

NEW FORMS OF EMPLOYMENT IN THE EASTERN PARTNERSHIP COUNTRIES: PLATFORM WORK – MOLDOVA

Country profile

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SETTING THE SCENE

Despite significant progress over the past few years, the economy of the Republic of Moldova (*hereinafter* 'Moldova') faces a number of vulnerabilities linked to low productivity, demographics and skills mismatches that make up the landscape in which platform work is emerging.

Labour market and employment. Moldova's labour force participation rate¹ amounted to only 42.3% of the population aged 15+ in 2019 and was as low as 38.2% among women. Self-employment as a percentage of total employment has increased in recent years to 22.2% in 2019². Informality is widespread. The informal sector is most common in the agriculture sector since 64% of agricultural workers are informally employed³. Almost a quarter of employed persons is engaged in vulnerable employment (21.8%)⁴. Informal employment was as high as 45% for people aged 15–24 and 62% of people in rural areas (for the same age group) in 2016. Young people in rural areas are almost three times more likely to work informally compared to urban youth⁵.

In this context, unemployment in Moldova is rather low compared to other Eastern Partnership (EaP) countries, namely 5.1% of the population aged 15+ in 2019, but it has increased in recent years. Female unemployment is slightly lower at 4.4%⁶. The highest unemployment rate was among young people with secondary general education and vocational education and training (VET) or post-secondary VET⁷. In 2019, 22.8% of young women were classified as NEET (Not in Education, Employment or Training), compared to 16.5% of young men⁸. Many young people tend to acquire jobs through friends or relatives. Only 2.2% choose to use the public employment system which assists in job seeking⁹.

The services sector comprises 57.3% of total employment, followed by industry (21.7%) and agriculture (21%)¹⁰. Most young people work in the agriculture sector (around 30%) and the second most common employment is in public administration (around 20%)¹¹.

Moldovan labour-related legislation is considered to be one of the most employee protective and restrictive. The current provisions of the Moldovan Labour Code are based on the principles and approaches that have been in force in Moldova's Soviet past, and the relevant Moldovan labour and employment authorities show reluctance when it comes to adopting and implementing new and innovative solutions¹².

¹ The labour force participation rate is a measure of the proportion of a country's working-age population that engages actively in the labour market, either by working or looking for work; it provides an indication of the size of the supply of labour available to engage in the production of goods and services, relative to the population at working age (ILO).

² ETF (2020). Key Indicators on Education, Skills and Employment 2020.

³ Lungu, V., & Bardak, U. (2018). Youth Transition to Work in Moldova. European Training Foundation. p. 25–26.

⁴ ETF (2020) Key Indicators on Education, Skills and Employment 2020.

⁵ Lungu, V., & Bardak, U. (2018). Youth Transition to Work in Moldova. European Training Foundation.

⁶ ETF (2020) Key Indicators on Education, Skills and Employment 2020.

⁷ Lungu, V., & Bardak, U. (2018). Youth Transition to Work in Moldova. European Training Foundation. p. 8.

⁸ https://www.etf.europa.eu/sites/default/files/2020-11/kiese_2020_0.pdf

⁹ Lungu, V., & Bardak, U. (2018). Youth Transition to Work in Moldova. European Training Foundation.

¹⁰ https://www.etf.europa.eu/sites/default/files/2020-11/kiese_2020_0.pdf

¹¹ Lungu, V., & Bardak, U. (2018). Youth Transition to Work in Moldova. European Training Foundation. p. 8.

¹² The country profile author explained that in 2018, the World Bank employed a group of consultants (including co-author Eduard Gurin) to elaborate a new draft of the labour code designed to replace the 2003 version. The draft prepared by the working group was very innovative, being based on the provisions of the EU legislation. The National Association of Trade Unions and other employee associations declared that the new version of the Labour code did not protect the rights of the employees and may not be passed by the Parliament. They managed to stop the draft law and therefore the 2003 Labour code is still in place.

The modest economic development of the country and the lack of sufficient jobs for Moldovans generates massive levels of labour emigration among the Moldovan population. According to unofficial statistics, more than a million Moldovans work – permanently or temporarily – in either European countries or the Russian Federation. Remittances from emigrant workers constitute a notable percentage of the Moldovan GDP¹³.

