Abstract:
In Moldova, the unemployment rate is relatively low, still labor market outcomes are unsatisfactory. Employment is low and job opportunities are scarce. We find that the low level of employment in Moldova is due to the low rate of firm entry and the low rate of job creation in existing firms. Although the rate of job destruction is high, this is typical of transition economies and is a problem only because it is not coupled with a commensurate rate of job creation.

Key words: Employment, transition economy, labor market.

JEL Classification: E24