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PARTICIPATION OF ELDERLY PEOPLE IN THE LABOR MARKET IN THE REPUBLIC OF MOLDOVA: CHALLENGES AND OPPORTUNITIES

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Purpose of the article: *The article aims to analyze the challenges and opportunities related to the participation of older people in the labor market of the Republic of Moldova within the framework of active aging policies. It identifies the main determinants influencing employment among the older population, including health status, access to education, digital skills, and workplace adaptability, emphasizing the socio-economic effects of demographic aging on labor market sustainability.*

Methodology*: The study combines documentary analysis of administrative and statistical data with findings from national research on aging and employment. Focus group discussions with older participants provided qualitative insights into motivations, barriers, and perceptions of labor market participation, allowing for both quantitative evaluation and contextual understanding.*

Conclusions: *The findings show that labor market participation among older people remains low, with only 7.2% employed in 2024, and a slightly higher share among urban residents (8.9%). Employment is influenced by multiple barriers, including legislative gaps, health limitations, insufficient lifelong learning opportunities, lack of digital skills, inadequate workplace adaptation, and persistent social prejudices. Promoting active aging requires integrated policies that enhance employability, improve workplace accessibility, and encourage intergenerational solidarity.*

Originality: *The originality of the study lies in its integrative approach combining quantitative labor market analysis with qualitative evidence from older participants, providing a comprehensive understanding of active aging challenges in Moldova's socio-economic context.*

Keywords: *Older population, Aging, Labor market, Active aging, Employment policies.*
JEL Classifications: J14, J21, J26.

INTRODUCTION

The Republic of Moldova, like other states, is facing the problem of population aging, a phenomenon that has become more pronounced in the last decade. In 2024, 561359 persons aged 57 for women/62+ years for men were registered with habitual residence in the Republic of Moldova. Of the total number of older people, 359.7 thousand people were women (or 60.1%), every third person was aged between 60-64 years (32.6%), and 60.1 thousand (or 10.0%) were people over the age of 80. The share of the older population (over 60 years old) increased between 2019 and 2024 in all development regions of the country. The largest increases in the share of older people are recorded in the South Region (by 4.9 percentage points) and the Centre Region (by 4.4 percentage points). In the last five years, the share of the older people in the 70-74 age group has increased the most – by 8.5 percentage points (from 13.6% at the beginning of 2019 to 22.1% at the beginning of 2023).

According to data from the National Bureau of Statistics, in the period 2014-2024, the aging coefficient increased by 7.7 percentage points - from 17.5% to 25.2%, demographic forecasts indicating that the aging process of the country's population will deepen in the coming years. The coefficient of aging is higher among women (28.4%) and in rural areas (27.1%). By 2040, it is estimated that each of the 3 citizens of the Republic of Moldova will be over 60 years old (Gagauz, 2021).

LITERATURE REVIEW

The employment of older people as a socio-economic phenomenon has important implications at individual, community, and societal levels. From the perspective, there is a need to explain it by appealing to the relevant theories. In this context, it is worth mentioning economic theories (Vicol, 2012), (Garbuz, 2017)such as:

- human capital theory, according to which participation in the labour market is determined by the level of education, qualification and experience, or, changes in the labour market influenced by the implementation of digital solutions could lead to the early exit of the labour market by older people whose qualifications and skills no longer correspond to demand;

- the theory of labor supply, in relation to which the decision to work at old age is influenced by the ratio between the income generated by the work activity and the existing alternatives (pensions, savings, social benefits);

- the theory of permanent income, according to which older people balance the need for income throughout their lives; thus, if the size of the pension is small and does not cover the needs, they continue to work;

- the theory of the substitution of work through free time, which explains that once income and resources increase, free time becomes more valuable, a context in which the exit from the labor market takes place.

At the same time, understanding the participation of older people in the labour market can be achieved through the sociological and ageing theories (Oceretnîi, 2023), including:

- disengagement theory, in which ageing is accompanied by a gradual withdrawal from social roles, including work, to make room for younger generations;

- activity theory, according to which the involvement in social and professional activities of older people contributes to their well-being, having an impact on self-esteem;

- continuity theory, according to which people tend to continue the lifestyles, habits and roles they are used to, and those who are professionally active will remain on the labor market longer;

- the theory of social roles, according to which status and roles influence participation: if the status of „employee" has prestige, retirement can be postponed.

