



GFMD Seminar on „Mainstreaming Migration into Strategic Policy Development ”

Addressing the challenges and opportunities of migration as parte of sectoral strategies - Employment

Experience of the Republic of Moldova

Nina Punga

Head of Human Resources Development and Employment Policies, Ministry of Labor, Social Protection, and Family, Republic of Moldova

October 13, 2011

Summary

- Evolution of migration phenomenon in Moldova
- Migration: Impact on development
- Main policy directions of the Government
- Efficient mechanisms for migration flows management
- Law on labor migration
- Law on labor force employment and social protection for job seekers No. 102-XV dated 13.03.2003
- National Strategy regarding labor force employment for 2007-2015, approved via the Government Decision No. 605 dated 31.05.2007
- Law on foreigners' regime
- National Strategy in migration and asylum area (2011-2015). National Action Plan for implementing the strategy
- Action Plan for fostering Moldovan labor migrants' return and reintegration (2012-2014)
- Development and consolidation of international cooperation
- Mechanisms for improving the demographical situation
- Mechanisms for channeling remittances for economy development

Migration phenomenon evolution

- In Moldova, the total number of persons declared as left abroad for work or looking for a job has increase from 100.0 thousand in 1999 up to 321.4 thousand in the second quarter of 2011, according to NBS data, - $\frac{1}{4}$ of the total number of the economically active population.
- The total number of emigrants is estimated to be over 700.000 (administrative data – MITC/BGS), representing over $\frac{1}{3}$ of the total number of the economically active population.
- Main destination countries – Russia, Italy, Portugal, France, Greece, Ireland, Turkey, Israel, Canada, USA.
- The remittances' level accounts for 1.66 billion US\$ in 2008, 1.24 billion US\$ in 2010 and 920 million US\$ in the first 9 months of 2011 (data of the National Bank of Moldova); when related to the GDP, remittances represent over 30% - one of the highest level in the world.

Migration: Impact on development

Negative impact:

- Drain of the young population (60% of 20-39 years old)
- Drain/waste of brain;
- Social: disintegration of families, left behind family members (children, elderly people);
- Increase of inequality/discrepancy of incomes;
- Impact on country's demographic situation (gender imbalance, decrease of birthrate and marriage rate, ageing of the population).

Positive impact:

- Increasing incomes of the labor migrants and their families (improvement of life quality, access to better health services, access to education);
- Employment opportunities abroad (labor force mobility);
- Acquisition of new skills and knowledge, as well as the capacity to use them in the country of origin;
- Opportunity to start up a business both for migrants and their families .
- Diaspora as a source for economic and social development

Main policy directions of the Government

- Development and improvement of efficient mechanisms for migration flows' management and monitoring
- Development and enhancement of foreign bilateral and multilateral cooperation in migration area
- Establishment and promotion of efficient mechanisms for attracting and investing remittances in economy development
- Development of efficient measures for improving the demographical situation
- Passing over the effects of the global financial crisis and the negative effects of migration on migrants' families, including the children left behind
- Improving the links between the Government and the Diaspora
- Promoting migrants' return and reintegration, including temporary return of the highly qualified migrants
- Implementation of emigration prevention measures by creating employment opportunities in the country

Efficient mechanisms for migration flows' management

- Law on labor force migration
- Law on labor force employment and social protection of job seekers No.102-XV dated 13.03.2003
- National Strategy regarding labor force employment policies for 2007-2015, approved via de the Government Decision No. 605 dated 31.05.2007
- Law on foreigners' regime
- National Strategy in migration and asylum area (2011-2015).
- Action Plan for implementation of the National Strategy on migration and asylum area (2011-2015)
- Action Plan for fostering Moldovan labor migrants' return and reintegration (2012-2014)
- Introduction and development of the Automated Integrated Information System for Migration and Asylum.
- Extended Migration Profile of the Republic of Moldova to offer data for policy development
- Conclusion of bilateral agreements with the main countries of destination for the migrants from the Republic of Moldova.

Law on labor migration

Law on labor migration entered into force on January 1, 2009.

The law regulates two aspects:

1. Immigration of foreigners and stateless persons in the Republic of Moldova for employment purposes:
 - Facilitation of documentation (residence permit for labor purposes);
 - Allowances for foreign investors.
2. Temporary employment of the Republic of Moldova citizens abroad:
 - Individually, based on a work contract with the foreign employer;
 - Via the private employment agencies;
 - In line with the provisions of bilateral agreements.

