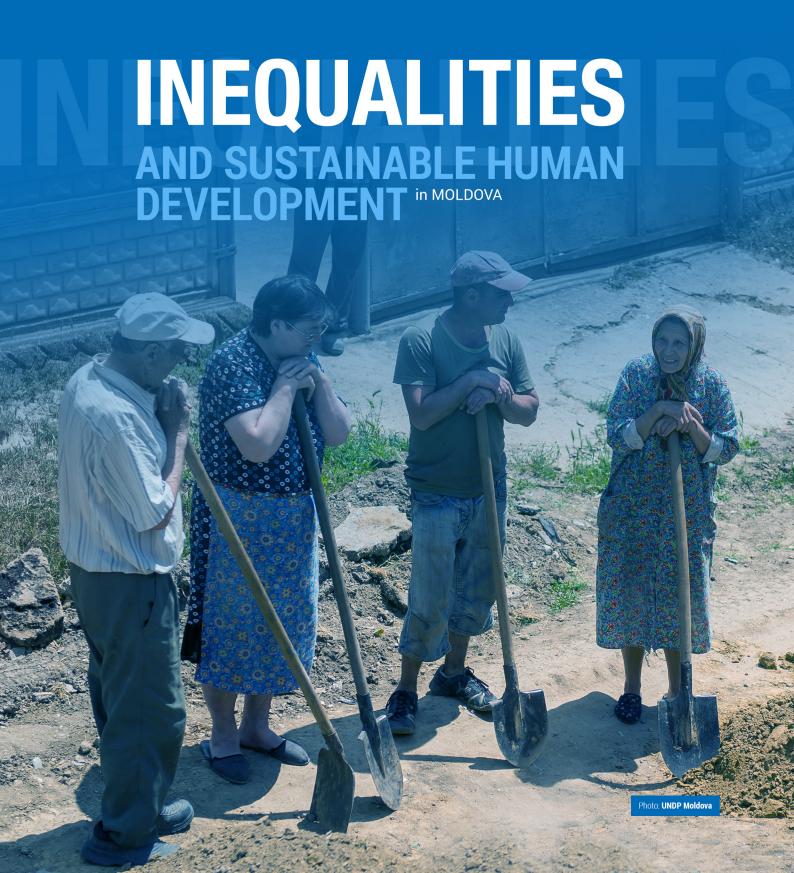


NATIONAL HUMAN DEVELOPMENT REPORT 2015/2016



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# NATIONAL HUMAN DEVELOPMENT REPORT 2015/2016

# REPUBLIC OF MOLDOVA Human development inequalities

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## Acronyms and Abbreviations

AWC - Association of water consumers

PMA - primary medical assistance

ANOFM - National Agency for Employment

**HA** – Heating allowance

ASM - Academy of Sciences of Moldova

EIB - European Investment Bank

EBRD – European Bank for Reconstruction and Development

NBS - National Bureau of Statistics

POB - Public Opinion Barometer

BDR - Bureau for Diaspora Relations

ADC - Anti-discrimination Council

**CLAM** - Congress of Local Authorities from Moldova

HBS - Household Budget Survey

CESCR - UN Committee on Economic, Social and Cultural Rights

CHR - UN Council for Human Rights

CRPD - UN Convention on the Rights of Persons with Disabilities

**CEC** - Central Electoral Commission

ECHR - European Court of Human Rights

SEN - Special educational needs

HN - House of Nationalities

NAC - National Anticorruption Centre

NIC - National Integrity Commission

**CPEDEE** – Council on the Prevention and Elimination of Discrimination and Ensuring Equality

RCIE - Resources Centre for Inclusive Education

NSC - National Security Concept

**DCFTA** – Deep and Comprehensive Free Trade Area Agreement

**HRDQE** – Human Resources Development for Quality Education (National Program of the Ministry of Education)

NEF - National Ecological Fund

CGF - Credit Guarantee Fund

MSIF - Moldova Social Investment Fund

IMF - International Monetary Fund

NRDF - National Regional Development Fund

GRECO - Group of States against Corruption

**ICT Development Index** – Information and communication technologies (ICT)

ISD - Indicator of Social Distance

HDI - Human Development Index

IHDI – Inequality-adjusted Human Development Index

GII - Gender Inequality Index

IMD World - World Competitiveness Yearbook

MPI - Multidimensional Poverty Index

IPP - Institute for Public Policies

LGBT - Lesbian, gay, bisexual, and transgender

MEAEI - Ministry of Foreign Affairs and European Integration

MoEd - Ministry of Education

MLSPF - Ministry of Labor, Social Protection and Family

**NEET** – young people not in employment, education or training

NIF - Neighbourhood Investment Facility

**OECD** – Organisation for Economic Cooperation and Development

SDGs - Sustainable Development Goals

**ODIHR/OSCE** – OSCE Office for Democratic Institutions and Human Rights

**ODIMM** – Organization for Small and Medium Enterprises Sector Development

MDGs - Millennium Development Goals

IOM - International Organization for Migration

PAS - Centre for Health Policies and Studies

PISA - Programme for International Student Assessment

PNAET - National Youth Economic Empowerment Programme

**UNDP** – United Nations Development Program

PPP - Purchasing Power Parity

**DR** – Development Regions

HDR - Human Development Report

SPHM - School of Public Health Management

SYSLAB - Innovative Career Development Centre

TBC - Pulmonary Tuberculosis

TI - Transparency International

ICT – Information and communication technologies

EAU - Eurasian Union

**UN WOMEN** - United Nations Entity for Gender Equality and the Empowerment of Women

UNICEF - United Nations International Children's Emergency Fund

**UNPRPD** – United Nations Partnership on the Rights of Persons with Disabilities

ATU - Administrative-Territorial Unit

## EXECUTIVE SUMMARY

We live in a society that continues to have patriarchal values, economic, social, and political inequalities. The inequalities and differences absorbed by Moldovan society result from the institutional changes, such as the shift from the communism to democracy with Soviet traces that are indoctrinated in the society's conscience and political mentality; transition from a centrally planned system to a market economy and entrepreneurship, with adverse impact on population's welfare (crises, thefts, inequalities, and corruption), as well as (development of new technologies and their impact on labor force specialisation, global challenges such as poverty, social exclusion, marginalisation, migration, lack of jobs, deprivation etc.). Inequalities are not just the expression of some gaps in the institutional processes or effects of social-economic phenomena but rather the results of incorrect policy implementation, because the inequalities originate inclusively from the unequal distribution of opportunities when not every member of the society has access to power and justice, quality education, labor market, health, communications, utilities etc. All these inequalities generate the appearance of gender, social, income differences etc. and on the contrary, ensuring the equality of opportunities principle, access and provision of many human capital development opportunities maintains a plenary participation of every person in the society.

ATUG – Autonomous Territorial Unit Gagauzia

ATULN – Administrative Territorial Unit on the Left Bank of the River Nistru

Following these findings, the goal of the National Human Development Report (NHDR) 2015/2016 is to identify and analyse the inequalities both in terms of income and non-income that jeopardize sustainable development of the country and the negative impact on the welfare of the population. Hence, economic, social, political, legal, and security studies have been carried out to identify the inequalities and to observe their interaction with other processes in the society.

The National Human Development Report 2015/2016 is an overview of the situation in different sectors with regard to the matter of income and non-income inequalities, grouping them in economic, social, and political inequalities. Also, the NHDR contributes with recommendations to the awareness and information of the society in order to decrease inequalities by reducing the coverage on the political agenda of the decision-makers.

The methodology adopted in the development of this report includes to the data collection and analysis from different institutions and social actors within public consultations, study and report examination in the respective field, as well as periodical result from reviews obtained at each development phase of the report submitted to the Advisory Council members.

The landmarks of the NHDR 2015/2016 included the UN 2030 Agenda especially achievement of Goal 10 on inequality reduction, previous National Human Development Reports, as well as numerous analytical sources that permitted the conception base formation and explanation of reference processes in this report.

The key message of the Report has the purpose to convince that human development may be achieved by reducing the inequalities, by streamlining the social inclusion and poverty reduction policies, with incentives to start and do businesses, by promoting a legislation on equality of chances which eliminates the discriminating practices in all sectors of society, as well as by introducing social-economic policies based on equal opportunities that would enhance

# The **key findings** of the Report are presented below:

migration phenomenon, as well as their relation to economic inequalities. Since the life expectancy is closely related to the economic growth, having a considerable impact on living conditions and health of the population, this Chapter contains a review of the

the human and investment capital potential.

The NHDR 2015/2016 consists of four coherent chapters that provide primary and secondary processed data on inequalities in different sectors: Chapter I informs the beneficiaries about the human development inequalities, and emphasises the key human development and inequality indicators. To explain the origin of changes in the society that have contributed to the appearance of inequalities, the Chapter examines the inequality concept and its essential derivatives such as poverty, marginalisation, and social exclusion, unequal redistribution. Also, this Chapter makes an important differentiation among the economic, social, and political inequalities, meanwhile, draws the attention of the readers to recent evolutions in the macroeconomic field. providing an analysis of key factors that have affected the optimistic pace of economic development in the reference period.

Chapter II examines the causes and drivers of economic inequalities by reviewing the economic size of income inequalities of population and the assessment of high poverty rates. The Chapter refers to the analysis of prerequisites that generated the appearance of economic inequalities, such as privatisation processes, labor force migration, unemployment, informal employment, seasonal employment of labor force in the agricultural sector, and corruptions. The Chapter analyses as well gender inequalities in salary payments, focusing on the importance of entrepreneurship for financial independence of women. Since women entrepreneurship development is necessary, the Report stresses out the importance of reforms in the business environment including reducing the red-tape barriers for starting a business and the gaps of officials responsible for this segment of the economy.

In Chapter III the authors operate with the notion of social inequality and examine the causes of identified inequalities. The Chapter unfolds with the identification and analysis of social demographic and occupational inequalities due to external and internal

inequality situation with regard to access to health services, utilities (especially drinking water and sewage). Since public inequalities are generated by social phenomena and unequal opportunities, the Chapter concentrates on the relation of inequalities to the access to education, labor force, and digital services.

Finally, Chapter IV focuses on political inequalities, which affect the quality of democracy and fundamental freedoms, perspective to have a decent standard of living, which has an essential impact on human development. The Chapter analyses the causes and the pattern of political inequalities in the Republic of Moldova, with regard to the observance of the most important aspects that bring value to a state's democracy, such as political representation of women, tolerance in the society toward vulnerable and excluded groups, and political integrity. As a result, the Chapter provides the analysis of inequalities accessing justice and information by citizens, as well as effects of corruption in the system. To draw the whole picture of political inequalities, the Chapter reviews the regional inequalities, in terms of rural-urban from the perspective of local governance. The Chapter ends with the vertical and horizontal inequality assessment in ensuring human security as key element of a sustainable development of the country.