Education and skills supply. 75% of Moldovans over the age of 25 had completed at least upper secondary education in 2017, that is significantly lower than in the other EaP countries¹⁴. The gross enrolment rate¹⁵ in tertiary education in 2019 was 39%¹⁶. In 2019, 45.7% of upper secondary school students were enrolled in VET programmes¹⁷.

Skills mismatch is listed by the World Bank as a key barrier to Moldova's economic development¹⁸. Among employed persons, 31% work in positions which do not match their qualifications. Moreover, 29% of workers in such positions are overeducated young people. This is due to the oversupply of university graduates who settle for lower positions leaving those with secondary education and VET with the highest unemployment rates among young people. Additionally, some firms indicate that there are problems with high-skilled workers who often lack knowledge of foreign languages (English and Russian) and the medium-skilled lack analytical, learning and problem-solving skills¹⁹.

Connectivity and digital skills. Moldova is one of the lower ranked countries in the EaP in terms of its Digital Readiness Index score, positioned in 74th place out of 141 countries in 2019. One of Moldova's strengths is considered the 'ease of doing business' and its weaknesses are its start-up environment and technology adoption²⁰. Moldova has a high percentage of ICT services in relation to its GDP and overall exports, partly because of other low-performing sectors. In 2018, 23.5% of tertiary education graduates completed STEM programmes, thereby facilitating the human capital development for digitalisation²¹. However, only 76.1% of Moldovans used the internet in 2017, which is lower than most other EaP countries²².

Employers in Moldova noted that workers lack digital skills and blamed the VET system for the failure to produce the necessary skills for the labour market. This led to some recent reforms to support the dual VET system in the country, for which the private sector has demonstrated strong interest²³.

For example, the Digital Moldova 2020 strategy includes a section on 'Capacities and utilisation – strengthening literacy and digital skills to enable innovation and stimulate usage' as a pillar of the strategy. Its objectives are to ensure that 'graduates of the educational institutions have the necessary digital skills to participate in an information society' and that 'appropriate conditions are created for

¹³ The World Bank (2020). Moldova. Overview. Retrieved from: <https://www.worldbank.org/en/country/moldova/overview>

¹⁴ The World Bank (2020). Educational attainment, at least Completed Upper secondary, POPULATION 25+, Total (%) (cumulative). Retrieved from: <https://data.worldbank.org/indicator/SE.SEC.CUAT.UP.ZS>

¹⁵ Gross enrolment ratio is the ratio of total enrolment, regardless of age, of the population of the age group that officially corresponds to the level of education shown.

¹⁶ The World Bank (2020). School enrollment, tertiary (% gross). Retrieved from: <https://data.worldbank.org/indicator/SE.TER.ENRR>

¹⁷ ETF (2020) Key Indicators on Education, Skills and Employment 2020.

¹⁸ The World Bank (2020). Moldova. Overview. Retrieved from: <https://www.worldbank.org/en/country/moldova/overview>

¹⁹ Lungu, V., & Bardak, U. (2018). Youth Transition to Work in Moldova. European Training Foundation.

²⁰ CISCO (2019). Digital Readiness Index – Moldova. Retrieved from: https://www.cisco.com/c/m/en_us/about/corporate-social-responsibility/research-resources/digital-readiness-index.html#/country/MDA

²¹ ETF (2020) Key Indicators on Education, Skills and Employment, Turin 2020

²² ITU (2020). Percentage of Individuals using the Internet. Excel data set retrieved from: <https://www.itu.int/en/ITU-D/Statistics/Pages/stat/default.aspx>

²³ ETF (2021). Moldova. Education, training and employment developments 2020. ETF, Turin

social inclusion based on electronic services'²⁴. There are also initiatives aimed at increasing computer literacy among Moldovan young people and adults in non-formal education. For example, private providers, such as Tekwill academy or IT Step academy, provide training and IT courses in which young people and adults can improve the skills needed in the IT sector and, more importantly, these are skills which are necessary for digital entrepreneurship.²⁵

More recently, the Moldovan government signed a memorandum on the development of Moldova's education system based on digital skills in response to the COVID-19 crisis. The memorandum focuses on overall education digitalisation, and on ensuring the quality and relevance of ICT skills for professional activity in a digital economy²⁶. In addition, a roadmap has been added to the Digital Moldova 2020 strategy recently to boost digitalisation of the national economy and the development of electronic commerce²⁷.

