

THE BEVERIDGE CURVE: TENSION ON LABOUR MARKET IN THE REPUBLIC OF MOLDOVA

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ABSTRACT: *The purpose of this article is to analyze the labour market in the Republic of Moldova by constructing and explaining the Beveridge Curve. The article includes: analysis of the Beveridge Curve for 2014-2024, study of the current supply and demand on labour market in the Republic of Moldova, comparison of Beveridge Curves for 2014-2024 and 2008-2018, Beveridge Curves in Moldova, EU, USA. The conducted analysis of labour market allowed to conclude that the national labour market in the Republic of Moldova is sustainable and can confront both external shocks and internal factors negatively affecting it. At the same time, there is a trend after 2018 - reduction of demand on labour market by employers. The use of the Beveridge Curve in the analysis of labour market allows to identify differences in labour market during the periods of overcoming crises and to compare the timeframe of labour market recovery in the Republic of Moldova. The article was developed within the framework of the institutional project “Demographic transition in the Republic of Moldova: particularities, socioeconomic implications and consolidation of demographic resilience (2024-2027)”.*

Keywords: *Unemployment, Beveridge Curve, Labour Market, Employment*

JEL Classification: *J62, J63, J68*

1. INTRODUCTION

The assessment of the impact of disproportions on the supply and demand of labour force is of interest in the analysis of the modern labour market. The problems of demographic, associated with changes in the structure of the population, and economic nature, such as inflationary processes, differences in wages between sectors of the economy, changes in labour productivity, etc., affect the state of labour market and lead to the emergence of imbalances in labour market. The problem of ensuring its stable development, evaluation of the leading trends, dynamics of the main indicators characterizing the labour market, causes the search for relevant evaluations the state of labour market, allowing to analyze the current situation on labour market. The search for assessments that allow on their basis to develop proposals to improve labour market policies and measures to improve the state of labour market in the country.

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One such type of assessment is the application of the Beveridge Curve, which allows for the analysis of labour market. The Beveridge Curve makes it possible to evaluate the activity of economic agents and the opportunities of placement market. As well, the empirical data of the Beveridge Curve allows to assess the state of the economy under conditions of structural shocks.

2. LITERATURE REVIEW

The Beveridge Curve is a graphical representation of the relationship between unemployment rate and share of work vacancies. It is named after the well-known English economist William Henry Beveridge. It was presented in the work by Dow J.C.R. and Dicks-Mireaux L.A., “The excess demand for labour. A study of conditions in Great Britain, 1946–56” [Dow J.C.R., Dicks-Mireaux L.A., 1958], published in 1958 as an illustration of statistics on unemployment and unfilled vacancies when analysing trends in *excess demand for labour* and *potential labour supply* by sector (sectoral shocks).

Thus, in the scientific literature until the 1980s, explanations of the Beveridge Curve supposed the ***existence of excess demand in labour market***³; as one hypothesis, this excess demand was defined by the presence of unfilled vacancies and was not linked to the number of unemployed workers.

In the 1970s and 1980s, representatives of the neoclassical school - later Nobel laureates, scientists P. Diamond, D. Mortensen and Ch. Pissarides, proposed an alternative approach: the *Search and Matching Model*. The main hypothesis was an ***equilibrium between vacancies and unemployment***, with any imbalance being the phenomenon in question. The authors theoretically based the origin of the Beveridge Curve through the creation and destruction of working places: unemployment and vacancies coexist due to the large number of working places being created and destroyed, despite the fact that working places and workers are effectively matched [Mortensen, D., Pissarides, Ch., 1994].

I.e., in labour market, despite the fact that the majority of working places are filled by workers, there are always vacancies and unemployed workers, as the process of creating the working places and destruction the working places is constant. Unemployment is always present and cannot be zero.

The Beveridge curve is a topic of active research by leading economists in the fields of labour economics and macroeconomics. W.H. Beveridge’s theory [Beveridge W.H., 1944] on vacancies, the unemployment rate and labour demand is reflected in a number of scientific publications on the negative correlation between unemployment and vacancies. These countries differ significantly in time and level of development (for 16 countries in the studies of Layard R., Nickell S., Jackman R. [Layard R., Nickell S., Jackman R., 2005], Hobijn B., Şahin A. [Hobijn B., Şahin A., 2013], Nickell S., Nunziata L., Ochel W. and Quintini G. [Nickell S., Nunziata L., Ochel W. and Quintini G., 2001]). A detailed analysis based on the Beveridge Curve, for example for the USA in conditions of the global crisis of 2008 - 2010, is described in the works of Blanchard O.J. and Diamond P., “The Beveridge Curve” [Blanchard O.J., Diamond P., 1989] and Diamond P., Sahin A., “Shifts in the Beveridge Curve” [Diamond P., Sahin A., 2014]; for the United Kingdom – Pissarides Ch. [Pissarides Ch., 1986]; for Germany – Börsch-Supan A. H. [Börsch-Supan A. H., 1991], Australia – Webster E. [Webster E., 1997], and Egypt – Kasrin Z., Lang G. [Kasrin Z., Lang G., 2010].