The last Section of the NHDR 2015/2016 includes a set of recommendations that may be used as a basis for the Government policy on reducing the inequalities, social inclusion, economic growth, hence, to ensure sustainable human development with the participation of the civil society.

- Social inequalities are divided into two aspects: income and non-income. Salary income inequalities are, as a rule, economic inequalities and are generated by existing differences among the population as a result of a number of factors, such as discriminatory practices on labor market (depending on sex, age, ethnic origin), low wages, unemployment, unequal opportunities in education and employment, etc. Salary income inequalities reside in differences of professional background, education and training, performances obtained at work, as well as gender segregation. Wealth inequalities are found in unequal distribution of assets in a society, where the largest portion of wealth belongs to the rich, the rest is distributed between other more numerous strata of the population.
- Non-income inequalities among the population are generated by such phenomena as marginalisation, social exclusion, political ignorance, discrimination, segregation, insecurity resulting from incorrect inclusion, distribution and reintegration policies, as well as unequal accesses of the population to goods, services and development opportunities and participations in the society. The non-income inequalities are also generated by the economic exclusion of individuals, discrimination determined by the existence

of some stereotypes, prejudice and erroneous perceptions about people in the society.

- The presence of stereotypes, prejudices in the society shows the imperative of preventing the stigmatization and discrimination of persons based on their ethnic origin, religion, language, sexual orientation, political affiliation, culture, economy, etc. through the view of policies that guarantee the equality of opportunities of accesses of the population to education, labor market, economic life, political field, etc.
- Guaranteeing social equity through equal access policies decreases the social distance between their financial possibilities and options to capitalise on goods and services in the society. Respectively, equal opportunities for all policies and equal treatment irrespective of race, age, religion, disabilities, public opinions, sex, etc. in accessing education, labor market, economy, political life, etc. encourage the decrease of income inequalities of the population and contribute to increase of its wealth.
- An important part in ensuring equal opportunities through national policies and programmes should be the investments in education; the absence impedes the formation of human capital and slows down the economic growth. The investments in training human capital represent the basis of labor productivity growth.
- Poverty and low income of the rural population reduce the chances to access quality services. Unequal access of the population to quality services is described by high differences of infrastructure development (medical assistance, drinking water and sewage, etc.), as well as high differences at the level of service costs (electric energy and natural gas).
- The poorest population spends on average up to 15% of available income to have drinking water and minimum sewage, for which the costs are too high. Bad quality of rural roads and limited transportation influence negatively the accessibility of rural population to primary medical services. At the same time, a lack of investments in hospital infrastructure indicates certain inequalities for the residents of different regions to receive timely primary medical assistance.
- Integral access of the population to infrastructure is considered as a factor that affects the non-agricultural occupation in rural environment. Bad quality infrastructure at local level imposes certain development constraints of business sectors. All these reduce the chances to create new jobs at the local level and lead to the increase of internal mobility flows from the communities without a developed infrastructure to those with a developed infrastructure, with primary services, such as social services.

- Development of service infrastructure is strategically important for the economic growth and ensuring a quality health control of the population, especially in the rural area. The health state refers to the access of population to drinking water and sanitation. A lack of sewage system and the presence of affected wells increases the latent danger of diseases caused by the water consumption among the population.
- If the quality of education determines to a great extent the quality of life and creates opportunities for professional growth, all students should benefit from the access to school with centralised water system and toilets on the premises. The quality of drinking water and hygienic conditions in the educational institutions should not be an impediment in healthy development of children, who are future human resources of a country.
- Equal access to education guarantees the formation of economic, political and socio-cultural communities in the country, while unequal access limits the participation of citizens in solving society's issues, which considerably reduces the quality of democracy. Ensuring the right to education and to equal treatment for all in national policies facilitates a balanced participation on labor market of women and men, which means that both women and men have same responsibilities and chances to advance in career, same opportunities of equal pay for equal work.
- Equal access of women and men to decision-making process influences positively the settlement of social and economic inequalities in the society, and represents an important impulse in promoting political actions addressed to social inclusions and poverty reduction, income and non-income equalities, playing as well an important role in maintaining and improving the health, educational, cultural infrastructure, especially in rural area.
- Political inequalities discriminate either through prejudice, stereotypes, stigmas or multiple segregations often considered silent (silent segregation).
   The highest challenges in the field are: reduced level of accountability of public agents/institutions for achieving political equality, reduced capacities to understand and formulate adequate policies, a very weak mechanism of monitoring and accountability of public institutions for achieving political equality.
- Political inequalities affect the quality of democracy, fundamental freedoms and the perspective of the opportunity to live in dignity, denting the image of good governance through reduced participation of citizens in the decision-making process by marginalising different categories/groups of people, through reduced level of transparency regarding political processes and made decisions. The political inequalities lead to fractions of human cohesion, creating systemic and complex forms

- of abandonment, ignorance or intentional prejudice of political rights, freedoms, need for social and economic progress for individuals and social-vulnerable groups. The unequal justice imposes higher costs for the marginalised people and impedes their inclusion.
- The level of corruption increases the inequality of income and poverty and reduces the economic growth, the progress of tax service and the efficiency of social costs, human capital formation, as well as perpetuates unequal distribution of power.
  - A lack of a consolidated democracy and escalation of corruption underlines the fact that the internal facts have a special importance in ensuring national security, as well as human security. These factors refer to the character and quality of political institutions that are obliged to increase the security at individual and national level. But what is considered to be political, personal and community insecurity fuels to a great extent of the inequalities in ensuring human security on both Banks of the River Nistru. Respectively, the existence of unsolved conflict contributes to unequal distribution of income, unequal access to health services, education and nutrition, including access to justice of the population on the Left Bank of the River Nistru. These factors of human insecurity stress out certain horizontal and vertical inequalities, determined mostly by the lack of control over the territory on the left Bank of the River Nistru.
- The essential driver of reducing income inequalities in promoting country policies that ensure social groups with lower income is an equality of economic opportunities (in business, labor market, trade, etc.) compared to the groups with the large income. This desideratum implies policies that refer to an increase of accountability of economic agents, different social actors and state enterprises regarding the employment of marginalised groups, including ethnic minorities, persons with disabilities, returned migrants, young people without experience, etc. Gender pay inequality may be liquidated by consolidating a monitoring mechanism of the right to equal pay for equal work and observance of criteria for salary differentiation outside any forms of discrimination by authorising active companies to monitor the labor code and non-discrimination.
- The essential driver in reducing non-income inequalities resides in overcoming the obstacles regarding the prejudice and stigmatisation of different social groups in society through policies that would guarantee equal access to the social activity (social, cultural, educational, employment services, etc.) and policy of the country (voting, participation in public decision-making process), justice and public institutions, which would guarantee the same freedoms and development of a participative and representative democracy.

## **DIRECTIONS** AND **RECOMMENDATIONS**

## FOR POLICY ACTIONS

The necessary policy actions will focus on continuing the efforts for achieving the full European aspirations of the Republic of Moldova, and the tactics for carrying them out should be synchronised with maintaining the consistency between actions and results. The identification, formulation and selection of policy option for every sector analysed in this Report is a hard challenge. An integrated strategic vision of recommendations will generate actions for adjusting the principles and the tools for implementing the current policies related to achieving the Sustainable Development Goals, as the success of joining the European Union also depends on the good achievements in this respect. The agenda of European integration and the implementation of Sustainable Development Goals are two interdependent and complementary directions of actions, meant to help in distributing the economic development benefits, increasing the well-being level and social security for the entire population of the country.

The organic incorporation of the Sustainable Development Goals in the set of national policies and programmes is on-going and allows us to analyse the multidimensional process of human development, determining the complexity and the wright of the social-economic and political inequalities in the society, the causes of their appearances and the policy actions to be undertaken for mitigating them considerably. The reduction of inequalities and discrepancies in the society implies some interventions focused on social inclusion and equality, ensuring policies, as some of the essential aspects of sustainable development, and envisaging the assurance of full participation of all the persons in the economic, social, political life without differences of ethnic or racial origin, sex, age, disability, religion, belief or sexual orientation.

One of the findings of this Report refers to the existence of some divergences and discrepancies in population access to different public services, such as education training, employment, health, utilities, and digital services, which are largely determined by the unequal access of population to economic resources and the lack of revenues. Besides the different factors of polarized population incomes, there is also the polarization in the society and the existence of a high level of poverty, especially in rural areas. The identification of population with severe problems, caused by small incomes or lacking revenues, unequal opportunities and high costs, hinders the accessibility to different social services and, thus, increases the opportunities for marginalization in society's political

and public life. As a result, as an essential element, an equality should be promoted by introducing some integrated and sustainable policies, which tackle the prevention of radicalization of inequalities in the society and mitigate the challenges related to social safety and population wellbeing.

Hence, it is necessary to incorporate the objective of reducing inequalities in the existing framework of strategies and documents in the area of social protection, inclusion, non-discrimination, business development, health, education, etc. so as to be able to anticipate the effects that inequalities encourage in the society. This would allow achieving a higher level of public authorities' accountability and active involvement of social and economic factors in fulfilling the sustainable development objectives. In this respect, it is necessary to develop a roadmap for decreasing inequalities and disparities in all the societal areas. It could include tasks and actions to be carried out within a determined period of time, divided by different ministries and social actors, and monitored on regular basis grounded on a set of indicators, which would allow to adjust and correct the on-going policies and programs, including the ones to be developed and implemented at the country level over the next years.

The conclusion derived from the narrative perspective of the present Report is that it is necessary to carry out a set of policy actions to ensure the decrease of inequality within the country, as follows:

#### POLICY ACTIONS

#### IN RELATION TO INCOMES AND POVERTY REDUCTION

It is necessary for the actions to be envisaged for reducing inequalities in incomes and poverty, and to be further-on focused on policies of social inclusion and economic growth without increasing the fees and income taxes. These actions are necessary from the perspective of reducing the territorial inequalities in the rural-urban dimension (as the urban-rural discrepancy is huge in incomes), as well as in the regional dimension (North, Centre, and South). By establishing the objectives in this respect, it would be possible to register further on certain losses of human capitals, as a result of internal and external labor force migration, especially among the youth.

The decrease of territorial inequalities may be achieved by attracting investments in the development of local infrastructure and economy. In this respect, it is important to harness the rights to property so as to provide the potential investors the necessary guarantees that they will not lose the property they invest in. Hence, guaranteeing the stability of some jobs and increasing the number of people will contribute to the social insurance funds.