The explanation of the participation in the labor market of older people can also be explained in terms of theories, such as:

- the theory of the institutional framework, according to which participation in work depends on policies governing the pension system, tax incentives and access to lifelong learning programmes;

- the theory of the segmented labor market, which notes that older people are more often employed in lower-paid jobs or in the informal sector of the economy, due to age discrimination;

- the theory of discrimination, which explains that stereotypes about older people reduce the chances of employment.

MATERIALS AND METHODS

The explanation of the phenomenon of the participation of older people in the labor market was achieved by applying the research methodology that included:

- documentary analysis of administrative data sources, especially those of the National Bureau of Statistics. Also, data from studies conducted in the Republic of Moldova were analyzed;

- the focus group method, two focus group meetings with elderly people being held, in January-February 2025.

RESULTS AND DISCUSSIONS

Data from the National Bureau of Statistics show that only 6.6% of people over 65 years of age in the Republic of Moldova were employed in the labor market in 2024 (Biroul Național de Statistică, 2019–2024), by 1 percentage point less compared to 2019. Significant differences in the employment of the older people are revealed in relation to the area of residence: the urban area offers greater employment opportunities for this category of people, registering a rate of 8.8% (0.1 percentage points higher than in 2019), while in the rural area – only 5.1% (down from 2019 by 1.8 percentage points). From a gender perspective, there are also significant discrepancies: 9.8% of older men work, and in the case of older women the share of those who work is approximately twice as low (4.6%).

Over the last 5 years, there has been a decrease in employment for both categories of people, the most pronounced being in the case of women (decrease of 1.4 percentage points).

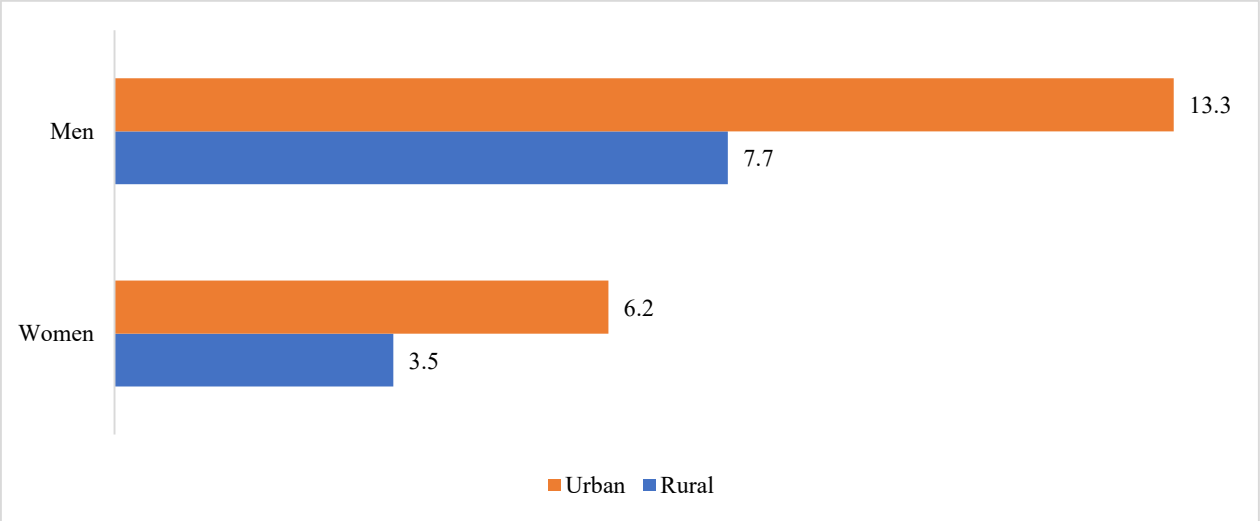


Fig.1. Employment rate of people over 65 years of age by residence (year 2024).
Source: *National Bureau of Statistics of the Republic of Moldova.*

The statistical data also show a very differentiated level of employment depending on the level of education that the person has. Therefore, the higher the level of education, the more likely the older person is to be employed: 5.1% of older men who have higher education work, while with secondary education only 0.6% of men work. On the other hand, 4.5% of older women who have higher education are employed, and those who have graduated from secondary school only 1.0%. These problems are directly determined by the demands of the labor market, where digital skills and knowledge of foreign languages are predominantly required.