THE PREVALENCE OF PLATFORM WORK²⁸

Online platform work, and freelancing in general, is not yet widespread in the Republic of Moldova. As noted in a report by the World Bank, relatively few Moldovans – especially those residing outside Chisinau – use the internet for economically productive purposes²⁹. Nonetheless, there are signs that this situation is changing gradually. According to analyticsHelp.io, in the EaP context, Moldova has an average share of online freelancers per capita (0.66)³⁰. Additional information giving an insight on the prevalence of platform work comes mainly from specific platforms identified as operating in the country.

Contrary to earlier findings³¹, there are several platforms for on-location gig work that Moldovan workers are using, indicating that this sector has grown in recent years. Firstly, these are ride-hailing services using an application for both potential customers and drivers: Yandex.Taxi (www.taxi.yandex.md), iTaxi (www.itaxi.md), and AlfaTaxi (<http://alfataxi.md/>). Secondly, there are several platforms for food delivery services in the country, including the Moldovan companies, StrausMD³² and iFood, as well as the international food delivery platform Glovo.

It must be noted, however, that they operate differently to similar ride-hailing platforms in other EaP countries and the EU. In order for drivers or couriers to be provided with the necessary application on their mobile phones and access to the pool of online requests from clients, drivers must enter into a labour agreement with the platforms, which are organised in Moldova as limited liability companies. This was confirmed by the representatives of a series of taxi services interviewed for the purposes of

²⁴ Guvernul Republicii Moldova. (2020). MOLDOVA DIGITALĂ 2020: Ministerul ECONOMIEI Și Infrastructurii. Retrieved from: https://eufordigital.eu/wp-content/uploads/2020/01/strategia_moldova_digitala_2020_857.pdf

²⁵ ETF (2019), Digital skills and online learning in Moldova, ETF, Turin.

²⁶ EU4Digital (2020). Moldova Moves to Develop Digital Skills in Schools. Retrieved from: <https://eufordigital.eu/moldova-moves-to-develop-digital-skills-in-schools/>

²⁷ EU4Digital (2020). Moldova launches roadmap for e-Economy in response to coronavirus crisis. Retrieved from: <https://eufordigital.eu/moldova-launches-roadmap-for-e-economy-in-response-to-coronavirus-crisis/>

²⁸ For more detailed information on the methodology used for this country profile, please, consult ETF (2021, forthcoming), New Forms of Employment in the Eastern Partnership Countries: Platform Work, ETF, Turin.

²⁹ Raja, S., Midari, V., Khan, B., & Leuca, S. (2018). Digital Jobs in Moldova (No. 134079, pp. 1–50). The World Bank.

³⁰ Analyticshelp.io. (2020). Global internet freelance market overview for 2018. Retrieved from: https://analyticshelp.io/blog/global-internet-freelance-market-overview-2018/_based_on_data_from_the_World_Bank_and_freelancing_sites_and_includes_only_digital_freelancers_who_work_via_online_marketplaces

³¹ Raja, S., Midari, V., Khan, B., & Leuca, S. (2018). Digital Jobs in Moldova (No. 134079, pp. 1–50). The World Bank.

³² Available at: <https://www.straus.md/ro/>

the study. Therefore, in the context of this study, we considered Moldovan workers engaged in this type of work as platform workers.

As regards remote platform work, Moldovans are noticeably active on international Russian and English language platforms, such as Upwork, iFreelance, Toptal³³, Freelancer.com, Upwork, Weblancer, FreelanceHunt, and others. Estimates in 2012 pointed to over 1 000 Moldovans working on just one of these platforms³⁴. The data collected for this study show that these numbers have grown since 2012. Several local platforms exist, such as Freelancing.md and Rabota.md, and these are used by workers to advertise their services and to find clients. However, these should be treated as specialised job advertisement websites rather than digital labour platforms, as they do not intermediate the transactions between freelancers and clients (which is also part of the definition of platform work).

However, online labour platforms are not seen by foreign clients as important tools for hiring Moldovan freelancers in contrast to Facebook groups (some of them with thousands of users³⁵), LinkedIn and traditional job boards, which prevail in this area³⁶. This contrasts with other EaP countries, such as Ukraine³⁷, where the internet sources recommend various labour platforms (e.g. Upwork, Freelancer, and Toptal) as primary venues to find and hire professionals from the country.