The fact that entrepreneurs or citizens are treated differently for the same services represents a huge minus for the competitive environment. The unfair treatment and unequal opportunities always contribute to increasing the gap between the population incomes. Respectively, the Government should ensure maximum transparency for simplifying the procedures meant for obtaining public services or permits/authorisations among the population, including the rural.

#### POLICY ACTIONS

#### FOR LABOR MARKET, MIGRATION, AND DEMOGRAPHY

The negative demographic trends in the last years have determined a low participation of population in economic activities. In the context of excessive labor migration, different types of inequalities have appeared on the labor; the most obvious are at the level of skills and qualifications, making more problematic the capacity to inegrate human resources on the labor market. An eventual measure in this respect would be to ensure the principle of equity and equal chances for all in the strategies and programs of life-long learning, based on which the access to education to be provided without any discriminations. This would refer, first of all, to the participation of adults in vocational training programs and harnessing the studies acquired in the non-formal and informal context.

The mismatch between the existing competences and the needs of the labor market would decrease by encouraging the economic agents to create as many as possible opportunities of internships, especially for young persons, and mentorship programs for adults, hence, alongside the permanent training programs for human capital provided by the national employment agencies, to provide operational basis for the tacit onjob solidarity among generations, thus guaranteeing the development of specific competences and skills in persons of all ages. As a stringent measure, it is necessary to perpetuate the initial training programs at the level of enterprises or national employment agencies in the area of digital services' use among elderly peo-

ple and disadvantaged youth. It is also important to develop the dialogue between different social, governmental and non-governmental stakeholders regarding the consolidation of on-job continuous training programs, campaigns of acknowledging the modernization of social stratification and the need to adopt a fair personnel policy.

Another priority would be to develop policies which would foster the increased access to vocational orientation and requalification programs, and validation of previous studies for the socially vulnerable groups, namely people at risk (women, elderly, youth, ethnic minorities, persons with disabilities, returned migrants, etc.). It is also necessary to improve the access and participation of vulnerable groups on the labor market, for the purpose of avoiding social exclusion, marginalization, discrimination and poverty risk. In this respect, the focus should be placed on developing the information and counselling centres, dealing with access to labor market of the beneficiaries at the local and rayon levels, as well on increasing the involvement of civil society through community projects, which would facilitate the entry/ reintegration of socially vulnerable groups on the labor market.

An important aspect at the social dialogue level would be to encourage development in cooperation with employers' associations and trade-unions, to provide more flexible conditions for work time (such as half-program for young mothers, elderly, and part-time studying youth, individualised work programs, etc.), as well as to promote special work contracts (part-time, temporary, at home, etc.) so as to ensure fair employment for all and sustainability of the labor market.

In relation to fair remuneration without any gender-based discrimination - this objective may be achieved by making amendments to the legislation and harmonising it with the European standards on equal pay for work of equal value<sup>1</sup>. As the employment rate among women is lower than that of men depending on a number of factors, including presence of under-16years-old children, it is necessary to create proximity services, including nurseries, kindergartens, and other forms of preschool education, functional day-care centres, including at the enterprises' level. All these would contribute to increasing women's employment on the labor market and to enhancing their economic position in the society. Women imply a higher risk but slower case than men in relation to career development, and such measures would encourage mothers to accede labor market easier and safer.

To overpass the barrier of poverty and unemployment among youth and to encourage, at the same time, the local producers, it is necessary to promote entrepreneurship at the level of rural individual households, pointing out the harnessing of local home-made products and healthy food products. In the context of social and economic cohesion policy, this measure would contribute to harnessing the local patrimony of goods and services.

It is necessary to focus one direction of actions on creating opportunities for training specialists with medium qualification level so as to reduce the big discrepancies among the training curricula in the education system and the demands of the labor market, when the over-qualified employees (with higher education diploma) take positions of a lower qualification level, and the lower-qualified employees (holding lower educational degrees) take positions with high degree of qualification. These challenges related to the educational system may be overpassed by urging the reform of vocational/technical education and making it compliant with the needs and demands of the labor force market. It is important that after graduating from vocational/technical education institutions, the students would benefit from carrier-centred services.

The current trends of the labor market also deal with the self-employment of labor force. Although still remain modest at the national level, the options for developing this type of employment become rather popular among youth - entrepreneurship (ecologic, social etc.), individual enterprise or individual entrepreneur, holder of entrepreneur or farmer patent. A big number of people, especially young persons, are self-employed, due to the few possibilities to be employed, which they ironically would prefer to be if they obtain a remunerated job. In this respect, the development of entrepreneurship culture among them is essential, which should be completed with different programs of micro-crediting. A sustainability measure for labor market and entrepreneurship in general would be the establishment of a micro-crediting fund from national funds dedicated to domestic producers in the individual sector (including households and nearby land plots, private property) and self-employed so as to encourage the harnessing of local (home-made) products. This public fund could be also used to harness the maximum competences and qualifications of the self-employed/ free-lancers. Different national agencies would be able to contract through this fund free-lancer for execution of different works or services. At the same time, it is important to diversify the financing programs, grants and subsidies, and to simplify the crediting conditions used in the banking sector.

The future ability of the country to ensure the elderly population with decent pensions – in this respect, actions are necessary to modernize or adjust the current pension system into economic, social, and demographic realities of the society. The modernization of the pension system implies a very quick settlement of the internal inequalities, aiming to increase gradually the retirement age, to make it equal for men and women as well as the incomes between them, and to introduce a defined format of contributions by developing a mixed pension system, which will include not only the pubic pillar, pay-as-you-go, based on solidarity among generations, but also pension funds with compulsory and voluntary contributions, in which young generation would participate as well. The reform of the pension system should also include measures for active ageing at work, which refers first of all to creating legal conditions to facilitate the access of elderly people to the labor market and to changing the perception regarding the retirement age and retirement period among the employees. The prolongation of the active period on the labor market is a real priority for ensuring financial sustainability of the public pension system and increasing the quality of life by diversifying the incomes among the elderly

<sup>1</sup> Directive 2006/54/EC of the European Parliament and of the Council of 5 July 2006 on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation (recast); Directive 75/117/EEC of 10 February 1975 on the approximation of the laws of the Member States relating to the application of the principle of equal pay for men and women; Directive 76/207/EEC on the implementation of the principle of equal treatment for men and women as regards access to employment, vocational training and promotion, and working conditions; Directive 92/85/EEC on the introduction of measures to encourage improvements in the safety and health at work of pregnant workers and workers who have recently given birth or are breastfeeding; Directive 87/80/EC on the burden of proof in cases of sex-based discrimination; Directive 2000/78/EC establishing a general framework for equal treatment in employment and occupation; Directive 2000/43/EC implementing the principle of equal treatment between persons irrespective of racial or ethnic origin.

The differences in education and quality of training contribute to the appearance of inequalities which are felt over generations as well. Thus, it is important to implement a number of programs in education which would ensure a balanced and equal participation of the population all over the life cycle. In this respect, it is important to focus the national policies at the enterprise or business level towards the professional needs of the different categories of persons in the national economy, towards their training and requalification, including acquiring of new skills.

Because ensuring equal access to education represents the mechanism for ensuring flexibility in employment and professional development of human resources, as well for improving the situation in relation to their salary earnings, it is important to *recognise the qualifications and previous learning* among workers, especially returned migrant workers.

It is necessary to ensure the full and effective participation of citizens in the educational process, including the assurance of equal chances in education for persons from rural area; as well to focus on increasing the quality of school institutions, ensuring them with means of transportation, qualified teaching staff and corresponding logistical basis. In the same context, it is absolutely necessary to extend the inclusive education services

and positive practices in all communities, including in rural area. Another need is to implement qualitatively and transparently professional standards of teaching and managerial staff, which ensures inclusion and equality of chances in organization of the educational process. And last but not least, it is necessary to adjust the educational institutions to the needs of the children with special educational requirements; to ensure their access to educational institutions; to employ speech therapists in the institutions with a big number of children with special educational requirements; to set up a special fund for procurement of teaching materials (coloured materials, files, posters), and to increase the number of support teaching personnel.

It is also necessary to continue informing citizens about the right of the persons with disabilities to education and vocational training so as to educate a more tolerant, non-discriminatory and cohesive society.

Some findings cannot be avoided regarding the *quality* of infrastructure in the educational institutions, which needs actions of urgent rehabilitation and assurance of access to the services of first need, such as drinking water, sewerage and WCs in the premises, as well as heating.

The reduction of unequal chances regarding the access to education is a significant step also for obtaining better school achievements. Hence, it is encouraged to harness the extracurricular activities through different artistic, recreational, and entertainment programs for children's development, especially for those from disadvantaged families. An essential moment would also be the development of teacher-parent cooperation in the pupils' benefit, family involvement in children's extracurricular activities, cultivation of tolerance to others, as well as facilitation of increasing institutional transparency.

#### PRIORITY ACTIONS IN HEALTH SECTOR

To increase rural population access to medical services and their availability, it is necessary to carry out the reform of the hospital service with the regionalization of specialised services, which would increase the quality of medical institutions' endowment, and the quality of the medical services provided to population in the regions of the country. The implementation of some programs for increasing the accessibility of rural population to pharmaceutical services, dentistry services is also imperative. There is a need for efficient and sustainable screening and early diagnostic programs, which would be carried out on continuous basis at the national level so as to reduce the high level of identification of

severe diseases at late stages, with small chances of treatment and survival among rural population.

To increase population access to medical services, it is necessary to envisage *mechanisms* for ensuring the rural regions with specialists (regular mobile teams, motivation of medical specialists to work in rural area). At the same time, it is necessary to enhance the capacities of the prehospital emergency healthcare by creating a financing share from the budget of the compulsory health insurance funds according to the determined needs (12.7%), and all these to increase the survival chance and access to emergency healthcare services for pa-

tients from rural area. It is also necessary to strengthen the tools for verification of quality and safety of services provided in medical institutions, including the condition of existing equipments and revision of quality control system for medical services so as to

accredit them in line with the quality indicators of the rendered services.

In the area of public health, it is absolutely imperative to enhance the inter-sectorial collaboration (LPA, school, etc.) of the stakeholders who are responsible for health, education, and wellbeing of the population; to develop some programs for promotion of healthy lifestyle and education for health, which would increase the access for rural population, including informing the young

generation knowledge about health; to develop additional programs/measures focused on health problems and adjusted to the specific needs of certain groups of population (male population, patients with chronic diseases, patients in the terminal stage of the disease, the elderly etc.).