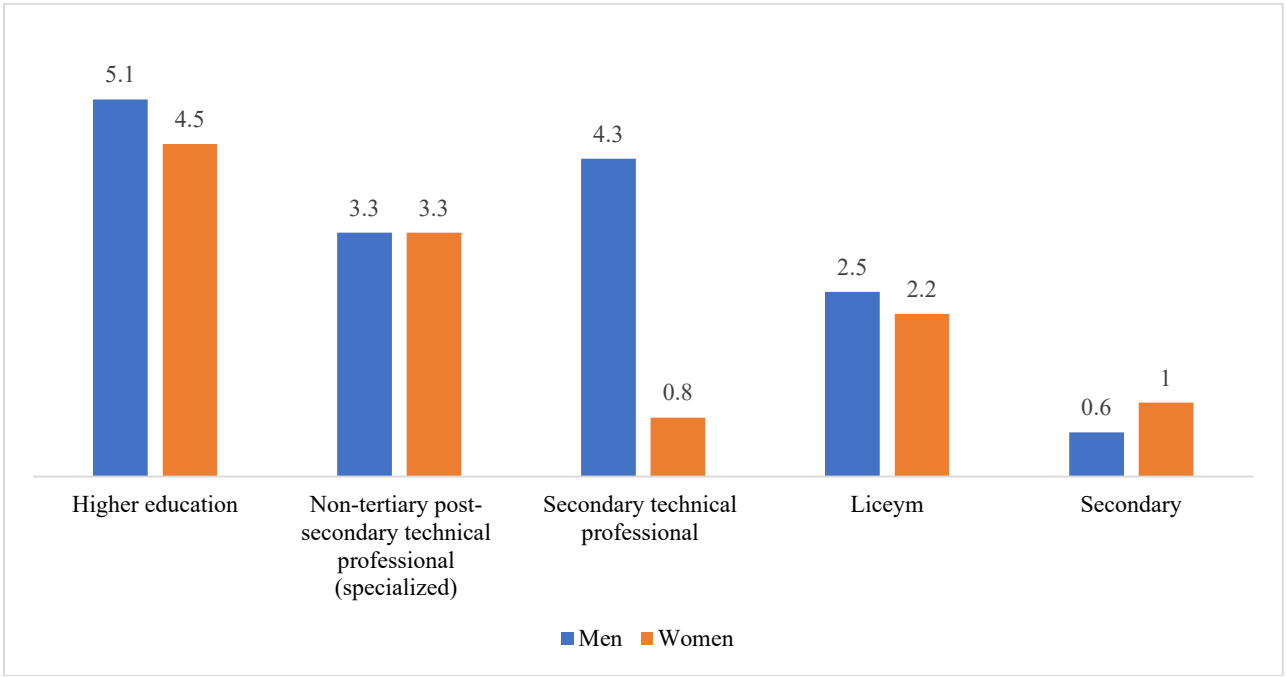


Fig.2. Employment rate of people over 65 years old by level of education (year 2024).
Source: *National Bureau of Statistics of the Republic of Moldova.*

People over 65 years of age who work on the labor market are approximately entirely employees, whose share was 29.1% (year 2023). At the same time, the share of people aged 65 and over in the total number of employees was 21.2%. The share of older employees in urban areas is twice as high as in rural areas. Thus, 6.7% of the older men in the city and 6.3% of the older women in the city were employees. Older women, however, in a proportion of 1.7%, have the status of unpaid family workers, being responsible for household chores or taking care of grandchildren. The share of self-employed workers is a characteristic status of older men in rural areas. This is due to the high employment rate of the older people in the agriculture, forestry and fisheries sector, which is also one of the lowest paid fields, which confirms the theory of the segmented labor market. Other sectors in which the majority of the older people are employed are public administration, education, health and social work. However, salary activity does not have a significant share in the disposable income of the older population: in 2024, only 15.1% of total income was the result of salary activity, with an average monthly value per person of 692.3 lei. This fact reveals an involvement of the older in poorly paid salary activities.