As illustrated in several studies, online freelancing is being gradually acknowledged by researchers as one of the ways for Moldovans to generate income or find new employment opportunities³⁸. It is also being acknowledged by the Moldovan authorities. However, policy discussions are just starting, and neither the platform work nor freelancing activities more broadly are regulated separately.

TYPES OF ONLINE AND PLATFORM WORK

The information on the types of platform work in Moldova is rather scarce from national sources.

The data available show that the types of web-based platform work of Moldovan workers are similar to the general trends observed on international freelance marketplaces. For example, according to OLI data on the four English language web-based freelancing platforms, since 2020, the most popular platform occupation by Moldovans was software development and technology work, followed by multimedia and creative services (see Figure 1 below). The local platforms, such as Freelancing.md, also allow similar services to be offered, but rather as a job advertisement board.

³³ See more: <https://diez.md/2016/12/06/recomandari-diez-10-platforme-unde-sa-ti-gasesti-un-job-daca-esti-freelancer/>

³⁴ Raja, S., Midari, V., Khan, B., & Leuca, S. (2018). Digital Jobs in Moldova (No. 134079, pp. 1–50). The World Bank.

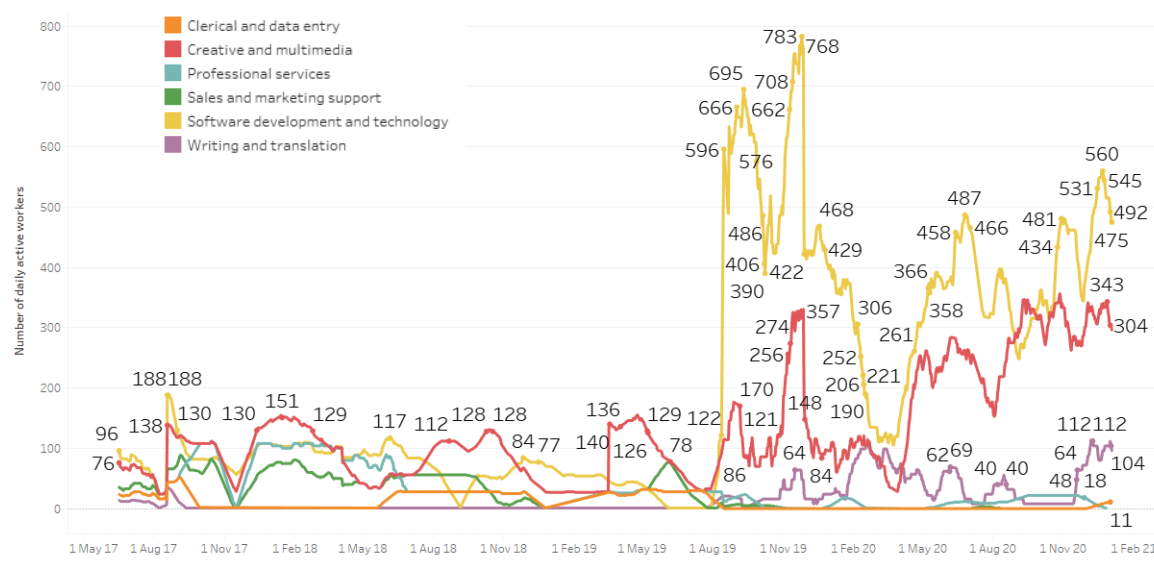
³⁵ For example, Freelance Moldova Facebook Group: <https://www.facebook.com/groups/workmd/>

³⁶ Ciorici, A. (2019). How to Recruit in the Moldavian Market. SourceCon, Retrieved from: <https://www.sourcecon.com/how-to-recruit-in-the-moldavian-market/>

³⁷ Boyarskaya, N. (n.d.). Hire Developers in Ukraine: A Guide for Beginners. HUD, Retrieved from: hireukrainiandevs.com/blog/hire-developers-in-ukraine-a-guide-for-beginners/#:~:text=Hiring%20Freelancers&text=Ukrainian%20freelancers%20can%20be%20found,skills%2C%20experience%2C%20and%20ratings.