For the purpose of decreasing patients' stigmatization and discrimination in the context of medical services, it is necessary to develop compulsory and continuous programs for the education of health workers in the area of human rights. Another priority is to develop the possibility of having differentiated health insurance packages for the persons who can contribute more to the health insurance fund.

POLICY ACTIONS

#### IN ACCESS TO COMMUNITY PUBLIC UTILITIES

In the context when the national public budget does not have (and will not have in the mid-term) enough financial resources to finance the access to community public utilities, investments and financial means should be attracted mainly from the international financial institutions and from the private sector. To facilitate this process, the central and local authorities should create and implement mechanisms, which would allow to consolidate the current service providers in regional companies, also to specify the criteria which will serve as the basis for the regionalisation process.

It is also necessary to develop and approve a master-plan at the national level for drinking water supply and sanitation of localities, as well as detailed plans at the regional or/and territorial-administrative units' levels.

A priority is to adjust the secondary legislation in line with the provisions of the Law No. 303 of 13.12.2013 on the Public Service of Water Supply and Sanitation, so as to urge the process of tariff approval in line with the procedure established by the respective law. Another important measure is to develop a mechanism to coordinate the financing of investments in the sector from budgetary sources, ensuring synergy among different financing tools, as well as compatibility of individual

projects with the national plan of providing localities with drinking water and sanitation services.

The above-mentioned specific measures partially intercalate with the actions assumed by the Republic of Moldova in the Association Agreement with the European Union, the last ones being more general and referring more to management of hydrographic basins, flood prevention, water pollution prevention, etc. The implementation of the Directive 91/271/EEC concerning urban waste-water treatment, with its subsequent changes, has direct links with the reduction of inequalities in access to water supply and sanitation services. The implementation of this Directive is practically a roadmap for the regionalisation (wherever opportune) of the sewerage and waste-water treatment services, before the drafting of the technical and investment programs. At the same time, the implementation calendar in the Association Agreement provides that the Republic of Moldova will have to reach this stage within 8 years since the entry into the force of the Agreement. Thus, if the implementation of the respective Directive is not accelerated, the targets set for the next decade in relation to access to sewerage and waste-water treatment services will remain just a desideratum at the declarative level. Moreover, the progress in implementing the Directives will be a precondition for accessing the financial resources from the European Union.

## POLICY ACTIONS IN THE AREA OF WOMEN'S EMPOWERMENT AND GENDER EQUALITY

Gender equality has continued to develope from a multidimensional perspective of this principle implementation. The actions necessary for reducing inequalities and empowering women should be focused on ensuring a balanced representation from gender perspective on the political arena, including in matters of foreign relations. In this respect, it is imperative to promote wom-

en in decision-making processes in the foreign relations areas, for all the official delegations to observe the principle of gender parity and to have a balance in the time allocated to women and men in this context.

It is also necessary to increase the number of women mediators and chief negotiators in the processes related to monitoring of human rights' situation, prevention of corruption, peace consolidation, and other negotiation processes, such as international negotiations in the area of trade and environment.

A necessary measure would be the amplification of the support provided to women's organizations, consolidation of women's networks, and creation of cooperation platforms and campaigns for promoting gender aspects. It is also necessary to encourage actions dedicated to promotion parity in decision-taking positions and political activities, to support parity in the electoral lists, to have corresponding awareness raising campaigns in mass-media, to encourage women's election and to ensure that political parties and civil society have easy accesses to financing for initiatives related to projects focused on increasing women's participations in the decision-making process.

At the same time, to ensure women's sustainable representation in public life, it is important to foster the national

broadcasters to equally present women in talk-shows and political or other debates.

A necessary measure is to promote the principle of reconciliation of professional, private and family lives. In this respect, it is important to promote a reconciliation and balance between family life and professional life through some measures as an equal distribution of costs for child caring between the employers of both parents and an assurance of accessible and adequate services for taking care of children and elderly.

It is absolutely imperative to identify the forms of economic and social discrimination and to find out remedies for these situations at employers' expense, as well as actions for institutionalisation of Codes of Antidiscrimination Conduct within public authorities. It is also necessary to improve the legislation which would allow women's access to legal remedies in case of sexual harassment or economic discrimination or salary discrimination based on gender criteria.

#### PRIORITY ACTIONS

#### IN POLITICAL SECTOR

Full and effective elimination of political inequalities will demand the fulfilment not only of the sine-quanon condition of equal opportunities or creation of compensating mechanisms in case of vulnerable groups, but also the deconstruction of the structural factors, which generate discriminations, hence, affecting the fair distribution of social progress. The observance of non-discrimination and equality before law principle in all the types of national and local policies will imply the direct obligation of the public authorities to ensure the exercise of some actions/measures to secure the rights and the freedoms of the citizens, encouraging the individuals to apply these rights and to benefit from affective remedies if such are violated. In this respect, it is imperative to ensure the access to information and knowledge for the deprived groups, helping them to overcome the marginalization condition and to overpass through different social and political participation barriers in accessing services, goods and opportunities provided by the state via sector policies, ensuring as well social communication means so as to influence the norms and stereotypes perpetuating exclusions.

It is necessary to reconsider totally the mechanism of withdrawing the legal capacity of the persons with disabilities, which suspends the person's political and fundamental rights. The state may foster the business environment to recruit, as well to impose obligations.

And accessibility should be a top criterion in planning urban constructions and infrastructure of any building. An important measure is to monitor the cases of segregation and to make harsher punishments for violation the rights of the persons with disabilities; including the monitoring of the residential institutions where cases of violence and abuse against persons with disabilities were registered.

A priority action direction should focus on adjusting the system of public financing of political parties, to create more options of representativeness and to improve the existing procedures for financing political parties, making the individual donations easier and safer, creating barriers for monopoly donors, sanctioning illegalities and abuses proportionally to the liabilities to the state and to the members of these parties in case of illicit financing, including from abroad. It is also necessary to identify some solutions for balancing the existing system of financing political parties, which blocks the new parties and advantages the groups connected to the big business and power. At the same time, it is important to solve the problem of traceability of political parties' own financing sources.

An essential measure is to amend the legislation regarding the political parties and the Electoral Code so as to decrease the ceiling for membership fees and

annual collecting from 0.3% from state budget to 0.2%, so as to prevent the unjustified influence of the private sector upon political parties' financing, to diminish the share of financing from private sources. At the same time, the amendments should provide the possibility for the citizens of the Republic of Moldova abroad to contribute financially to support the political parties, for example making it possible for them to vote in the parliamentary or presidential elections, preventing thus abuses.

It is also imperative to exclude the interference of political parties in the public service system, as well as actions for amplifying the legal mechanisms for enhancing internal democracy within political parties, of the principle of political integrity, including through annual organization of financial audits, imposing at the same time rules for transparency, inclusiveness, and proportionality of sanctions with the registered violations, including in case of aggressive speech, hate incitement or discrimination against some groups during the electoral campaigns or outside them.

A relevant measure to ensure the principle of political representativeness is to improve the legislation regarding political parties, which affects disproportionally women, referring to the modalities for establishing the lists of candidates from political parties, and the access to financing and media coverage. An essential measure is to encourage the development of action plans within political parties as a modality to support progress in adopting internal gender-sensitive procedures and regulations, which would ensure political parties to be able to attract, support, promote and retain women as their members. The political parties may increase the opportunities of women-candidates to take eligible positions, promoting their participation in the internal process, and in election of the best candidates, based on equal merits between women and men.

In the same context, it is necessary to enhance the statistics of political participation disaggregated by gender, and NBS, CEC, Population Register and NGOs should take a more active part in this exercise, by mobilising a serious consultative process for the purpose of improving the current practice.

It is also important to consider some temporary special actions to promote the increasing of gender participation, according to OSCE/ODIHR recommendations, such as attributing a higher percentage of financing from the budget for a better representation of women on party lists and at the same time a lower percentage to the political parties, which discriminate women's participation in positions of electoral candidates. These temporary (affirmative) measures may be preserved until meet the objective of gender equality, as well as other types of gender-sensitive measures, which may ensure women are assisted in contributing more efficiently and substantially to the political process.

The public authorities should ensure plenary functional conditions of transparency and participation of the interested public in the decision-making process, establishing concrete sanctions for hiding or limiting information of public interest, including regarding the adoption and execution of public budgets, selection and management of public procurement systems, recruitment and promotion of officials for elective positions in the public sector, as well as income declarations, integrity of officials from the public sector in general. An important measure in this respect is to ensure the functioning of some systems to prevent and combat effectively corruption. Hence, it is essential to protect the institutions for public system's integrity, anti-corruption, prosecution, justice, and special services, to against political influences and for enhancing their institutional capacities to fulfil their exclusive role in the state, offering them the necessary resources for efficient functioning and assessing systematically their professional activities.

It is also necessary to enhance the legal instruments for ensuring transparency of mass-media to prevent distortions in this sector, preventing monopolies or aggressive concentrations of properties. At the same time, the competent authorities should make harsher measures meant for supervising, investigating and sanctioning mass-media for acts of public opinion manipulation, ethnic splitting or religious-based splitting, and discrimination based on gender, religion, and nationality criteria, which incite to hate, including by threats addressed to the state security, as well as public orders via propaganda.

#### ACTIONS IN **HUMAN SECURITY AREA**

The national security policies framework does not have an integrated conceptual approach of human security which determines the existence of certain challenges or risk factors. Facing with the risks of increased insecurity, the responsibility of the state is to ensure the national security so as to empower the individuals with skills to cope with threats. In this context, it is necessary to develop capacities to react not only to the new categories of sector threats (energy, cyber, food, climate changes, diseases' spread, etc.) related to human security, but also to observe the balance between citizens' vital interests, wellbeing and life standards.

Based on the above-mentioned human security dimensions, as well as the considering the situation regarding human rights in the Transnistrian region of the Republic of Moldova, it is absolutely essential to introduce the human dimension of security in the process of conflict regulations.

For the purpose of security assurance, it is also important to tackle the hierarchy of risks' and threats' priority, which will facilitate the identification of security ways/options, taking into account the national interests and the state capacities. The most essential is for these options to reflect the connection between development and security.

# Key Findings Regarding INCOME INEQUALITIES

#### **DEVELOPMENT**

Country's regions are by 4-4.5 limes underdeveloped lhan Chişinău mun. At regional level, the GDP per capita adjusted to Purchasing Power Parity (PPP), except for Chişinău mun. is very low: Chişinău mun. (4.219 USD. rank 94-95 in global ranking), DR North (3.151 USD. rank 149-150), ATU Gagauzia (2.890 USD. rank 154-155). DR South (2.768 USD, rank 157-158). and DR Center (2.587 USD. rank 158-159).