The Beveridge Curve can point to potential changes in labour market, including the structure of employed population.

³ The number of vacant working places exceeds the number of unemployed.

Factors influencing shifts in the Beveridge Curve may include labour force characteristics, types of unemployment, institutional factors, the mismatch between place of residence and place of work, etc.

In the Republic of Moldova, the analysis of labour market using the Beveridge Curve is presented by researchers Savelieva G., Zaharov S. in works “Causes of intensity of labour market in Moldova” [Zaharov S., 2017], “Assessment of labour market tightness in the municipality of Chişinău” [Savelieva G., Zaharov S., 2019] and “Analysis of labour market tightness in the Republic of Moldova” [Savelieva G., Zaharov S., 2024].

3. RESEARCH METHODOLOGY

The purpose of this research is to construct the Beveridge Curve using statistical (National Bureau of Statistics of the Republic of Moldova) and departmental data (National Employment Agency) for the period 2014–2024 and evaluate it, including using the tension coefficient on labour market of the Republic of Moldova, and compare Beveridge Curves in Moldova, the EU, the USA.

The research was based on the main hypothesis that, in accordance with the principles of neoclassical theory, a long-term equilibrium relationship between the number of unemployed and the number of vacancies in the Republic of Moldova’s labour market.

The article utilized a comprehensive and systematic approach, as well as scientific methods, including the analysis of monographs, comparative, quantitative and qualitative analysis, graphical, and Beveridge Curve modelling, etc.

The relationship between the share of vacancies and the registered unemployment rate, located between the coordinate axes (ordinate y-axis and abscissa x-axis), was analyzed using by constructing the Beveridge Curve. *Movement up or down of the curve* is explained by changes in the level of aggregate (excess labour) demand at various stages of the economic cycle: an upward or downward shift ($\uparrow\downarrow$ in labour demand), low unemployment and a large number of vacancies, or high unemployment and a small number of vacancies. *A shift of the curve to the left* is explained by changes in the structural component of unemployment. It should be noted that the Beveridge Curve can point potential changes in the structure of employed population.

The Beveridge Curve shows that, the labour market at different stages of the business cycle, in accordance with changes in the level of aggregate demand, tends towards two starting points: if demand increases (*growth*) – low unemployment and a large number of vacancies; and if demand decreases (*drop*) – high unemployment rate and a small number of vacancies.

The analyses were carried out on the basis of official statistical data of the National Bureau of Statistics of the Republic of Moldova (NBS RM), National Employment Agency (NEA), as well as the author’s calculations of the secondary indicators necessary for the research. All indicators are comparable in dynamics, as they are calculated on the basis of the population with usual place of residence, defined as the place where a person lived predominantly during the last 12 months, regardless of temporary absence (for recreation, leaves, visits to relatives and friends, business, medical treatment, religious pilgrimages, etc.).

Thus, the Beveridge Curve for 2014–2024 is presented in Figure 1. This curve is calculated using employment indicators based on the population with a usual place of residence. Therefore, the research period is limited to 2014–2024, which has a uniform methodology for calculating employment indicators of the NBS RM based on the population with a usual place of residence (in 2015, the methodology changed). While, Figure 6. presents the Beveridge Curve for the period 2008–2018, where employment indicators based on the resident population (stable population). The values of the two Beveridge Curves (Figure 1 and Figure 6) cannot be compared.

4. RESULTS AND DISCUSSION

To analyse the labour market, a Beveridge Curve (scatterplot graph) was constructed in a rectangular coordinate system. In a standard two-dimensional graph, the abscissa x (x-axis) - shows the registered unemployment rate, the ordinate y (y-axis) - the share of registered vacancies. The points represent the years from 2014 to 2024. The Beveridge Curve turned out to be difficult to perceive (Figure 1). The Beveridge Curve for 2008-2018 (Figure 6) constructed by the authors is much simpler to understand and the movement - change of the curve down-right, right, left, up-left is marked in red.

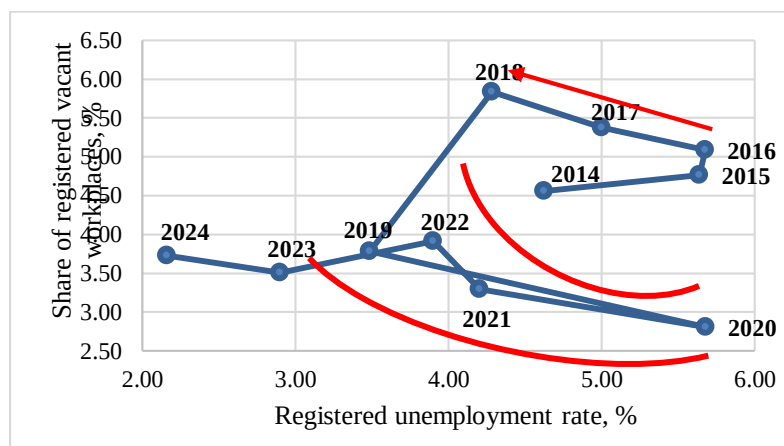
4.1. Beveridge curve dynamics

In general, the Beveridge Curve can be broken down into three stages: 2014-2018, 2018-2020, 2020-2022-2024.