³⁸ Garbuz V. (2018). Perfectionarea Procesului de Integrare a Tinerilor Speciali\$Ti cu Studii Superioare pe Piata Muncii Din Republica Moldova. Institutul National de Cercetare Economice. Retrieved from: https://ince.md/uploads/files/1545389030_teza-garbuz-veronica.pdf

FIGURE 1. ONLINE LABOUR INDEX DATASET: NUMBER OF DAILY ACTIVE MOLDOVAN PLATFORM WORKERS ON THE FOUR MAIN INTERNATIONAL FREELANCE MARKETPLACES IN TIME

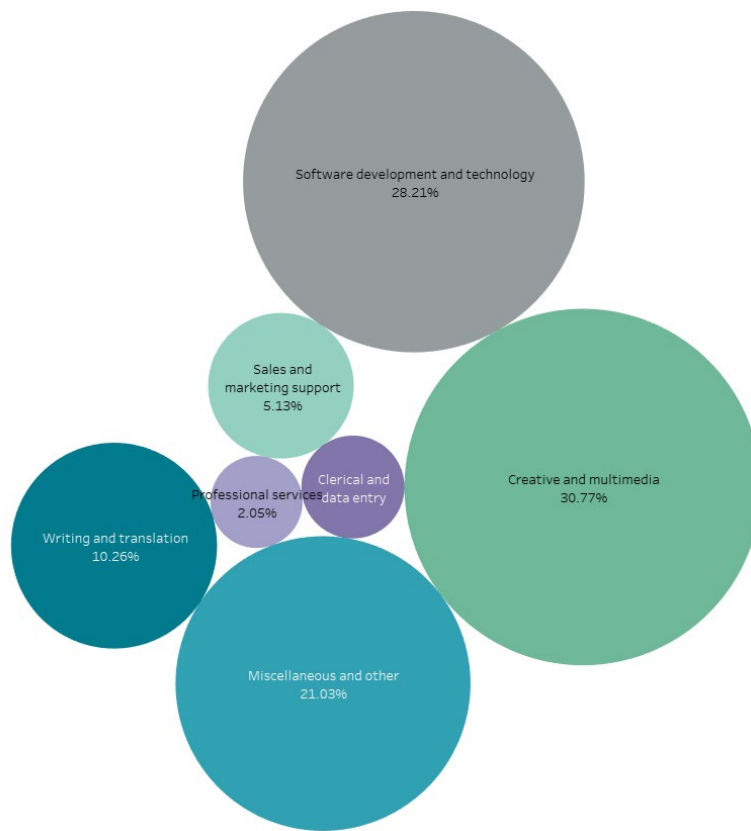


Source: Online Labour Index, iLabour dataset.³⁹

Data from Weblancer, Freelancer and Guru.com show similar trends: software development and creative work are the most popular occupations among Moldovan remote platform workers (see Figure 2 below).

³⁹ <http://ilabour.oii.ox.ac.uk/online-labour-index/>

FIGURE 2. SERVICES OFFERED BY ACTIVE FREELANCERS FROM MOLDOVA ON WEBLANCER, FREELANCER AND GURU.COM



The rise in popularity of remote IT work is a more general trend in Moldova. The financial turnover in the Moldovan IT industry grew more than 2.5 times higher between 2018–2020⁴⁰. Almost 80% of the IT products created in the country are designated for export, primarily to Western Europe, and the outsourcing of Moldovan IT workers is being increasingly promoted⁴¹.

Meanwhile, as explained in the previous section, the main services in the on-location segment of platform work in Moldova are taxi and delivery services, organised using apps. Platforms intermediating other on-location services (e.g. cleaning, handyman, pet care, etc.) have not been identified.

⁴⁰ EU4Digital (2020). Moldova Boasts Dynamic Growth in IT Sector. Retrieved from: <https://eufordigital.eu/moldova-boasts-dynamic-growth-in-it-sector/#:~:text=E2%80%9CIn%20the%20field%20of%20Information,these%20sectors%2C%20we%20have%20growth>.

⁴¹ Budei, N. (2019). Discover Moldova and see why the country is becoming the new IT Outsourcing destination. Indrivo. Retrieved from: <https://www.indrivo.com/latest-thinking/discover-moldova-and-see-why-country-becoming-new-it-outsourcing-destination>

WORKER PROFILES

Very limited information on platform worker profiles is available in the Republic of Moldova.

Generally, collecting information from workers in **on-location** services is complicated. Both ride-hailing platforms and drivers refused to comment on the record, which may be related to the prevalence of undeclared labour activities in these sectors. However, their profiles can be expected to be similar to drivers and couriers in other EaP countries: mostly male, of various ages, but on average younger than the overall working population (especially in delivery services), and often engaging in platform work as an additional source of income.