During the group discussions, it was highlighted that the participation of older people in the labor market ensures the replacement of income in the context of current living conditions.

„*You always have to have an occupation that you like to do, because if you are unemployed it is very difficult both spiritually and materially. We want it, we don't want it, no matter how low the salary is, it helps you live together anyway, because now it's really hard, it's still expensive and the living conditions are different*."

At the same time, the withdrawal from the labor market of the older is painfully felt by them, given that the involvement in work activities is associated with an appreciation of their efforts and contribution to the development of society. The results of the focus group discussions confirm the theory of the activity.

„*It is very difficult without work, for us the main thing is to have an occupation. When you work, you think you're in line with the world, you feel that society needs you*."

The employment of older people is determined by provisions of the restrictive labor legislation. The Labor Code of the Republic of Moldova no. 154/2003 through the provisions of art.86, paragraph 1, letter y[1] creates impediments in capitalizing on the potential of the older on the labor market. In this respect, the institutional theory is a reference theory in explaining the behavior of employers in relation to the older population. In this context, it is necessary to clarify and detail the situations in which the labour relations with older people with old-age pensioner status could be interrupted. Otherwise, these precedents will continue to be considered as aspects of the violation of the rights of this category of persons.

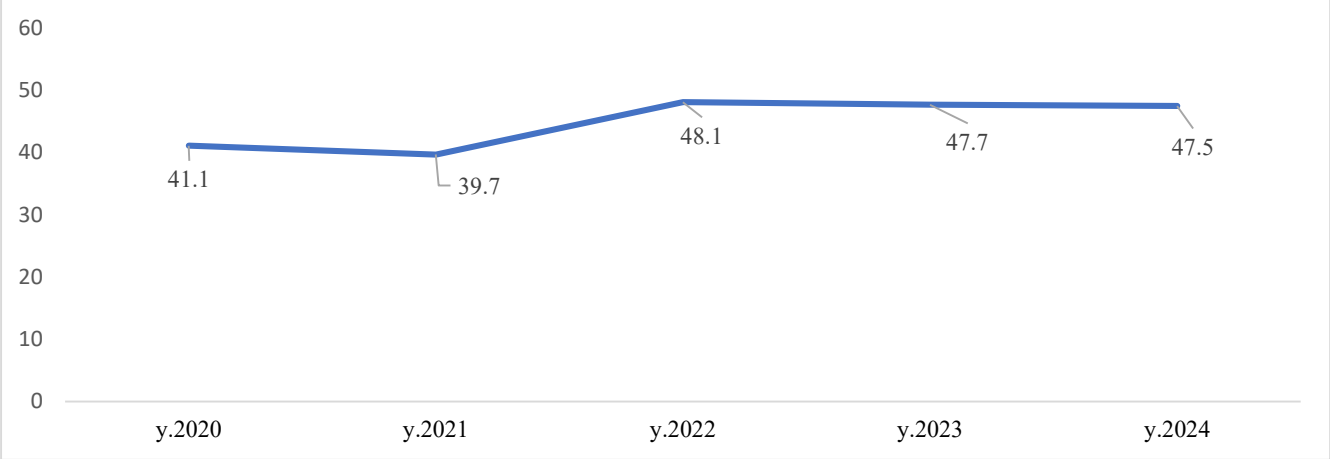


Fig.3. Absolute poverty rate by age groups of the head of household aged 65+years .
Source: *National Bureau of Statistics of the Republic of Moldova.*

In this context, the low participation of older people in the labour market directly influences their economic well-being. Thus, approximately every second older person is prone to absolute poverty. According to data from the National Bureau of Statistics, the older a person gets, the more prone he or she is to absolute poverty. In 2024, 47.5% of the older population faced absolute poverty, worsening compared to 2020, even if in the last 2 years it has decreased by 0.6 percentage points.