2014-2018

The Beveridge Curve rises upwards and goes to the left. The explanation is that in 2015-2016 there was a drop in world oil prices, i.e. due to these external shocks the number of unemployed in the Republic of Moldova increased by over 5.5%, including migrants from Russia. Then the oil price rises and the situation stabilizes, unemployment on labour market in the Republic of Moldova gradually decreases by 4.3%.

Figure 1. Beveridge Curve, RM, 2014-2024, %



Source: author' calculations based on data from NBS RM and NEA, www.statistica.md, www.anofm.md

2018-2020

In 2019 a fall in labour demand.

2020- pandemic (COVID-19) spike in unemployment above 5.5% and a further drop in demand to 2.75%.

I.e., a classic downward movement along the Beveridge Curve - this corresponds to the economic cycle, cyclical contraction, cyclical change, i.e. unemployment rises and demand falls.

2020-2022-2024

There is an upward movement of the Beveridge Curve, the curve has shifted to the left. The upward movement of the classical Beveridge Curve indicates a change in the structural component of employed population. Quantitative change in the proportion of economic sectors in labour market.

A fall in registered unemployment to almost 2 per cent and lack of growth in the share of vacant working places. Which contradicts the classical Beveridge Curve. In 2022, labour migration increased by almost 20 %.

The main conclusion is that the national labour market in the Republic of Moldova can confront both external shocks and internal factors negatively affecting it. The labour market, according to the Beveridge Curve, despite the fluctuations returns to the initial state and is stable.

4.2. Explanation of changes in the position of the Beveridge Curve

The changes in the position of the Beveridge Curve are explained through the dynamics of unemployment and vacancies, presented in Figure 2. (Current Supply and Demand).

The graphical evaluation of the indicators (Figure 2) represents one of the statistical methods for interpreting the relationship between the number of vacancies and the number of unemployed people seeking for them over time. A comparison of the points where the lines intersect shows the periods (in years) when the number of vacancies coincided with the number of unemployed people registered with the regional offices of the National Employment Agency.

In 2015-2016, the gradual growth of demand in labour market, the number of vacancies is gradually increasing. The growth in unemployment and a sharp fall in 2018 and 2019.

In 2018, the demand on labour market reached its maximum value of 49.2 thousand persons with an unemployment about 35.5 thousand persons, the gap between the current demand and supply was almost 15 thousand persons. This is almost 33% **unsatisfied demand**.

After 2018. The demand on labour market began to fall and does not increase above 35 thousand persons.

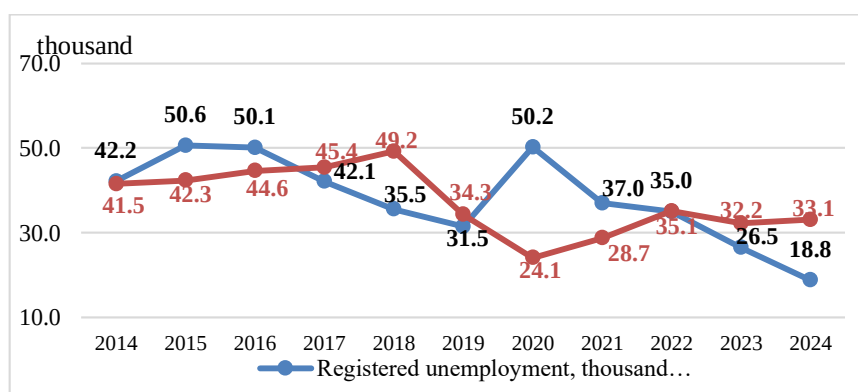
The total conclusion - is that the demand for labour market is no longer growing above 35 thousand vacancies as despite the increase in unemployment. I.e., the trend in labour market - **a decrease in the demand for the labour market by employers**. This trend started after 2018, also due to external shocks.

This is confirmed by the decline in GDP values after 2019 (Figure 4).

Another conclusion that can be observed is the **decline in the number of registered unemployed**. If to exclude the 2020 data (COVID-19 pandemic) from the unemployed dynamics, that the trend of a gradual decline in the number of registered unemployed can be observed after 2016. This is evident in the Beveridge Curve (Figure 1) for the periods 2016–2019 and 2020–2024.

As noted above, the decline in the number of registered unemployed following the COVID-19 pandemic is compensated by an increase in the number of labour migrants.