Meanwhile, the analysis of Moldovan remote worker profiles on Weblancer.net, Guru.com and Freelancer.com showed that 70% of them are male. Men predominate across all services, except in translation work, in which the gender split is similar. Furthermore, the average age of Moldovan workers registered on Weblancer.net was 33.5.

Concerning incomes from platform work, online media sources tend to consider remote platform work as an opportunity to ‘work while living in Moldova, but at European salaries’⁴². A 2017 comparison of freelancer salaries in the IT sector in Moldova with other post-Soviet states, showed that 75.7% of Moldovan IT workers earned up to USD 20 per hour, whereas 18.4% earned between USD 21-30, and 4.8% between USD 31-40 per hour. Salaries for ‘moderate’ and ‘high-quality’ IT services stood at USD 24 and USD 34.6 per hour, respectively⁴³.

Based on the data on Moldovan workers on Freelance, Weblancer and Guru.com, the average rate of an active worker is USD 17/hour. While the average monthly net salary in Chisinau was around USD 330 in 2020⁴⁴. With a USD 17/hour rate, a successful platform worker can earn around USD 2 200 gross per month, working 40 hours per week. In general, Moldovan freelancers recognise that the potential earnings from freelancing are generally higher than earnings from employment in regular firms⁴⁵.

Naturally, the incomes are lower for the less qualified for on-location work, but still seem to be higher than the country average. For example, a job advertisement for couriers on Straus.md indicates that they can expect to earn from MDL 500 (USD 29) per day, plus tips⁴⁶. Working a regular work week, this would amount to USD 580 per month.

Using income as an indicator (proxy) of the qualification levels of platform workers, we may assume that there is a larger pool of high-skilled workers active on remote platforms in contrast to on-location services where workers with lower-skills can be found. In addition, the existing platforms do not seem to actively provide professional development and training to their workers.

⁴² Viorel. R. (2010). casă, În Moldova, Muncind Pentru Străinătate. Ziarul De Gardă, Retrieved from: <https://www.zdg.md/reporter-special/reportaje/acasa-in-moldova-muncind-pentru-strainatate/>

⁴³ Finance.tut.by (2017). До 40 долларов за час. Сколько зарабатывают программисты-фрилансеры из Беларуси (Up to 40 dollars an hour. How much do freelance programmers earn in Belorussia?). *Finance.tut.by*. Retrieved from: <https://finance.tut.by/news556917.html>

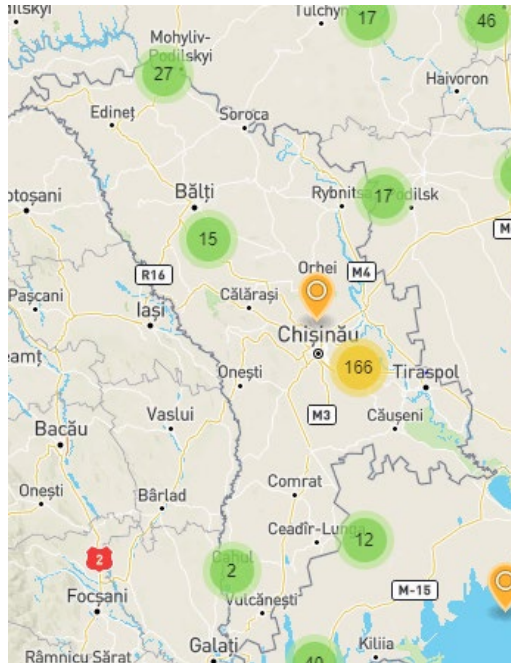
⁴⁴ Stotz, J. (2020). Minimum and Average Salary in Chisinau, Moldova. Check in Price, Retrieved from: <https://checkinprice.com/minimum-and-average-salary-chisinau-moldova/>

⁴⁵ Petrencu, A. (2017). Why I Love Being a Freelancer. Wired Moldova. Retrieved from: <https://wired.md/why-i-love-being-a-freelancer/>

⁴⁶ Available at: <https://www.straus.md/ru/recruitment/>

Finally, based on the information from Guru.com and Freelancehunt.com (see Figure 3 below)⁴⁷, most of the Moldovan platform workers are based in the capital city Chisinau.