According to the „Quality of Life study" (USAID & Data for Impact, 2024), 55% of people over 60 said they were extremely concerned about insufficient income, giving a value between 8 and 10 points. Also, only 16% rated the level of concern between 1 and 3 (minimal concern), and 24% expressed moderate concerns (4 to 7 on the scale). According to the same report, the authors analyzing the deprivation of the standard of living, concluded that the older the age, the more difficult it is for the person to afford certain things/goods/services.

The participation of older people in the labour market is conditional on their professional skills and the extent to which they respond to employers' requests. In the Republic of Moldova, lifelong training opportunities do not fully meet the needs of adults, including the older. Even though there have been a number of advances in the development of the policy framework in the field of lifelong learning in recent years, studies in the field reveal a lack of coherence in their implementation. At the same time, the lack of disaggregated statistical data in the field of higher education or technical vocational education creates difficulties in analyzing the participation in vocational training programs of the older population.

A factor of participation in the labor market, but also of accessing education programs is digital literacy and access to digital technologies. The realities of the Republic of Moldova reveal a precarious digital literacy and limited access to technologies. The level of digital skills is low both for the 60 and over age group and among the 45-59 age group: 81% of those over 60 and 63.7% of those aged 45-59 have never used a computer. Limited access to information technologies and the rather precarious level of digital skills has and will have significant repercussions in the sense that digital public services will not be fully available for these groups, as well as the possibility to communicate and access flexible forms of work or education. At the same time, in the context of EU accession, the Republic of Moldova will have to make efforts to ensure the development of the population's digital skills, given that the European Union has set a target indicator for 2030: 80% of the EU population to have at least a minimum level of digital skills.

In order to diversify lifelong learning opportunities for the older population, it was launched by the Ministry of Labor and Social Protection and development partners, the University for the Third Age, initially in Chisinau, with subsequent expansion in Balti, Cahul and Falesti. One of the courses focuses on the training of digital skills. This initiative included the Republic of Moldova among the countries developing lifelong education measures and programs. However, the future implementation of these programs is at risk in the context of the withdrawal of financial support from development partners, in the absence of financial resources planned in the state budget. At the same time, the older people have stated the need to expand lifelong training programs, especially those dedicated to digital literacy, given the development of the given field and its applicability in all fields.

„Now the Government is paying increased attention to supporting the older people, there are also courses for studying digital services. Older people have been less involved in getting studies in this field, because it is only now developing and is very welcome. It would be good to look for opportunities to open such services in the territory, to be part of these faculties. Now even the simplest thing, he is at the computer, whatever service it would not be, all the services are provided in the computer."

A challenge in accessing continuing education programs and on the labor market is the difficulties in accessing the internet. On average, only 32.9% of the country's population over 60 years old uses the internet, being about 41 percentage points below the average for the general population (18 years and over) and about 8 percentage points below the EU average (40.8%). Data from the Gender and Generations Survey (Gagauz et al., 2022) indicate a correlation between age, residence

environment and internet use: the older people get, the lower their access to the internet. At the same time, older people in urban areas have better access to the internet compared to those in rural areas. This fact is explained by the accessibility of the internet in urban area, the higher level of well-being, the culture of using the internet and others.