Law on labor migration

As a protection measures, the law sets minimum requirements that are to be covered by the labor contract of the labor migrants:

- Duties of the employer;
- Responsibilities of the employee;
- Employment terms and conditions.

The law regulates the activity of the private employment agencies employing Moldovan citizens abroad:

- Issuance, suspension and withdrawal of the activity license;
- Rights and responsibilities of the private employment agencies;
- Record keeping of migrant workers;

Law on labor force employment and social protection of job seekers

- Regulates the measures to be taken for carrying out the strategies and policies for maintaining a high employment level and adapting the labor force to the labor market requirements, regarding the social protection of job seekers, unemployment prevention and combating its social effects.
- Law objectives:
 - prevention of unemployment and ensuring a high employment level;
 - employment or reemployment of job seekers ;
 - supporting the employment of persons from deprived categories of population;
 - ensuring equality of chances on labor force market;
 - fostering employers to employ the job seekers;
 - Improving the labor force employment structure by economy branches and geographic zones;
 - increasing labor force mobility in the context of the structural changes in economy;
 - supporting materially the unemployed persons and fostering them to get a job;
 - social protection of job seekers;
 - informing the population about labor force demand and offer.
- The foreigners and stateless persons arrived in the Republic of Moldova within family migration and documented with permanent or temporary residence permits – represent one of the beneficiary categories of the Law.

National Strategy for labor force employment for 2007-2015

- **Management of migration impact on labor market** so as to mitigate the negative consequences and to intensify the positive effects of the given phenomenon through:
 - continuous development of the database on migrants;
 - promotion of the external cooperation for legalization of migrants from Moldova, so as to employ them and record keeping of the social contributions paid abroad;
 - development and implementation of entrepreneurial training tools and public communication instruments so as to channel the remittances to investments for the real sector of the economy;
 - fostering returned migrants' involvement in launching and developing their own business through training programs and business launch policies;
 - use of professional skills of the migrants returned from abroad;
 - mass information of the population about the impact of illegal labor migration and conditions for getting employed abroad

- Annual national action plans for labor force employment

Law on foreigners' regime

- Law on foreigners' regime in the Republic of Moldova No. 200 dated 16.07.2010 regulates:
 - entrance, stay and exit of foreigners on/from the territory of the Republic of Moldova;
 - granting and prolonging the right to stay, repatriation and documentation of foreigners;
 - sets constraint measures when the stay regime is not respected and
 - **specific measures for immigration record**

- Measures to manage immigration are established annually or upon need by the Government:
 - the immigration quota for labor purposes

 - the quantum of allocations necessary for provision of meals and accommodation for foreigners in the Center, as well as that of the allocations for medical and hospital assistance;

 - the minimum quantum of boarding means, depending on the duration and goal of the stay;

 - the quantum of the boarding means for students, depending on the study fees, health insurance, accommodation and boarding for the entire period of studies;

 - The procedure to set the level for stat language knowledge.

- The Government may adopt additional measures for the efficient management of immigration.

National Strategy in migration and asylum area (2011-2020)

National Action Plan for implementing the Strategy

- The Strategy represents the national document which ensures an adequate regulation of the migration and asylum process management, harmonization of the national legal framework with the provisions of the international law and the legislation of European Union, regulation of persons' circuit. The Strategy was approved via the Government Decision No. 655, dated September 8, 2011.
- The National Action Plan for implementing the National Strategy in the migration and asylum area (2011-2020) includes actions for:
 1. developing the framework of international cooperation in the migration and asylum area
 2. making more efficient the processes for migration data exchange and information assistance, including those related to the implementation of the Extended Migration Profile
 3. developing migration policies according to the data on international migration
 4. consolidating the mechanisms for legal migration of Moldovan citizens
 5. ensuring rights' protection for Moldovan migrants in social protection and labor areas
 6. ensuring the compatibility of migrants' skills and qualifications
 7. enhancing the mechanisms for Moldovan citizens' reintegration

National Action Plan for Strategy implementation

8. creating entrepreneurship development opportunities for Moldovan migrants
9. consolidating the cooperation with Diaspora
10. contracting, reducing and preventing brain drain
11. ensuring protection measures for left behind children as a result of migration
12. facilitating the admission and stay on the territory of the Republic of Moldova of the foreign investors and foreigners with high qualification and facilitating foreigners' integration
13. preventing and combating illegal migration and trafficking in human beings
14. aligning the national policies regarding visas to the EU requirements and standards
15. ensuring the standards for issuance and examination of travel documents and ID documents in line with the EU criteria
16. Improving the mechanisms for return and readmission of foreigners and Moldovan citizens, development of return policies