FIGURE 3. MOLDOVAN FREELANCERS ON FREELANCEHUNT



Source: FreelanceHunt. Note: the yellow markers without numbers indicate that one freelancer is present in that area.

STATUS OF PLATFORM WORKERS

Neither platform work nor freelancing activities in general are recognised or regulated in the Republic of Moldova. In the absence of specific legal provisions to recognise freelancing activities, potential employers/clients and Moldovan workers have several options to declare their economic activities:

- Employment contracts (*Contract individual de muncă*), regulated under the Labour Code. However, the Moldovan Labour Code is considered to be one of the most protective legal norms for employees in the region, and does not favour flexible or casual work arrangements.
- Registration as an individual entrepreneur (*Intreprindere Individuala*), regulated under the Civil Code. This option is unattractive to platform workers due to the high administrative burden of setting up an individual enterprise, as well as high taxes (a level similar to taxes paid by legal business entities).
- Service agreements (*Contract de prestări servicii*) governed by the provisions of the Civil Code. Both for platforms and platform workers, these are associated with several disadvantages. The tax rates are very similar to those applied to income from economic activities under employment contracts (so, there is no economic incentive to prefer them over an employment contract, which exists in most other countries). However, unlike the employment contract, a service provider is not

⁴⁷ Freelancehunt (2020). Карта Фрилансеров По Всему Миру, Карта Фрилансеров, Карта с Количеством Фрилансеров. Retrieved from: <https://freelancehunt.com/freelancers/map>

entitled to social benefits, such as annual /medical leave, a pension calculated on the salary paid, etc.

Platform companies with formal policies/principles, especially companies owned by international investors, tend to give official employment to the worker. For example, in order for drivers or couriers to be provided with the necessary platform application on their mobile phones and access to the pool of online requests from clients, drivers must enter into a labour agreement with the platform. This was confirmed by the representatives of several taxi services interviewed for the purposes of this study.

Although the taxation of individual freelancers in highly skilled occupations is not defined by law, the concept of freelancing, especially in ICT, is quite well known. In August 2020, Moldova's State Tax Service issued a notification clarifying that freelancers – including those working on digital labour platforms – fall under the definition of individuals carrying on professional services and are subject to tax on the total income from employment, income from professional activities, benefits in kind, fees, commissions, bonuses, and other similar payments (at 12% personal income tax rate, and a basic personal allowance of MDL 24 000 - around USD 1 395 - is available where annual taxable income does not exceed MDL 360 000 -around USD 20 900)⁴⁸.

However, many Moldovan platform workers – especially those providing remote services – assume the risk of performing certain services in the 'grey' area of the Moldovan economy. This is in line with the general trend in the Moldovan labour market. For example, according to the ILO, in 2014, 32.5% of the employed population in Moldova had an informal job as their main occupation⁴⁹. Moreover, 74.5% of the self-employed were working informally, and transport, art and recreation, and professional services – activities common in platform work – were some of the sectors with noticeable levels of informality⁵⁰.

This group of workers is at a disadvantage because they miss out on benefits provided by Moldovan law under employment contracts and can be subject to tax inspections by Moldovan tax authorities. As a result, Moldovan freelancers are frequently sanctioned for 'illegal entrepreneurial activity' and the failure to pay taxes.

Overall, the current regulatory *status quo* with respect to platform work and freelancing activities, in general, in the Republic of Moldova points to substantial risks for the development of new forms of employment, reduction of the shadow economy, and this greatly affects Moldovan society.

In October 2019 following consultations with a series of professional associations, SMEs and freelancers, Members of the Moldovan Parliament elaborated a draft law designed, inter alia, to formalise freelancing activities in the Republic of Moldova⁵¹. Under the draft law, it was proposed to define freelancers as 'independent professionals' with a tax regime applicable to their activities being assimilated into the tax regime of other existing professional activities in the Republic of Moldova (of lawyers, notaries, etc.). Although, the draft law – currently still in development – does not address or

⁴⁸ Moldovan Tax Authorities (2020), 'Tax Monitor'. Official gazette, August 2020.