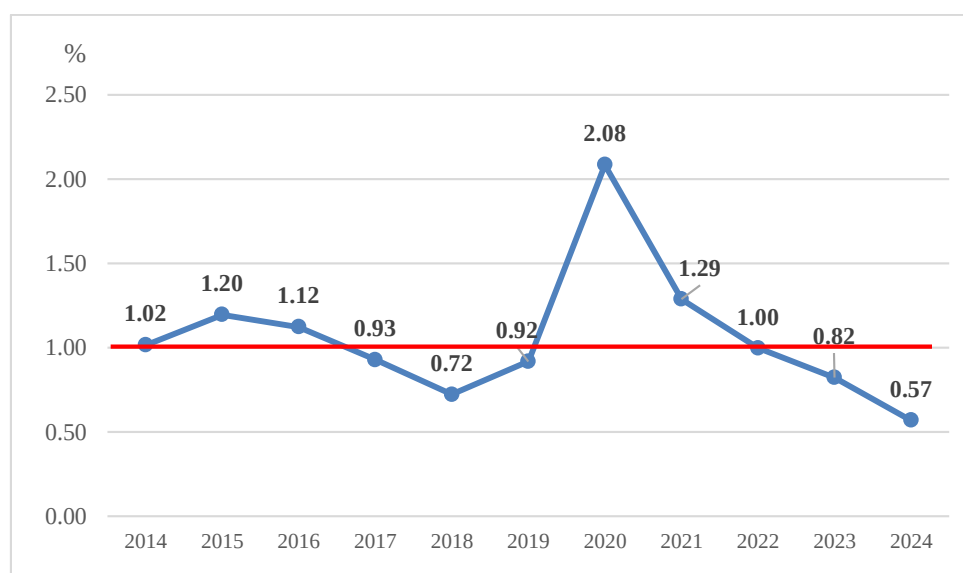
Figure 2. Current Supply and demand, 2014-2024, thousand persons



Source: data NEA, www.anofm.md

The ratio between the number of registered unemployed and the number of vacant working places characterises the tension of labour market. The tension coefficient presented in Figure 3 fluctuates and returns to equilibrium (1.00). The dynamics of the tension coefficient has peak of maximum value in 2020 (COVID-19 pandemic) to 2.08. In 2020, the fall in vacancies is explained by the COVID-19 pandemic, lower exports, and slower supply chains, while in 2023 it is explained by high energy prices. And the trend of **reduced demand on labour market from employers** will continue in the future due to the maintenance of high energy prices and high interest rates on loans, which slow down the growth of investment in the country's economy, and increase the minimum wage in the country (strengthening the institution of minimum wage).

Figure 3. Tension coefficient, 2014-2024, %



Source: author's calculations

Starting from 2020, the labour market has experience **insufficient demand** from employers. In the conditions of **unsatisfied labour supply**, some of the unemployed will not be employed at all. This situation leads to increased labour migration of the population. And if in this situation foreign labour force is imported (PricewaterhouseCoopers (PwC) Moldova Analysis of the Labor Market in the Republic of Moldova)⁴, the rate of labour migration will increase. This conclusion should be taken into account when elaborating labour market policies.

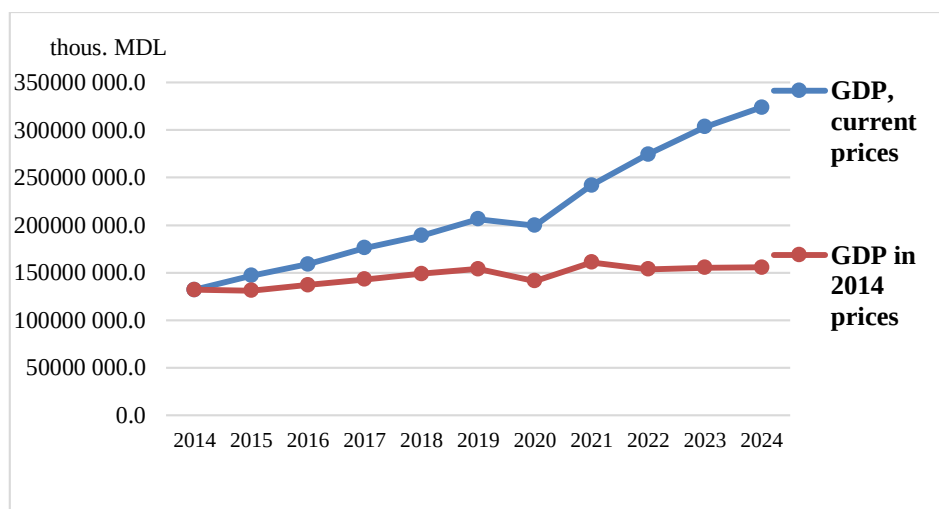
⁴ **The analysis of the labor market in the Republic of Moldova and of the economic impact of the labor force deficit provides an overview of the labor market's structure and evolution in recent years. It also estimates the additional labor force needed for the Republic of Moldova to support economic growth objectives.**

The objective of this AmCham initiative is to identify the most appropriate measures to reduce the human capital deficit in the short, medium, and long term and to recommend them to responsible decision-makers and the private sector, for which ensuring the necessary labor force is one of the most significant challenges faced in the Republic of Moldova.