Action Plan for fostering return and reintegration of Moldovan labor migrants (2012-2014)

The Plan includes actions for:

1. Promoting the reintegration opportunities among the Moldovan migrants
2. Consolidating the links with the Moldovan citizens abroad through diplomatic missions of the RM and Diaspora associations
3. Granting assistance for professional integration of the returned citizens on the labor market
4. Developing the entrepreneurial culture so as to attract remittances into the national economy
5. Implementing the Pilot Program for attracting remittances into the economy “PARE 1+1”
6. Improving the quality and the access to health services by offering health insurance to migrants in difficulty when they return home
7. Negotiating and concluding bilateral agreements in the area of social security and labor between the Republic of Moldova and the countries of destination of the labor migrants
8. Implementing the National Program for Youth Economic Empowerment (PNAET)

Development and consolidation of international cooperation

- Bilateral agreements for labor force migration signed with: the Russian Federation – 1993, Ukraine – 1994, Belarus – 1994, Azerbaijan – 2005, Italy – 2003 and 2011
- Negotiations with Russia: (a new agreement).
- Bilateral agreements in social security area concluded with: Bulgaria (2008), Portugal (2009), Romania (2010), Luxemburg (2010), Austria (September 5, 2011).
- Negotiations with: Estonia, Czech Republic, Poland, Hungary, Belgium, Latvia, Turkey, Italy, Greece
- Signature and enforcement of the Declaration on Mobility Partnership between the Republic of Moldova and European Union (2008) and 15 EU member states.
- General objectives of the Mobility Partnership:
 - Promotion of legal migration;
 - Reducing migration negative effects;
 - Protecting migrants' rights;
 - Promoting migration contribution to development both: of the countries of origin and those of destination;
 - Consolidation of cooperation between the Republic of Moldova and European Union in migration area.

Mechanisms for improving demographic situation

- Establishment and operation of the National Commission for Population and Development
- Developing the Green Card of the Population of the Republic of Moldova
- Developing long term forecasts(2009-2050) and extension up to 2051
- National Strategic Program in Demographic Security Area (2011-2025)
- Action Plan for implementing the National Strategic Program in demographic security area (2011-2013) sets the indicators for monitoring demographic security
- Specific Objectives of the Plan in the area of labor market and migration:
 - Promotion of employment opportunities for a big number of citizens returned into the country and granting services for integration on the labor market;
 - Creation of conditions and implementation of measures for fostering the return of emigrated Moldovan citizens,
 - Development of bilateral and multilateral cooperation with the countries of destination of labor migrants;
 - Ensuring dwelling spaces by implementing long-term loans for dwelling ;
- The Program for ensuring free of charge dwelling space for the young specialist, referred to and employed in rural sector

Remittances: Impact on development

Positive impact of remittances:

- Increase of public revenues (from taxes) and consumption;
- Poverty reduction;
- Improving the equilibrium of the external payment balance;
- Increase of the public (from taxes) and private (direct) investments volume;
- Improving country's macro-financial reliability conditions and access to international crediting markets;
- Creating new jobs, reducing unemployment and increasing productivity;
- Use of remittances for small and medium enterprises' development (especially in rural areas).

Negative impact of remittances:

- Use of remittances mainly for consumption and in service/real estate sectors;
- Appreciation of the national currency and endearment and reduction of external exports/competitiveness;
- Dependency of the public budget on consumption taxation;
- Facilitates emigration and may lead to shortage of labor force.

Taken separately, remittances do not lead to development and sustainable economic growth, but only if channeled for investments in productive sector

Mechanisms for channeling remittances for economic development

- Quality improvement for data on remittances by extending and improving the practices for data collection, study implementation, analyses, policies, and procedures
- Encouraging the use of official channels for money transferring and increasing the level of confidence for official institutions by increasing the level of knowledge in the area (information campaigns)
- Training in business, loans' offering with preferential rates and grant component (up to 300,000 MDL/ 25 000 USD total) – Program for Youth Economic Empowerment
- Supplementing with financial sources from the Government and directing them to small and business development by migrants and their relatives, as grants for amounts up to 12,500 EUR – Mexican model 3 x 1 – Pilot Program for attracting remittances into economy “PARE 1+1” for 2010-2012
- Facilitating the investment of migrants' resources into small and medium enterprises by improving the regulatory and institutional framework
- Implementation of policies for keeping the links with the citizens from abroad, fostering the confidence for the country of origin and setting partnerships (information centers in the diplomatic mission, electronic communication channels)



Thank You!