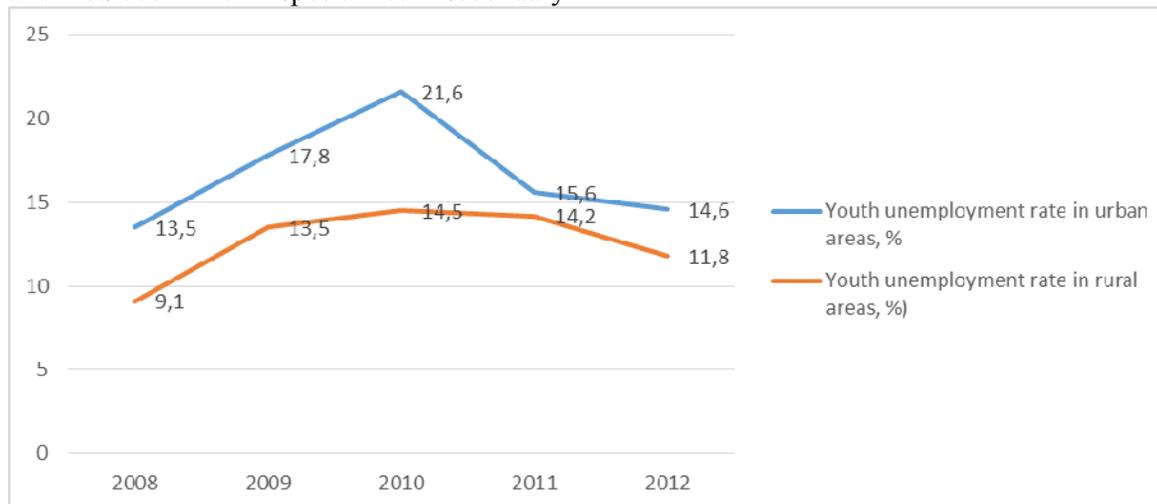


Fig.3. The evolution of the youth unemployment rate in the Republic of Moldova by areas in the period 2008-2012

Table 2. The share of young people, young people with higher education and young people with specialized secondary education in the employed population of the Republic of Moldova in the period 2008-2012

Indicators	2008	2009	2010	2011	2012
The share of young people in the employed population, %	9,94	10,24	10,3	10,23	9,3
The share of young people with higher education in the employed population, %	1,64	1,85	1,72	1,95	1,81
<i>including:</i>					
In urban areas	2,91	2,94	2,68	3,18	2,76
In rural areas	0,59	0,91	0,89	0,84	0,91
The share of young population with specialized secondary education in the employed population, %	0,70	0,71	0,93	1,08	0,82
<i>including:</i>					
In urban areas	0,97	0,86	1,08	1,17	0,97
In rural areas	0,49	0,60	0,78	1,01	0,67

Source: Labour force in the Republic of Moldova. Employment and unemployment, 2013; Statistics by areas. Labour force.

The low level of the mentioned indicators in the rural areas and the lack of growth trends in the analyzed period are factors that hinder not only the economic growth, but also attest a reduction of the cultural and intellectual potential in those areas. Simultaneously, we can conclude with certainty that the actions undertaken so far by the Government to attract young people in rural areas didn't reach the expected effectiveness. Among these actions we can enumerate the amenities granted to teachers, pharmacists and doctors who get employed in rural areas, providing free housing to young specialists etc. One of

the reasons is related to the problem of difficult implementation of the mentioned actions. Thus, it can be stated that in 2009, for example, 24 young specialists received free housing (Ministry of Labour, Social Protection and Family. Stimulating the employment of young people. Proposals of public policies. April 2012) which is an indicator denoting more failure than success in solving the problem of attracting young people in rural areas.

There are also essential reserves in the superficial and inadequate methodology used by the competent bodies to make the

diagnostic of the problem. Thus, according to the Ministry of Labour and Social Protection [3], one of the main reasons for youth unemployment is the low quality of studies within the education system, conclusion

drawn based on the opinions of employers, who, in turn, explain by this the refusal to employ young specialists.