The analysis was conducted for AmCham Moldova by PricewaterhouseCoopers (PwC) Moldova, based on publicly available data from the National Bureau of Statistics and the General Inspectorate for Immigration. The analysis is structured into four components: (i) a description of the current context of the labor market, (ii) an estimation of the labor force deficit, (iii) an estimation of the economic impact of the labor force deficit, and (iv) policy recommendations based on models of best practices from other states. Methodological specifications are included within the analysis.

To explain the *insufficient demand*, will consider the dynamics of GDP and the number of employed population (Figure 4 and Figure 5). An analysis of the dynamics of the GDP indicator in current prices (NBS data) shows a continuous growth of the indicator for the whole period, except for 2020, which is connected with the COVID-19 pandemic. Particularly high growth was observed in 2022-2024 due to the increase in energy prices. Absolutely contrasting dynamics is demonstrated by the GDP indicator, deflated in 2014 prices: by 2019 there is a gradual growth of the indicator up to 150 000 mln MDL, after 2019 the values of the GDP indicator practically do not increase. This confirms the decrease in employer demand on labour market (Figure 2).

Figure 4. GDP, RM, 2014-2024, current prices and in 2014 prices, mln MDL



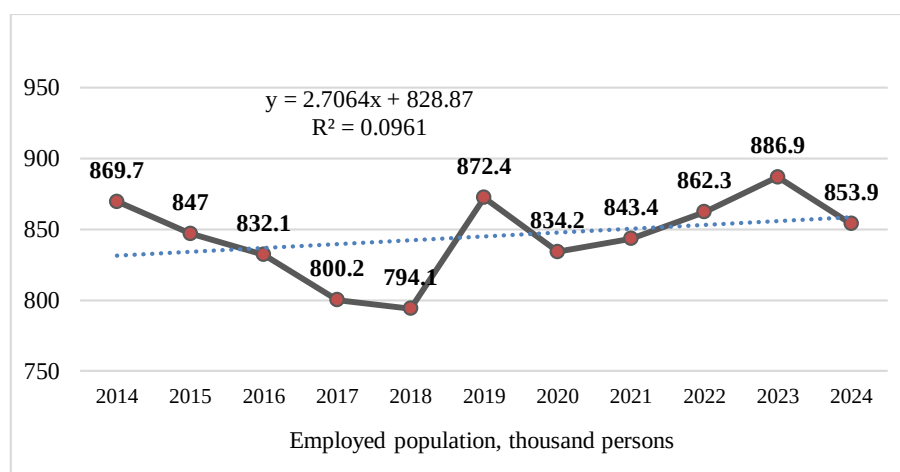
Source: NBS, www.statistica.md, author' calculations

If to consider the lack of GDP growth since 2019 (Figure 4. GDP), i.e., the deterioration in the economic situation, the declining share of vacancies in labour market (demand for labour from employers), the declining registered unemployment rate (Figure 1 Beveridge curve), the rise in the number of labour migrants, and also the decline in the country's population, which migrates abroad during working age, observing an unfavorable situation, anticipating another economic crisis.

The analysis of the dynamics of employed population (Figure 5) reveals that the decline in the employment indicator was until 2019, then indicator after 2020, after the pandemic is slowly recovering. The increase in employed population is not accompanied by GDP growth, as the employer demand does not recover to the level of 2018 (Figure 2).

Thus, from 2014 to 2019, the value of GDP increases to a value of 150 000 mln MDL, then the value of GDP fluctuates around the achieved value. The increase in employment in the period 2021-2023 did not affect the growth of the GDP value for this period.

Figure 5. Employed population, 2014-2024, thousand persons



Source: NBS RM, www.statistica.md

Changes in the Beveridge curve after 2020 indicate structural changes in labour market. Table 1 presents the structure of employed population for the period 2014-2024: the share of the employed population in Agriculture, forestry and fisheries, in hospitality and trade decreased, the share in industry, construction, and the budget sector administration-education-medicine-social assistance increased, and the share of other as a type of employment recovered compared to 2014 (including the national lottery of the country).

The fact of disparity the tax revenues in Kazakhstan is noteworthy: bookmaker offices contribute up to 36% of all taxes collected in the country, more than the oil and gas industry, whose share in tax revenues is 30%.

Table 1. Structure of employed population by main types of economic activity, 2014-2024, %

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total, RM	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Agriculture, forestry and fisheries	23.7	23.2	24.2	22.6	39.3	21.0	21.1	21.5	20.8	20.9	18.1
Industry	13.5	13.8	13.8	13.4	11.0	14.8	14.5	14.4	14.7	14.4	13.4
Constructions	6.1	6.2	5.8	5.4	4.6	7.0	7.2	7.7	7.7	7.1	7.5
Wholesale and retail trade; Accommodation and public catering activities	18.2	17.1	18.1	19.3	14.5	18.8	17.8	17.5	17.7	17.7	17.6
Transport and storage. Information and communications	7.1	7.2	7.2	6.9	5.5	6.9	7.4	7.1	7.4	7.1	7.6
Public administration. Education, Health and Social assistance	21.7	22.5	21.5	22.8	17.8	22.6	23.1	22.9	23.0	23.0	24.7
Other service activities	9.7	10.0	9.4	9.6	7.3	8.9	8.9	8.9	8.7	9.8	11.1

Source: author's calculations

The greatest deficit of workers is observed in such types of economic activity as public administration (13.4% of total number of working places in 2024), art (6.5%), health (6.9%), transport (8.9%).