In the background of economic inequalities, both revenues and expenses, between the rural and urban population, the level of inequality registered a stable decrease in the last years: the Gini coefficient - the main indicator of income inequalities was 0.253 in 2015 and decreased by 5.5%. compared to 2014.

This decrease was somehow compromised by the banking crisis when about 13% of GDP disappeared harming the average standard of living of the largest portion of the population, depreciating the Moldovar currency and resulting into insolvency procedure in 3 important banks because of the concerted attack of transnational criminal networks.

#### **INCOMES AND EXPENSES**

The intensification of labour force migration has generated an increase of money transfers that represent currently a significant source of household budget. On average, in 2015 these accounted for 17.4% of total revenue of households, including 11.8% in urban region and 23.4% in rural region.

The highest salaries were paid in Chişinău, while the lowest in the South economic area, which indicated an uneven development in economic areas of the Republic of Moldova. In 2014 the difference between average gross monthly salary in Chişinău municipality and south economic zone was about 28%.



From the point of view of gender, the income inequality is caused first of all by unequal opportunities in career and involvement in household activities. Although women represent half of the labour force of the country (active population, according to NBS data), they are employed mostly in low paid fields. 7 out of 10 jobs in public administration, education and health are held by women (78%), and 6 out of 10 jobs - in trade, hotel and restaurant fields.



In 2015 the urban population spent more than rural population by about 43.5% every month, which determined that the food share in the total expenses was higher in rural than urban areas - 44.8% compared to 39.6%.



#### THE RISK OF POVERTY

As for increasing revenues of the population, the level of poverty registered stable decrease. In the last 5 years, it decreased twice; the poverty rate was 9.6% in 2015.

One of the most vulnerable groups of population affected by the poverty risk are the pensioners. The poverty rate in households led by pensioners is 14.6%, which is 1.3 times more than the nationa average. The vulnerability of this category of persons is generated by the small pension, which is the main source of income for this group of population.

# Key Findings Regarding NON-INCOME INEQUALITIES



The educational system of the country offers a reduced range of favourable opportunities for intellectual, physical, cultural development of children with special needs. At present, out of 1,340 institutions, only 77 were equipped with ramps and toilets for disabled persons.

There is a visible inequality with regard to the participation of the population in education by the level of training - professional-vocational and higher. The highest rate of 64% or 81.7 thousand students of the total 128.2 thousand are studying in higher educational institutions, compared to the professional-vocational, which accounts for 36% or 46.5 thousand pupils.

The global employment rate is 42% formed of total number of employed persons 50-59 years old (27%) and respectively, over 60 years (15%), compared to global rate of 58% of the total number of employed teaching staff with an age under 30 years (12%). 30-39 years (21%) and 40-49 years (25%).



The quality of health services differs from one district to another, especially in urban compared to rural area, indicating certain inequalities for residents from different regions that benefit from assistance in accordance with the standards. More than 50% of the specialised and hospital capacity is concentrated in Chişinău, which indicated reduced possibilities of the rural population to have equal access to these services.

The population from rural areas has fewer chances to benefit from diagnosis and treatment with modern equipment and devices. There is an insufficiency from 40% to 90% of the necessary equipment for primary medical assistance (PMA), in accordance with the standards.

There are inequalities regarding primary medical assistance. According to the norms, 1 family doctor should cover 1,500 persons (6.6 doctors per 10,000 residents) and 13.2 assistants of the family doctor per 10,000 residents in urban area, while in the rural area from 13.2 up to 19.8 per 10,000 residents. At the country level, there are 4.8 family doctors per 10,000 residents, much less than in the UE.



#### **POPULATION**

Gender dimension of migration processes shows that women are less willing to emigrate (14.5% then men (25.4%), and when they are willing, they do it for employment purposes (6.8%). compare to men (16.8%).

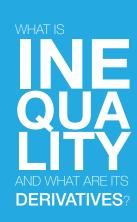
There is a gap between the birth rate in the two residence areas. The demographic situation in the country shows a low level of birth in urban areas (9.0%) compared to the rural areas (12.3%). This gap is influenced by the level of education and employment of women, as well as internal migration between both environments.

The demographic pressure increases in the pension system, because the number of employees decreased in 2015 compared to last year by -0.8 % or 6.478 persons, while the total number of pensioners in 2015 increased by 1.4% or 10,000 persons.



The rate of 'femininized' positions is high in many sectors. In 2015 there was a larger presence of women employed in service provision sector (59% women compared to 41% men), education, public administration, health and social assistance (70.9% women compared to 29.1% men).

Although the rate of women in the total of employed population is practically equal with that of men and is the same during the recent years (49.6% women compared to 50.4% men), the employment rate among women register lower levels (37.4%) compared to men (42.1%).



What research methods are applied to MEASURE THE INEQUALITIES AND HUMAN DEVELOPMENT?

What are the latest
MACROECONOMIC
EVOLUTIONS COMPARED TO
INEQUALITIES AND HUMAN
DEVELOPMENT?

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CHAPTER 1.

# INEQUALITIES AND HUMAN DEVELOPMENT: CONCEPTUAL APPROACH

Chapter I introduces the concept of inequality and explains its derivatives. Also, the Chapter analyzes the key measurement indicators of human development and inequalities such as Gini coefficient, Multidimensional Poverty Index, Inequality-adjusted Human Development Index, Gender Inequality Index, as well as the dynamic of Human Development Index using statistical applications.

# CONCEPT-BASED APPROACHES TO **INEQUALITY** AND ITS **DERIVATIVES**

To understand the definition of inequality, first an important differentiation among economic, social, and political inequalities must be made. This will help us to avoid ambiguities within the definition of inequality.

Economic inequalities determine the differences in welfare among individuals from a group or in the society or between countries. The economic inequality is expressed by income inequalities, salaries, and welfare inequalities. The income analysis is based on indicators obtained through the Household Budget Survey (HBS). Salary inequality differs from the income inequality because it refers to the payment or compensation for work based on an individual or collective labor contracts. The salary is calculated per worked hour, day, and month. Respectively, the salary inequality is explained by differences that derive from working time, capacities, performance of employees, their promotion opportunities, as well as gender-, age-based discrimination cases, etc. The salaries are analyzed based on monthly data about salary income at enterprises and annual survey on salary income and cost of labor force developed by the NBS. Wealth inequalities refer to the unequal distribution of assets amongst a group of people and a differentiation of the total value of assets among individuals. As a rule, this data can be obtained from the Main State Tax Inspectorate.

There are many modalities to measure economic inequalities: the Palma coefficient which represents the ratio between the richest 10% of the gross national income of the population (GNI), divided by 40% rate of the poorest, or the Gini coefficient which measures the inequality of revenues in the entire

society, is used in this Report.

Social inequalities define the existence of unequal opportunities and recompenses for different social positions or statuses in a group or society. Respectively, the promotion of equal opportunities or equality of chances for men and women in all fields is based on social equality.

Social inequalities unlike economic inequalities are measured based on inequality of conditions and opportunities. The inequality of conditions refers to unequal distribution of goods by income, wealth and materials, which refer to access to residence, infrastructure, such as the transport, shop chains, telecommunications, etc. The inequality of opportunities refers to unequal distribution of life chances among individuals, which results in access to health, education and justice services. The later has priority over the first merely because equal opportunities contribute to the improvement of life standard and welfare. It is necessary to note here that the important approaches of the Nobel Prize Winner, Amartya Sen (contributed inclusively to Human Development Index concept development within the First Report on Human Development published in 1990) at the end of 1970s developed the approach to welfare, which as the measurement has become an objective for almost all states. The link between the welfare and inequality was obvious. The author suggested that the welfare is defined and measured in regard with the wellbeings and facts appreciated by humans<sup>2</sup>. Respectively, such phenomenon as the exclusion or the marginalization of one part of the population of the country or world from the rate of access to goods and services, products and exces-

sive participation of other wealthy part in economy and decision-making process regarding the manner of distribution of goods in the world, represents a serious issue of inequality which cannot be covered by the welfare concept. Many papers by Amartya Sen are focused on inequalities and poverty<sup>3</sup>. In his previous papers, (1973)4, Sen criticised the existing literature on measuring the inequalities in the economy of welfare and very concerned about full classifications of different social statuses. Because social statuses like the exclusion of the poor<sup>5</sup>, marginalization, intimidation, and discrimination reduce substantially social and economic opportunities of the individuals, building, thus, a dramatic dimension of poverty, which does nothing but increases the social and economic inequalities, and alongside, the political inequalities.

Political inequalities unlike social inequalities are described by an unequal state power distribution system through non-representative participation of women in politics, by not observing the gender proportionality in the electoral lists and levels of intolerance toward certain groups or individuals, by an intense polarization in cultural matters and external orientation, and by unequal political participation and representation, etc. In all these factors, the main instrument in building to keep a hierarchy of political inequalities is the political power. This hierarchy of political inequalities reproduces sophisticated networks of rejections and pushes the vulnerable groups from the power, imposing thus, the social distance which is measured by an index of tolerance and inclusion and level of access to social services.

All these forms of inequalities are derivatives of the general manner of expression of inequalities, which represent a phenomenon characteristic in all societies, irrespective of development levels. At the same time, it should be mentioned that there is a strong connection between social inequality and social justice. Delivering social justice is always perceived as a redistribution process of benefits and obligations in a community of people, but in reality, it means equal opportunities and accesses<sup>6</sup>.

A society is fair if it has three main functional principles (Rawls):<sup>7</sup> guaranteeing fundamental freedoms for all members of the society; ensuring equality of chances or opportunities for all citizens; and keeping the inequalities that may be detrimental to those disfavoured.

A proportional distribution of welfare compared to a certain criterion considered relevant and legitimate represents a model of social justice, where the most frequent applied criteria are the status, labor, freedom, rights, merits, and necessity (Spicker)<sup>8</sup>.

Justice represents a factor of influence on the inequalities reduction policies. However, different sociological currents and socio-political schools interpret differently the social justice, and respectively, the redistribution policies, i.e. to reduce the inequalities. Some authors consider that the freedom is incompatible with any redistributive form and this form is based on a type of natural monopoly (Nozick)<sup>9</sup>. Current approaches analyse the perspective of social justice from the principle of equal chances and opportunities for all individuals. Respectively, every person has equal rights to the system of fundamental freedoms. Social and economic inequalities should be arranged to form the highest benefit of the least advantaged individual.