⁴⁹ Popa A., Lupușor A., Roșca I., Hirose K., Hettes M. (2016). The informal economy in the Republic of Moldova: a comprehensive review. ILO https://www.ilo.org/wcmsp5/groups/public/---europe/---ro-geneva/---sro-budapest/documents/publication/wcms_457542.pdf

⁵⁰ ILO (n.d.). Overview of the informal economy in the Republic of Moldova. Factsheet. ILO. Retrieved from: https://www.ilo.org/wcmsp5/groups/public/---europe/---ro-geneva/---sro-budapest/documents/genericdocument/wcms_751315.pdf

⁵¹ Marian, R., et al. (2019). Proiectul De Lege Pentru Modificarea Unor Acte Normative (Codul Fiscal Nr.1163/1997 – Art.5, 24, 694; Ș.a.; Legea Cu Privire La Contabilitate Și Raportare Financiară Nr.287/2017 – Art.12; Ș.a.). Parlament RM News RSS, Retrieved from: <http://www.parlament.md/ProcesulLegislativ/Proiectedeactelegislative/tabid/61/LegislativId/4792/language/ro-RO/Default.aspx>

solve all the issues related to the freelancing activities in the country, it should be viewed as a positive and much needed initiative.

MAIN CHALLENGES AND OPPORTUNITIES

Given the advantages of platform work and the current labour market and skills development context in Moldova, platform work can bring significant **opportunities**.

Firstly, from a **job creation** perspective and given the lack of graduate-level jobs, skills mismatch, and high unemployment in Moldova, international freelancing platforms offer new, open job markets for qualified workers, often with rather competitive salaries. Meanwhile, on-location work platforms provide employment opportunities for the lower-skilled workforce in cities. The potential for platform work to mitigate unemployment and underemployment problems in Moldova has already been noted by the World Bank⁵². Moreover, employment opportunities offered by platforms, including highly skilled and well-paid work for international clients, could also contribute to reducing emigration and the brain drain from Moldova.

Easy access to global **job opportunities** may contribute to a better matching of supply and demand and on-the-job skills enhancement. Private sector companies notice the lack of necessary skills in the workforce to fill vacancies⁵³, including transversal skills. Some of the existing research on platform work (both high- and low-skilled, remote and on-location), in turn, suggests that platform work leads to both an improvement of acquired skills through deploying them and the development of new skills that are needed in the traditional labour markets, all of which should improve job-seekers' chances of finding employment in the future⁵⁴.

However, the further development of platform work in Moldova as an option for accessible employment opportunities also faces a number of **challenges**.

First of all, these new forms of employment are not visible in the **public discourse or the policy discourse**, which prevents existing challenges from being tackled. The regulatory frameworks in the area of labour and self-employment in the country are not well suited to accommodate or promote platform work, or other new forms of digitised and flexible modes of work. The labour laws currently in force are mainly built on the traditional understanding of a (full-time) employee, who is based in the company, and the civil laws on self-employment do not take account of the flexibility needed in platform work activities. Consequently, informality in platform work is widespread.

Recent policy strategies to support **digital skills development** and **entrepreneurship** address the lack of skills needed to use internet technologies, in particular in rural areas. Potential platform workers (both remote and on-location) must have at least the basic digital skills necessary to navigate the online task searches and work organisation environments. Investment in the digital skills of the population and specialist skills in ICT is essential to enable people to consider platform work as an option. In addition to this, successful platform workers need a range of **occupational skills**,

⁵² Raja, S., Midari, V., Khan, B., & Leuca, S. (2018). Digital Jobs in Moldova (No. 134079, pp. 1–50). The World Bank.

⁵³ Ermsone, D. (2019). Policies Supporting Youth Transition to Work in Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. European Training Foundation. p. 18

⁵⁴ Lehtonvirta, V., Margaryan, A., & Davies, H. U. W. (2019). Skills formation and skills matching in online platform work: policies and practices for promoting crowdworkers' continuous learning (CrowdLearn), p. 11.

transversal and language skills, and personal competencies developed through formal education and training prior to commencing a working life in the platform economy, in addition to those developed on-the job⁵⁵. So far, firms in Moldova have flagged a lack of these skills and competencies.

Finally, little is known on the exact prevalence of different types of platform work, worker demographics and worker motivations in Moldova. More **evidence** is required to take platform work into account in relation to labour market supply and demand forecasts, discussions on regulation, and strategic approaches.

⁵⁵ Cedefop (2020). Developing and matching skills in the online platform economy: findings on new forms of digital work and learning from Cedefop's CrowdLearn study. Luxembourg: Publications Office. Cedefop reference series; No 116.

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