At the same time, it should be noted that high labour migration increases the presence of vacant working places. This may be a research question in the future.

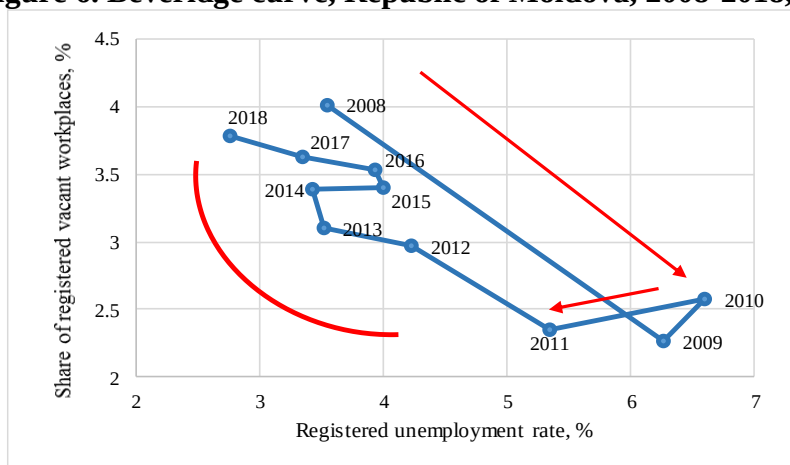
**Table 2. Vacant working places by main types of economic activity
(% total number of working places), at the end of the year, 2015-2024**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total, RM	4.0	4.3	4.5	4.7	5.2	4.7	3.9	3.9	3.8	3.4
Agriculture, forestry and fisheries	3.0	2.9	3.1	2.9	2.8	3.0	2.0	2.2	1.3	0.3
Industry	4.9	4.8	4.5	4.6	6.0	5.3	4.2	3.5	2.9	2.7
Constructions	3.	2.7	3.5	3.5	2.4	3.1	1.4	1.5	2.1	0.8
Wholesale and retail trade; aintenance and repair of motor vehicles and motorcycles	2.6	2.3	2.1	2.4	2.4	2.0	1.6	1.7	1.5	1.5
Transport and storage	3.8	4.3	5.5	6.2	6.7	5.6	7.2	6.0	6.0	8.9
Accommodation (hotel complex) and public catering activities	4.2	4.9	4.2	2.9	4.0	4.1	1.9	2.6	2.8	1.6
Information and communications	2.9	2.3	2.9	2.1	3.9	3.1	2.4	2.5	2.3	2.3
Financial and insurance activities	3.2	3.1	2.9	3.2	3.2	2.5	4.1	5.1	4.5	5.0
Real estate transactions	6.1	5.1	3.8	6.5	5.4	4.5	3.5	3.0	2.8	5.0
Professional, scientific and technical activities	3.8	4.6	5.2	3.7	4.6	4.3	4.2	3.9	3.5	3.4
Administrative service activities and support service activities	4.4	4.1	3.5	3.7	3.7	3.4	3.0	3.2	3.8	3.1
Public administration and defense; obligatory social insurance	8.6	10.2	11.2	12.0	12.9	9.9	9.1	10.6	11.4	13.4
Education	2.0	1.9	2.8	3.0	3.4	3.5	2.8	2.7	2.5	3.4
Health and Social assistance	5.7	7.4	6.7	7.9	8.3	7.7	6.5	6.5	6.3	6.9
Art, recreation and leisure activities	4.3	5.4	5.9	5.8	7.6	7.8	4.8	5.4	6.4	6.5
Other service activities and services	2.9	1.3	2.1	2.7	2.3	2.7	2.7	1.8	1.7	0.3

Source: author' calculations

Comparison of the Beveridge Curve for 2008-2018 (Figure 6) and for 2014-2024 (Figure 1) showed that the recovery of labour market in the Republic of Moldova after the fall in demand and increase in unemployment took 10 years (2008-2018).