Every person who participates in a practice or who is affected by anyone has equal rights to the largest freedom compatible with similar freedom of others; inequalities are arbitrary, except for the case when we can expect reasonably to lead to advantages for all, and social positions and duties attached or as a result of which can be achieved are open to everybody. These principles express the justice as a set of three ideas: freedom, equality and compensation for services that contribute to the public good (John Rawls) 10.

Current approaches to the matters of inequalities refer inclusively to the *poverty, marginalization and social exclusion of individuals*<sup>11</sup>. People are poor because they have no opportunities to get a salary and other revenues, and respectively, to participate socially, to have an access to social services etc. A lack of these opportunities creates real prerequisites for inequality evolution. In this context, it is plausible for the hypothesis that the measurement or assessment of inequalities is relevant for human development, at least in key sectors such as education, health services, revenues and expenditures.

Inequalities existed, exist and will exist as long as the human nature does not change. Today, the rich become richer, the poor have less chances to move from one social environment to another, and the most marginalised almost have no chances. The accumulated 1% property of the richest people in the world exceeded in 2015 the property held by the

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rest 99% of the world population. In other words, 62 persons had the same wealth as 3.6 billion people – the bottom half of global population<sup>12</sup>.

Assuming that the poverty means a life deprived of chances to have a decent life in a society, it is necessary to mention the importance of *redistribution* polices applied by states to reduce the inequalities that appeared in the society as a result of some economic, social, political, etc. processes. A beneficial example in this regard is the economic and social cohesion policy in the EU, which is an instrument that has the purpose to reduce communitarian economic and social discrepancies, investing in the creation of jobs, and paying a special importance to observing equal opportunities and sustainable development. Also, the investment policies of the European states in education, healthcare, infrastructure, and social inclusion serve as good practices in reducing social discrepancies and guaranteeing a sustainable development of the country.

Marginalisation and social exclusion are social-economic processes and at, the same time, depend on cultural and normative factors<sup>13</sup>. We cannot ignore the ethnic groups and sexual minorities here, which are frequently exposed to cultural-normative marginalisation, affecting their social, political and economic inclusion.

The marginalization represents peripheral social position of individuals or social groups that face unequal opportunities for different social positions due to the poverty. These individuals/social groups are poor because they do not have a job, a stable income, and a house. The marginalisation can be the cause and effect of social and economic inequalities<sup>14</sup>. Cause means that when the state guarantees a policy of options and equal freedoms, but the marginalisation of individuals is the consequence of own ups and downs. The effect indicates that when there are no instruments of equal opportunities for all, and the poor have fewer chances to transit from one social environment to another to improve their living conditions.

Social exclusion is a progressive rupture of one group of people or one person, which detaches him/herself from social relations and institutions, from full participation in normal activities in the society<sup>15</sup>. Social exclusion is multidimensional. The causes of exclusion can be beyond material poverty, having a wider range of reasons, such as discrimination of ethnic minorities, of persons with disabilities, persons infected with HIV AIDS, the elderly, etc. Therefore, an integral element of human development is to ensure equal opportunities. It will not function efficiently if it is not based on social justice, natural

to every democratic society, which ensures equal freedoms to all individuals from the economic, social and political aspect, without discrimination, exclusion and violence.

By ensuring equal opportunities, every person can take the next step in personal development, becoming a strong core of the society. Otherwise, limited options and rights of persons provoke adverse reactions in the society, which lead to increased corruption, criminality, instability, etc. Hence, the equality of chances is the key determinating factor in maintaining a balance of forces between two extremes the poor and rich. Therefore, it is important to analyse the relation between the two extremes, which are in a permanent evolution. These extremes can be economic (the poorest and the richest), social (socially active, marginalised and excluded), political (limited in expressing political differences, restricted in rights, persecuted or never taken into account as a result of lack of political representation), justice (as the object of differentiated treatment and used measures) etc.

Understanding these extremes or peripheral values of different processes in a society, we can determine the degree of sustainability of human development, which can be ascending or descending. If the Human Development Index (HDI) measures in a comparative form how the indicators have evolved regarding life expectancy, literacy, quality of public education and standard of living, then the identification and measurement of inequality allow the understanding of shortcomings and barriers in reaching these human development indicators. For instance, the higher the inequalities in education, the more chances to have literacy rate not to grow. Or the higher the income inequalities, (the poorest quintile compared to richest quintile), the fewer chances for the poor to have access to quality services and sustainable development.

The inequalities play a very important role in analysing economic, social, and political processes and are considered by scientists as the necessity of the economy development process<sup>16</sup>. The economic inequalities serve as possible indicators of relevance in the economic growth analysis. But for human development inequalities, although relevant as indicator, they represent its deficiencies and serve as reasons to create and develop policies for their eradication<sup>17</sup>.

Along the same line, it is worthwhile to remind the 17 Sustainable Development Goals (SDG)<sup>18</sup> included on 2030 Sustainable Development Agenda and adopted at the Sustainable Development Summit on 25 September 2015. These have the purpose

<sup>13</sup> United Nations. Leaving no one behind: the imperative of inclusive development Report on the World Social Situation 2016, New York; http://www.un.org/esa/socdev/rwss/2016/full-report.pdf

<sup>14</sup> Ibidem.

<sup>15</sup> Ibidem.

<sup>16</sup> See: Hasanov, Fuad. Izraeli, Oded. How Much Inequality Is Necessary for Growth?. Harvard Business Review, January-February 2012; https://hbr.org/2012/01/how-much-inequality-is-necessary-for-growth and The Economist. How inequality affects growth, Jun 15th 2015, http://www.economist.com/blogs/economist-explains/2015/06/economist-explains-11

<sup>17</sup> See for instance de ex. Norwegian Ministry of Health and Care Services. National strategy to reduce social inequalities in health, Report No. 20 (2006–2007) to the Storting, http://ec.europa.eu/health/ph\_determinants/socio\_economics/documents/norway\_rd01\_en.pdf; and Ross, Alistair. Educational Policies that Address Social Inequality, EPASSI, 2009; http://archive.londonmet.ac.uk/epasi.eu/OverallReport.pdf

<sup>18</sup> UNDP. Sustainable Development Goals; http://www.md.undp.org/content/moldova/ro/home/post-2015/sdg-overview.htm

to eradicate poverty, stop injustice, and solve the issues related to climate changes by 2030. In the context of inequalities-related subject considered in this Report, it is upmost to mention the need to reach Goal 10 to reduce inequalities within and among countries.

The participation of every country in reaching the SDGs, including Goal 10, is crucial for sustainable and long-lasting global development. In this regard, the Republic of Moldova committed in 2016, one year following the adoption of the UN 2030 Agenda, to identify relevant and important targets for the country's development in economic, social, governance, human rights, and environment fields. Hence, the preliminary targets for SDGs achievement at national level were identified during the SDGs consultation workshops in August 2016 in Chisinau, attended by the representatives of civil society and academia. The following preliminary targets were identified for Goal 10:

- 10.1 By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average;
- 10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status;
- 10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting

- appropriate legislation, policies and action in this regard;
- 10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality;
- 10.7 Facilitate orderly, safe, regular and responsible migration and mobility of people.

As only preliminary targets in achieving Goal 10 related to 2030 National Agenda, it involves the need to examine the current realities in which can be achieved. Since this report focuses on quality and accessible approach regarding the inequalities and their correlation with human development, we consider necessary to analyse the potentials to achieve Goal 10 at country level, starting with preliminary study of existing inequalities in the society.

We will determine below how each inequality interacts with different processes and systems at national level. But before moving to this part of the report, we would like to provide an overview of human development indexes and measurement of inequalities, which has the purpose to increase the awareness of general public regarding the relevance of achieving human development performance. Also, to better understand the economic realities that keep in place human development inequalities, we would like to assess recent macroeconomic evolutions in the country.

# OVERVIEW OF **HUMAN DEVELOPMENT** INDICATORS AND **INEQUALITIES**

Human development is a complex phenomenon that includes different aspects of sociatal life. The United Nations Development Program has developed in the last decades a set of synthetic indexes, which are applied to measure the progress achieved in every country or by certain groups of countries in human development-related fields, and namely, standard of living, education, healthcare, equal opportunities for men and women, etc.

The main synthetic indicator that expresses numerically the level of human development is the Human Development Index (HDI), which reflects this social phenomenon based on three general dimensions:

- Longevity assessed based on life expectancy at birth;
- Education level calculated as an arithmetic weighted average of the literacy rate (with a weight of two thirds) and gross coverage rate at all levels of

secondary education (with a weight of one third);

- Standard of living, assessed by the Gross Domestic Product (GDP) per capita expressed in USD to the Purchasing Power Parity (PPP).

The HDI is calculated as a simple average of the *Education Index, Life Expectancy Index and Standard of Living Index.* Based on mathematical formulas, the statistics that describe longevity, education level, and standard of living are transformed in a numerical value from 0 to 1. Zero value is the lowest level, and 1 the highest level of human development. As a synthetic indicator, the *HDI* presents a synthetic picture of development quality in numeric values. It is one of the human development indexes widely used globally for international and regional comparisons.

In 2014 the HDI of the Republic of Moldova was 0.693, ranking 107 of 188 counties; in 2015<sup>19</sup> the respective indicator was 0.696. It should be men-

tioned that since the declaration of independence the evolution of this index has not been uniform (Diagram 1). Moreover, in the past years the HDI registers a continuous growth that proves that Moldovan society returns to a relative normality.

Although the positive evolution of the HDI is not based only on economic development perspectives, the empiric researches have proved that the economic component has an extremely high importance for human development, determining not just the tendency of the three components (revenues, healthcare and education), but also the growing perspectives of the other components, such as welfare of the population, goods and services, and fundamental freedoms. Hence, the registered HDI growth is due to successes in the national economy, and functionality of the rule of law, where the economy functions.





Source: Human Development Report, 2015<sup>20</sup>.

The human development concept is deeper and more profound than it looks at the first sight from statistics and mathematic calculations. For an efficient application of dichotomies of social-economic processes that happen instantly in the society, in 2011 the Inequality-adjusted Human Development Index (IHDI) was established. The new index<sup>21</sup> estimated the inequality level in the society in terms of revenues, access to health and education services. The inequality-adjusted HDI expresses the real value of human development, while the standard HDI reveals the potential level of human development. Hence, in the absence of inequalities (for instance, all benefit from equal access to education, same level of health and equal income), the HDI standard equals the Inequality-adjusted HDI.

The value of Inequality-adjusted HDI is 0.618 (2014), by 10.8% less than the HDI values and places the Republic of Moldova by 20 positions higher in the ranking, compared to the HDI ranking. Taking into account inequality in all three dimensions, in income component the loss is the biggest, 14%, followed by life expectancy – 9% and inequalities in education – 7.3%. (Annex 20).