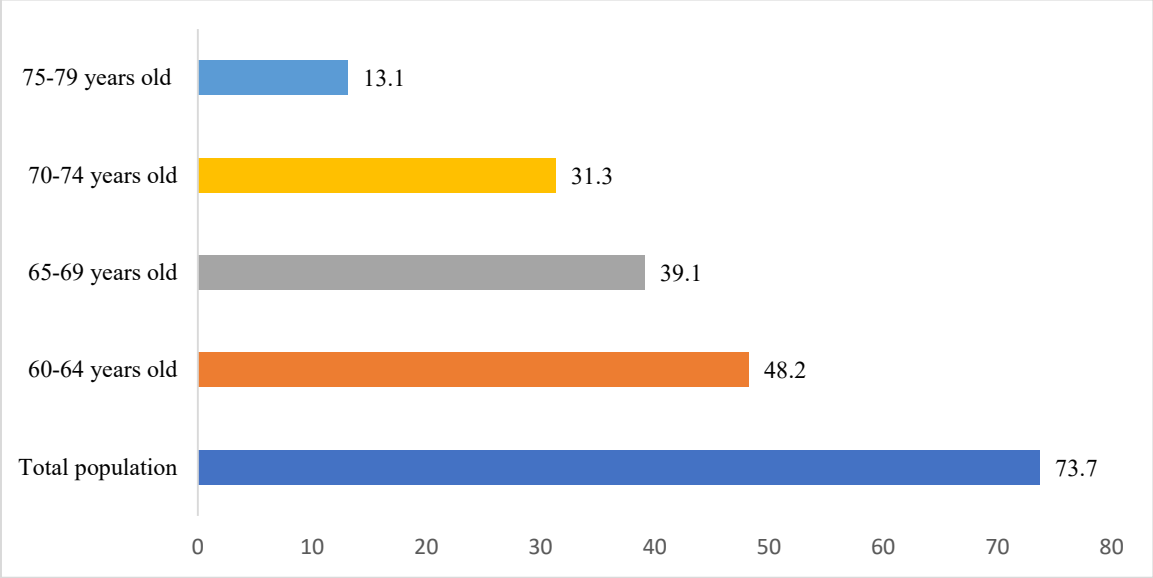


Fig. 4. The share of the population over 60 years old who use the internet (%).
Source: *Ministry of Labour and Social Protection, Gender and Generations Survey.*

CONCLUSIONS

The analysis of the issue of participation of older people in the labor market leads to the following basic conclusions:

- The accelerated aging of the population is one of the most important demographic challenges of the Republic of Moldova, with a constant increase in the share of people over 60 years of age in all regions of the country, which will have profound implications on the labor market, the pension system and social services.
- The low participation of older people in the labour market denotes a structural problem. Differences between urban and rural areas, as well as between women and men, indicate unequal access to economic, educational and technological opportunities.
- Educational disparities directly influence employment chances. People with higher education are much more likely to continue working after the age of 65, while low levels of education and a lack of digital skills severely limit access to modern jobs.
- Poverty and financial insecurity are a persistent reality. Almost half of the older population (47.5%) face absolute poverty, which leads some seniors to remain active in the labor market even after retirement age.
- Gender and residence inequalities amplify vulnerability: older women, especially in rural areas, are the group most exposed to poverty and economic exclusion, often being involved in unpaid activities (family care, household, etc.).
- The lack of digital skills and limited access to technologies is one of the biggest barriers to continuing one's professional activity and participation in continuous training. Only a third of people over 60 use the internet, which excludes them from the digital economy and access to modern public services.
- Initiatives such as the University for the Third Age are positive examples of inclusive policies and lifelong learning, but their sustainability depends on the allocation of domestic financial resources and their integration into national development strategies.

As a result, the following recommendations can be submitted:

1. Promoting friendly measures to encourage the maintenance of older people in the labor market: offering incentives to employers and designating „Age-Friendly Employer", through which companies will be voluntarily certified for the implementation of inclusive practices (flexibility, mentoring, occupational health, age diversity); providing specialized services for the older people within the National Employment Agency, such as personalized counseling, career guidance workshops, support for professional retraining; providing subsidies or small grants to adapt jobs for the older employees; development of local social employment programs for seniors (in community services, non-formal education, culture, social assistance); training employers in the management of age diversity, in which mixed teams should be promoted from a generational point of view, etc.
2. Creating flexible employment opportunities (part-time, teleworking, consultancy, mentoring) for people over 60, especially in rural areas, where options are limited.
3. Development of digital skills through programs dedicated to the older population, through free courses, digital community centers, online trainings adapted to the level of technological literacy.
4. Strengthening lifelong education by extending University for the Third Age initiatives and integrating them into the public system of life-long professional training.
5. Combating age discrimination in the labour market through awareness-raising campaigns and clear legislative measures to sanction negative stereotypes about the elderly.
6. Invest in rural digital infrastructure to reduce the gaps between urban and rural areas, thus facilitating access to information, education and electronic services for the elderly.
7. Promoting active ageing, through community and intergenerational projects, which capitalise on the social and cultural potential of older people.

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