Figure 6. Beveridge curve, Republic of Moldova, 2008-2018, %



Source: author' calculations based on data from NBS RM and NEA, www.statistica.md, www.anofm.md

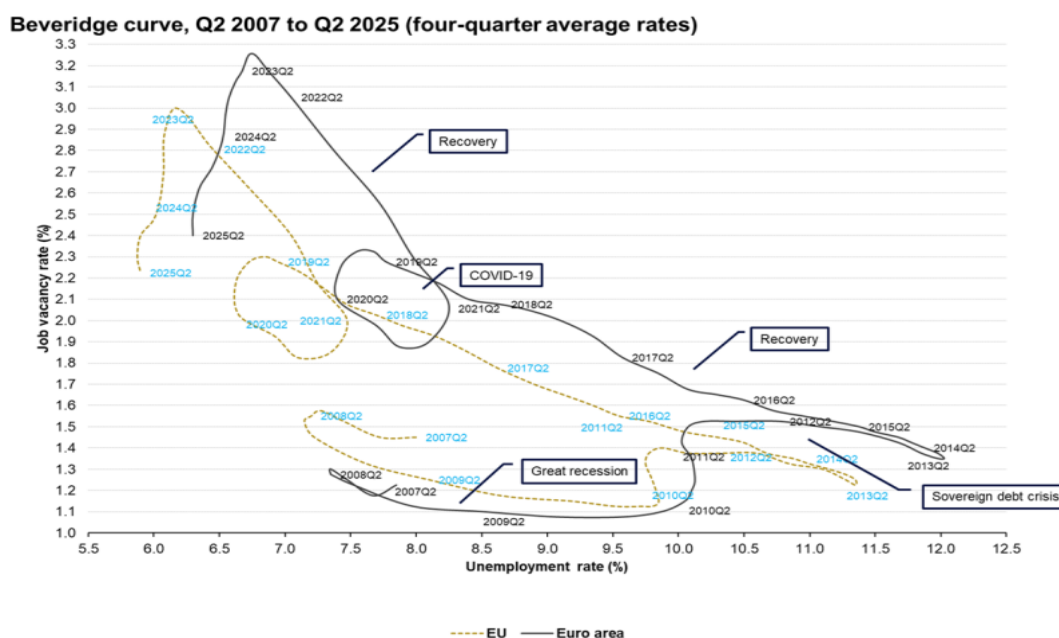
In 2020 the unemployment rate was lower than in 2008-2010 and demand was higher. The recovery took 1-2 years, the demand in 2022 reached the level of 2019, if it was higher, the Beveridge Curve could be equal to 2018. There are a set of factors in labour market, the actions of which does not allow employer demand to be restored to 2018 levels. This may be investigated in the future.

4.3. Comparison of the Beveridge Curve in Moldova, US and EU

Using the possibility to compare the Beveridge Curve in Moldova with the Beveridge Curve in the EU (Figure 7 and Figure 8) and in Moldova and the USA (Figure 9).

The recovery of demand indicators in the EU after the Great Depression was about 5 years (2011-2016) and of unemployment indicator 10 years (2011-2021). The period of the COVID-19 pandemic in the EU was characterised by a 0.5 pp decrease in employer demand and a 0.5 pp increase in the unemployment rate to 7.5%. This significantly differs the EU from the changes in the US and in the Republic of Moldova. Thus, in 2020 in Moldova, unemployment increased in 2008-2010 to 6.5% and in 2020 to 5.5%. The recovery from the pandemic was 1-2 years. The presence of the Beveridge Curve loop is noteworthy. At the same time, it should be noted that the values of the vacancy rate in the EU are low compared to the Republic of Moldova and the USA, which may have a negative impact on increasing economic growth in the EU countries. In turn, the values of unemployment and vacancies represent average values in the EU.

Figure 7. Beveridge Curve, EU, Q2 2007-Q2 2025, %



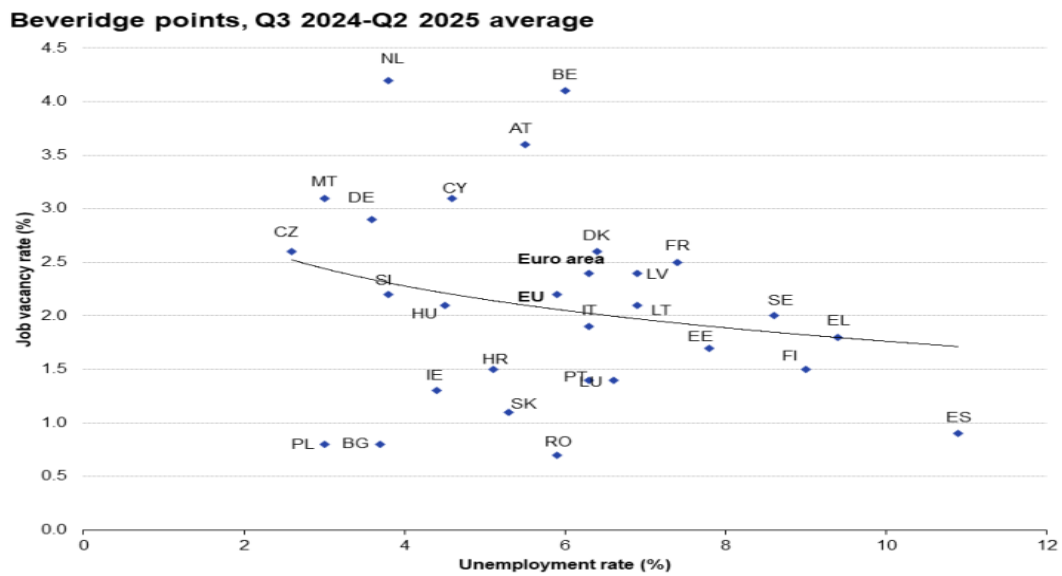
Source: Eurostat (online data codes: jvs_q_nace2, lfsq_urban)

eurostat

Source: Eurostat, data codes (jvs_q_nace2) and (lfsq_urban), https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Job_vacancy_and_unemployment_rates_-_Beveridge_curve#cite_ref-1