The inequality-adjusted revenues index accounted to 0.404, other two components of inequality-adjusted HDI reached 0.707 and 0.665, respectively<sup>22</sup>. Such level of development inequality is the result of non-inclusive pattern of economic development registered until now, based on the consumption financed from remittances, while the domestic economic opportunities stay limited.

Another new human development index that identifies serious deprivations in health, education and standard of living is the Multidimensional Poverty Index (MPI), introduced by the HDR in 2010. This index measures social inequality by providing a multidimensional picture of people living in poverty. The index is based on 10 indicators such as: education, schooling, nutrition, child mortality, electricity, water, toilet, cooking fuel, floor and assets. Hence, the education and health dimensions are based on two indicators, and the standard of living dimension is based on six indicators. To calculate the MPI, all indicators are collected from the Household Budget Survey<sup>23</sup>. Indicators are weighted to measure the deprivation score, and then each score is calculated for each household participating in the survey.

The most recent publically available MPI of the Republic of Moldova refers to 2012. In the Republic of Moldova 1.1% of population (0.038 thousand people) are in multidimensional poverty, and other 2.2% are almost in multidimensional poverty (0.077 thousand people).<sup>24</sup>

Economic inequality measurement. GINI coefficient. Without minimizing the importance of the other two forms of inequalities – political and social – analysed in this report, the economic inequality is the most important for the societies under rapid transformation, as in the case of the Republic of Moldova. The economic inequality implies the differentiation of people or groups of people depending on income and accumulated wealth, as well as depending on the consumption level or consumption structure. The level of income allows people to have a differentiated access to various goods and services that ensure them with a different standard of living. Inequality may appear even in the situation of different perceptions of utility by members of society towards the same goods and services, and especially, towards the public goods. Also, the economic inequality may generate other

<sup>20</sup> UNDP. Human Development Report, Work For Human Development, 2015; http://hdr.undp.org/en/reports

<sup>21</sup> Global MPI Data Tables for 2016, http://www.ophi.org.uk/multidimensional-poverty-index/global-mpi-2016/mpi-data/

<sup>22</sup> Ibidem

 $<sup>23 \</sup>quad National Bureau \ of \ Statistics. \ Revenues \ and \ expenditure \ of \ the \ population. \ Household \ Budget \ Study, \ http://www.statistica.md/public/files/Metadate/CBGC.pdf$ 

<sup>24</sup> UNDP. Informative note for countries on 2015 Human Development Report.

types of inequalities, such as access to quality education or health services, unequal access to public utilities, qualitative environment or standard of living, etc. It is observed in the society that people with higher income have access to better quality health services, enjoy better standard of living, and their children study in prestigious schools and uni-

versities, which ensure them with a more feasible professional future.

The most widespread indicator used in measuring economic inequalities, especially of unequal wealth distribution and consumption between the members of the society is the *GINI coefficient* (Table 1).

Table 1.

GINI coefficient. Distribution of disposable income by quintiles and environment

Distribution of disposable income by quintiles, %:	Total <i>Total</i>	Urban <i>Urban</i>	Rural <i>Rural</i>	Distribution of disposable income by quintiles, %:
ı	7,7	8,4	7,9	I
	12,7	13,2	13,3	1
	16,7	17,0	16,9	
IV	22,7	23,0	22,3	IV
V	40,1	38,4	39,6	V
Total	100,0	100,0	100,0	Total
GINI coefficient — total disposable income	0,3164	0,2982	0,3109	GINI coefficient - disposable income
GINI coefficient - disposable cash income	0,3669	0,3138	0,3690	GINI coefficient - disposable cash income
GINI coefficient — total consumption expenditures	0,2535	0,2441	0,2359	GINI coefficient - consumption expenditures
GINI coefficient - cash consumption expenditures	0,2969	0,2584	0,2781	GINI coefficient - cash consumption expenditures
Ratio between income of population from quintile I and V	5,2	4,6	5,0	Ratio between income of population from quintile I and V

Source: NBS.

It measures the inequality level in percentage units where 0 (0%) represents perfect equality (the wealth of the society distributed proportionally among its members and every individual has the same income), and 1 (100%) represents the imperfect inequality (one individual has all the wealth and the rest has nothing). In the Republic of Moldova, the GINI coefficient is estimated at 31.6% (2015), by 0.4% less than in 2014 (32%). Respectively, in 2015 the coefficient showed a relative improvement in income inequality

Another inequality index is the ratio between the income of highest quintile (20% of richest persons) and income of the lowest quintile (20% of the poorest persons). This ratio shows us the difference between the incomes of the richest one fifth of the population in the society compared to the poorest one fifth of the population. On average, in the European Union 20% of the richest population earns 5 times more than 20% of the poorest. In the Republic of Moldova, the value of this indicator is about 5.2% (2015), by 0.1 p.p. lower than in 2014 (5.3%).

In the context of exaggerated costs for heating and energy, more and more persons have troubles paying their bills. Because of exaggerated prices, some consumers cannot cope with the deficit in their household budgets and others are cut off from utilities due to debts. This is how the group of vulnerable consumers is formed, which is going to be examined in the following chapters. Thus, the analysis of **utility avail**ability at the level of consumers and the relation with economic and social inequalities become a priority. Hence, the indexes of persons from households who cannot afford sufficient heating during the cold season are relevant, as well as the indexes of persons without pipeline in the house and the number of persons without improved access to sewage. This analysis of indexes, including the share of households that have troubles paying the bills<sup>25</sup>, implies a multidimensional approach of social inclusion and a decrease of social and economic inequalities through sustainable measures, as policies of equal options for all.

In 2010, HDR has introduced the **Gender Inequality Index** (GII) that measures the inequalities based on three definitive components: (i) reproductive health measured based on maternal mortality rate and birth rate among teenagers; (ii) empowerment measured by share of mandates in Parliament held by women and adult women of 25 years and/or older with at least secondary education; (iii) economic status measured by participation of young women of 15 years and over on the labor market.

GII reflects the costs for human development as a result of inequalities between women and men, discovered under the three dimensions. The value of this index for the Republic of Moldova was 0.248, in 2014, ranking 50<sup>26</sup>.

Although the situation of the Republic of Moldova at this chapter is not the worst, we cannot affirm that the issue of gender inequality in the Republic of Moldova is overcome. Hence, the main sources of gender inequalities continue to persist in the matter of economic opportunities that are more limited for women compared to men. The discrepancies are outlined also in the remuneration chapter: women earn on average by 12% less than men.<sup>27</sup>

Also, human development is based on the growth of certain indicators such as access to education, life expectancy and living standard, which are analysed in the following sections.

#### MACROECONOMIC SITUATION:

RECENT DEVELOPMENTS

The economic growth is the strongest instrument for reducing poverty and improving the quality of life in developing countries.

In different conditions, the economic growth can have different effects on poverty and employment perspectives of the poor, respectively on reducing or extending the economic and social inequalities. Generally speaking, the reduction of inequalities depends on the level of participation of the poorest social strata in the economic growth process and the share of their income. Respectively, the economic growth is fixed not only through growth of population's income but also through the opportunities of participation in economic, political and social life of all citizens, especially of the poorest groups. Also, the economic growth is complimented by achieving the performances of the state regarding equal access to qualitative education for all, growth of life expectancy including equal access to health services and utilities (drinking water, sewage, energy, digital services) that have an impact on the standard of living of the population.

In the last 10 years, the economy of the Republic of Moldova had a rather complex evolution, registering an average a growth of about 3.5% per year. Although in this period the economy registered certain progress, the economic growth was influenced strongly by the 2009 global economic and financial crisis, as well as by the 2012 and 2015 crises. According to the data of the National Bureau of Statistics, in 2015 the Gross Domestic Product accounted for MDL 121,85 billion in current prices or 5,83 billion Euros, decreasing (in real terms) by 0.5% compared to the previous year. The economic decline from 2015 was influenced by many factors, including: trade ban imposed by the Russian Federation, recession in Russia, crisis in Ukraine, and problems in the banking system. Other factors that determined the economic decline were presented in the previous years: political instability, economic recession in the European Union states, severe draught etc. As a result, the economic activism decreased, which led to the decrease of key economic indicators. The analysis of key economic indicators brings out the economic sensibility of the Republic of Moldova to external and internal shocks in the current period (Diagram 2).

Although, in the last year the economy has registered a decline, the GDP per capita to purchasing parity has had a steady growth, accounting for USD 5,014 in 2015 and 2.12 times higher compared to 2005. A decisive factor of economic growth refers to remittances of Moldovans, who in 2014 accounted for USD 1,612 million, decreasing slightly in 2015.

Diagram 2. Index of physical volume of Gross Domestic Product



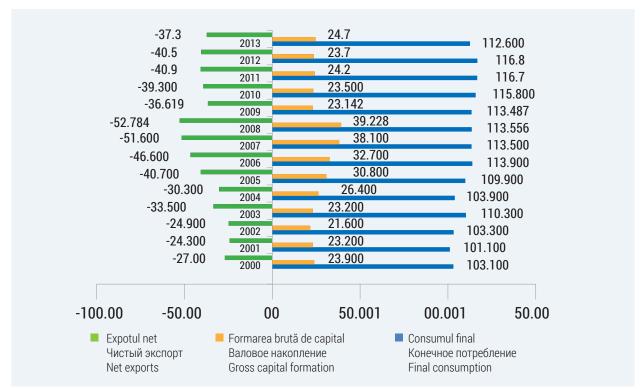
Recent developments of the economy of the Republic of Moldova highlight a consumption-based development model. The GDP analysis by categories of users proves that in the recent years, the economic growth was possible mainly due to final consumption, so that in the reference period its value exceeded the GDP value. The final consumption is determined to a great extent by the growth of consumption in the households due to the increase of remittances transferred by Moldovans

working outside the Republic of Moldova. In 2015 the final consumption reduced and contributed to the decrease of the GDP by 2.1%. At the same time, the economy's functionality was determined to a great extent by the gross capital formation, and the growth as share was strongly correlated with the GDP growth. It is observed that in the years with economic growth, the share of gross capital formation was growing considerably (for instance, about 39.2% in 2008).

Diagram 3.

GDP structure per categories of usages in %, 2014-2015

Source: NBS, \* preliminary data



In 2015, with a 22% share of GDP, it has contributed to the decrease of the GDP by 2.7%. The net export during the entire reference period registered negative values, ranging between - 52% in 2008 to -30.3% in 2015. In 2015 the decrease of final consumption and gross capital formation were compensated by the net export, which contributed to the GDP growth by 4.3%. The decrease of the net export share in 2015 was due to insignificant increase of exports by 2.3% and import decreased by 4.3%, determined by the reduction of purchasing power of the revenues of the population caused by the depreciation of national currency (Diagram 3).