Table 3. The share of young people with higher and specialized secondary education in the employed population of the Republic of Moldova by areas in the period 2008-2012

Indicators	2008	2009	2010	2011	2012
The share of young people with higher education in the employed population in urban areas, %	2,91	2,94	2,68	3,18	2,76
The share of young people with higher education in the employed population in rural areas, %	0,59	0,91	0,89	0,84	0,91
The share of young people with specialized secondary education in the employed population in urban areas, %	0,97	0,86	1,08	1,17	0,97
The share of young people with specialized secondary education in the employed population in rural areas, %	0,49	0,60	0,78	1,01	0,67

Source: own calculation on the basis of data from Statistics by areas. Labour force.

They also say that hiring young specialists requires additional investment in order to increase their productivity. But the subjective nature of these affirmations can be confirmed by the following facts:

- It is clear that in conditions of severe competition on the labour market, employers prefer to hire experienced professionals and the argument submitted by them is just a justification. A graduate of an educational institution, regardless of his/her academic success and acquired potential needs time to adjust to the organization where he/she was employed, because no education system, regardless its high performance and efficiency degree, cannot guarantee full compliance of the knowledge and skills with the specific features of each enterprise. On the other hand, employers'

assertion about making additional investment in young specialists is only a declarative one. In practice, such situations practically don't happen – if the young people are motivated to activate in a certain enterprise, they find themselves various ways to improve their knowledge and skills in the necessary area;

- It can be given an assessment of specialists' training in the educational institutions based only on the synthesized opinions of employers, even more; one cannot

identify this one as one of the most important reasons of youth employment problems and neglect a series of other factors. It is obvious that the educational system of the Republic of Moldova is not a perfect one and needs improvement, but we must also recognize that the problem of youth employment opportunities, especially in rural areas, represents a high complexity problem caused by a number of factors and requires a more rigorous diagnostic, using more efficient research methodologies and tools.

By generalizing the results of a questionnaire conducted among the students of the final academic year at State Agrarian University of Moldova it was found that 83% of respondents prefer to seek employment in the city, including 95% of economic specialities, 80% of technical specialities and 70% of agricultural specialities. Among the most frequently indicated reasons to find employed in the city we can mention:

- greater opportunities to make a career - 75% of respondents;
- better conditions for living and rest - 35% of respondents;
- the opportunity to continue the studies - 30% of respondents;
- higher wages offered by employers - 23% of respondents.

However, 50% of those who prefer to seek employment in the village indicated as the basic reason the housing provided by parents. When asked „What is, according to you, the reason of high unemployment rate among young people in the Republic of Moldova?“, most respondents (70%) indicated low wages offered by employers. 27 % of them believe that one of the reasons for this problem is high requirements of employers, while 25% of respondents consider that the country lacks effective levers that would motivate the enterprises to hire young specialists. It is significant that 73% of respondents, among the factors that would help them to get a job easier, gave preference to additional skills obtained individually (the study of advanced computer software, learning foreign languages, etc.).

Thus, according to the results of the questionnaire, there is an urbanization trend among young people even within the agricultural specialities, this trend being substantiated by several opportunities to grow professionally, completion of studies, as well as by the possibility to obtain greater material benefits. At the same time, even during their studies at the university, the future graduates realize the absence of an effective state mechanism that would facilitate youth employment.

## CONCLUSIONS

In the Republic of Moldova there is a substantial gap between the labour market indicators in the country and those related to young people. Thus, we found significant differences between the following indicators: employment rate, activity rate and unemployment rate with respect to the whole labour market and to the young population segment (aged 15-24 years).

Although the rate of youth unemployment in the Republic of Moldova is lower than the EU average, but the real situations more serious because the number of unemployed people registered at the employment offices is much lower than the actual number of unemployed young people.

The problem of youth employment in rural areas is much worse than in urban areas, this conclusion being argued by the lower share of young people in the employed population, lower levels of the activity and employment rates, as well as by lower percentage of young people with higher and specialized secondary education in the total number of employed population.

Despite the fact that the Government of the Republic of Moldova has implemented a series of actions in order to attract the young professionals in rural areas, they did not reach the expected effectiveness so far.

As a result of an opinion poll conducted among the final year students of SAUM we concluded that the preference for a job in the city persists even among those who study at agricultural specialities and this choice is argued by more opportunities to grow professionally, completion of studies and by the chance to obtain greater material benefits.

The high complexity problem of youth employment, including in the rural areas, requires the implementation of more advanced diagnostic methodologies and effective governmental actions in order to solve it.

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