The examination of the EU member states, in 2023-2024 the following countries are at risk: Estonia – 11-12% unemployment, Italy – 6-8%, Lithuania - 7%, France – 7-8%. Countries with insufficient demand: Romania, Bulgaria, Estonia, Poland have below 1% vacancies. The most favourable countries are the Czech Republic, Germany, Holland, Austria and Belgium, with demand above 3.5% and unemployment below 6.0%.

Figure 8. Beveridge points, EU, Q3 2024- Q2 2025, %



Source: Eurostat (online data codes: jvs_q_nace2, lfsq_urban)

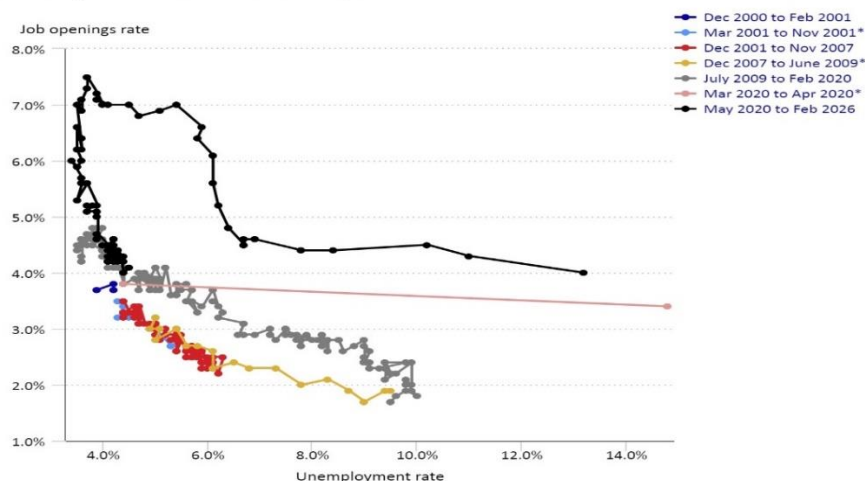
eurostat

Source: Eurostat, data codes (jvs_q_nace2), (lfsq_urban), https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Job_vacancy_and_unemployment_rates_-_Beveridge_curve#cite_ref-1

Beveridge Curve analysis of the US in 2008-2011 showed that unemployment rose to 10% and the gradual recovery took 10 years. In 2019-2020, the unemployment rate rised to 12%. The country has adopted an unprecedented package of measures, such as increasing the duration of unemployment benefits and its amount by \$800, compensating utility payments to the unemployed, allocating money to the population in two tranches in 2020 and 2021, etc. Adoption of these measures allows to recover the US economy and stabilise the labour market. At the same time, it should be noted that pensioners left the US labour market during the pandemic, and later some pensioners did not return to labour market.

Figure 9. Beveridge Curve, USA, 2000-2026, %

The Beveridge Curve (job openings rate vs. unemployment rate), seasonally adjusted
Click and drag within the chart to zoom in on time periods



Source: U.S. Bureau of Labor Statistics.



Source: U.S. Bureau of Labor Statistics, <https://www.bls.gov/charts/job-openings-and-labor-turnover/job-openings-unemployment-beveridge-curve.htm#>

5. CONCLUSION

The conducted analysis of labour market in the Republic of Moldova for the period 2014-2024 allowed to highlight the following trends and conclusions:

- The national labour market in the Republic of Moldova is sustainable and can withstand both external shocks and internal factors negatively affecting it. The labour market, according to the Beveridge Curve, tends to equilibrium despite the fluctuations.

- Demand in the labour market does not exceed 35,000 vacancies despite the increase in unemployment. The trend in labour market is that employers are reducing their demand in labour market. This trend started after 2018, also as a consequence of external shocks.

- The shift of the Beveridge curve after 2020 indicates structural changes in labour market. The analysis of the employed population and vacancies by types of labour activity identified the sectors in which the share of employed workers decreased and the share of vacancies increased.

Comparison of the Beveridge Curve for 2008-2018 and for 2014-2024 allowed to determine that the labour market recovery in the Republic of Moldova was 10 years. The labour market in the EU recovered for 5 years and 10 years in the USA.

In the Republic of Moldova, the labour market has improved the unemployment indicators and has not reached the vacancy rate of 2018. There are a number of factors at play in labour market, the effects of which do not allow to restore the demand from employers to the 2018 level. This could be future research.

The analysis of the labour market, using the Beveridge Curve, allows developing proposals for improving labour market policies in Moldova and measures to improve the state of the labour market in the Republic of Moldova.

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