The GDP analysis, based on the NBS data by categories of resources during the reference period (2005-2015), shows that the economic growth was ensured to a great extent by the expansion of trade, transport, telecommunications, real estate transactions services, etc. There is a clear decrease in the share of agriculture in forming gross added value (from 19.5% in 2005 to 11.7% in 2015), a decrease of the share of industry (from 15.9% in 2005 to 12.2% in 2015) and a slight expansion of services sector (from 53.8% in 2005 to 54.2% in 2015), so we can demonstrate that certain services represented the driving force of economic growth in this period<sup>28</sup>.

In 2015 the highest contribution to the GDP growth came from financial and insurance activities (+0.9%), mining industry, processing industry (+0.4%), real estate transactions, research and technical activities (+0.4%), while the GDP decrease was conditioned by agriculture, forestry and fishing (-1.7%), retail and wholesale trade (-0.1%), public administration and defence, mandatory social insurance, education, health and social assistance (-0.2%). However, the most important sectors in the GDP formation are retail and wholesale trade (19.8%), public administration and other budgetary sectors (14.2%), industry (12.2%), agriculture (11.7%). The consumption-based development model determines the GDP structure after the formation of Gross Added Value. The growing internal consumption demand has determined the expansion of services due to the decrease of the importance of productive sectors.

The economic imbalances and political instability in 2015 have led not only to the economic activity decrease but also to the decrease of investments. Despite the fact that in previous years, the foreign direct investments registered an encouraging growth pace, in 2015 the volume of investments in long-term material asset dropped by about 8.8%. The most significant decrease was registered with the investments in equipment, vehicles and transportation means, especially in the last quarters of 2015, a fact that reflects no confidence or behalf of the businesses. The budget-financed investment reduced even more – by 28.4%, a trend that has

been very strong by the end of the year as a result of the modification of the state budget law, prioritizing social expenditures to the detriment of economic expenditures.

Generally speaking, although during the reference period the public revenues and expenditures registered a significant increase, the budgetary-fiscal policy could be considered quite restrictive in the last year. The 2015 national public budget collected revenues accounting to about MDL 43.7 billion, by 2.9% more than in 2014. At the same time, the public expenditures accounted for about MDL 46.4 billion, by 4.5% more. By the end of 2015, the budget deficit was MDL 2,733.2 million, by MDL 786.9 million higher than that registered at the end of 2014 or 2.2% of GDP. The budgetary-fiscal policy tends to be cautious in the situation when the financial assistance provided by international development partners has reduced considerably.

Based on an austere budgetary-fiscal policy, the state debt increased essentially. The 28.9% pronounced increase of the external state debt has been determined greatly by the depreciation of the national currency compared to the main foreign currencies. Hence, as of 31 December 2015, the total amount of state debt (internal and external), administrated by the Government of about MDL 33.5 billion, increased by 22% compared to 2014. The internal state debt increased by 2.1%, and the external debt calculated in MDL registered a strong increase of 28.9% due to the depreciation of national currency compared to the main foreign currencies<sup>29</sup>. As of 31 December 2016 the total amount of state debt (internal and external) increased by 52.6% compared to same period of 2015. The internal state debt increased about 3.4 times (as a result of government securities/treasury bills issued as a state guarantee), and the external state debt increased by 7.5%<sup>30</sup>.

This situation in the economy leads to expanding of income inequalities and a polarization in the society. The economy sectors dependent on financial assistance of the State are especially affected.

One of the most important factors that affected the optimistic pace of economic development in the previous years was the 2015 banking sector crisis, accompanied by export and remittances decrease, which has resulted an eventuality in the depreciation of MDL by 25.9% to USD and by 13.1% to Euro<sup>31</sup>. The depreciation of MDL has intensified the inflation process. In the last years, the monetary policy promoted by the National Bank of Moldova

<sup>28</sup> National Bureau of Statistics. Economic statistics http://statbank.statistica.md

<sup>29</sup> Ministry of Economy. Operative information on social-economic evolution of the Republic of Moldova (according to data available on 31.01.2016).

<sup>30</sup> Ministry of Economy. Operative information on social-economic evolution of the Republic of Moldova (according to data available on 31.12.2017)

<sup>31</sup> Ministry of Economy, Idem, 31.01.2016.

was directed to decreasing the inflation, with an annual 5% target calculated based on the consumption price index; it succeeded to achieve it, except in 2015. If in previous years (2013 and 2014), the consumption price indexes decreased to 4.6%, in 2015 same index was 9.7%. In general, in the reference period, except for crisis years (2009 and 2015), the monetary policy may be considered as stimulating the economic growth, focused on cheaper credits and growing monetary mass. The instruments of monetary policy, such as a baseline rate, have registered a considerable decrease – up to 3.5% in 2013. The banking sector crisis determined the increase of the baseline rate in 2015 up to 19.5%.

Currency fluctuations affected the external trade. Generally, in the reference period, the Republic of Moldova registered an essential growth of imports, as well as a moderate growth of exports determined by a continuous increase of the trade balance deficit. In January-November 2015 the exports decreased by 16.4%, and imports decreased even more – by 24.5%, resulting in a decrease of negative balance of the trade balance. The later accounted for USD 1,830.8 million compared to USD 2,653.6 million in January-November 2014. The coverage rate of imports and exports was 49.6%, by 4.7 p.p. higher than in January-November 2014.

The national economy sectors were affected by the economic crisis, which intensified. In general, the evolution of economic sectors took place in correlation with changes in the monetary-crediting policy, as well as the trade policy. The industrial sector registered an insignificant growth. In 2015 the volume of industrial output increased on average by 0.6% (in comparable prices) compared to the previous year. This growth had a significant fluctuation, for example, in the first months of the year the increase of industrial output was quite significant, while in the last months, the industrial output registered a decline. In December the industrial output was declining, accounting to only 92.1%, compared to the previous December. The main factors that influenced the evolution of industrial production were: high harvest in 2014, and low in 2015, restrictions on wine and some agricultural products importing from Moldova by the authorities of the Russian Federation, and increased demands for Moldovan productions in the European Union states.

On the other hand, the volume of agricultural production has essentially decreased. The evolution of agricultural sector in 2015 was negatively influenced by the summer draught. Thus, compared to 2014, the agricultural production in all categories of households registered a significant 13.8% decrease (comparable prices) in 2015. The decrease of agricultural production was determined by the decrease of vegetal production by 22.6%, as well as the transport services volume, the retail and market services to population decreased too. The turnover in retail in January-November 2015 decreased by 7.3% (in comparable prices) compared to January-November 2014, and the turnover of market services provided to the population decreased respectively by 0.5%. But only the food production registered a 2.2% increase.

Even if the prognosis on economic development are quite optimistic (different sources – EBRD<sup>32</sup>, IMF<sup>33</sup> – indicates a growth for the following years of about 1.5-2.5%), the reality is different. To reverse the recession in the Republic of Moldova, a huge effort is needed. First of all, there is a need to rehabilitate the deteriorated image of banks based on the fact that namely frauds in the banking system have generated most issues currently in the economy of the Republic of Moldova. Secondly, it is necessary to undertake measures to reduce the inequalities in key sectors such as health, education, labor market, and services to provide the republic with sustainable development perspectives.

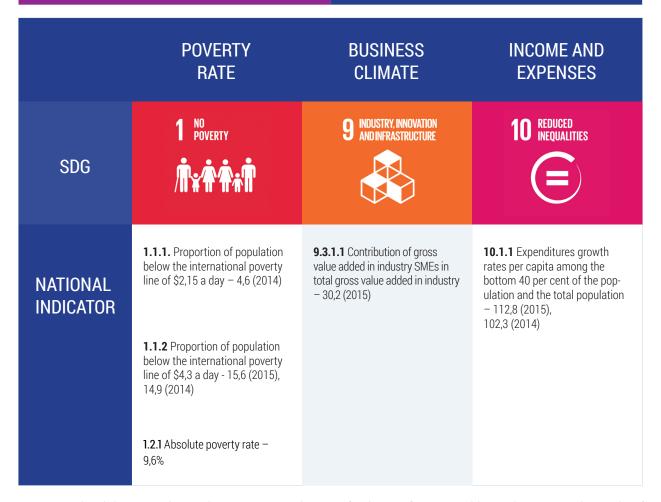
In conclusion, based on human development and inequality indexes, the analysis of recent evolutions with regard to macroeconomic situation, we consider relevant to continue the analysis of the inequalities themselves in the following chapters - social, economic and political inequalities identified in this chapter. We consider that the adoption of an exhaustive approach to inequalities in this report, with sufficient information for a critical analysis, will result in formulas and recommendations to reduce the inequalities. This in turn will encourage the promotion of social, political and economic inclusion of citizens in achieving a sustainable level of wealth.

<sup>32</sup> EBRD, Moldova overview; http://www.ebrd.com/where-we-are/moldova/overview.html and EBRD raises Moldovan 2016, 2017 GDP growth forecast; https://seenews.com/news/ebrd-raises-moldovan-2016-2017-gdp-growth-forecast-545568#sthash.hVRV2qTs.dpuf

# ECONOMIC INEQUALITIES?

WHAT ARE THE ECONOMIC INEQUALITIES REDUCTION DRIVERS?

CAUSES AND EFFECTS OF ECONOMIC INFOUALITIES



**Source:** updated data according to the report Nationalization of Indicators for Sustainable Development Goals, Results of consultations on adjusting the indicators for assessing and monitoring the 2030 Agenda for Sustainable Development to the context of the Republic of Moldova, Expert-grup/UNDP, with the support of UN Country Team, including UNFPA, UNICEF, ILO and UN Women

#### CHAPTER 2.

# STRINGENT REALITIES OF THE ECONOMIC INEQUALITIES

Chapter II presents an analysis of causes and tendencies of inequalities, supported by the economic dimension overview of income inequalities of the population and assessment of high poverty rates. The Chapter provides the wage inequality assessment, including gender analysis, and recent analysis result of the women entrepreneurship and the business environment reform needed.

#### WHAT ARE THE ECONOMIC INEQUALITIES

AND WHAT ARE THE DRIVERS OF THEIR REDUCTION?

Economic inequalities are most obviously shown through the distribution of people's income, wealth, property, and salary. Even if the positions of people are related to the other social, legal, political, and cultural characteristics, the economic ones involve the activation of a lot of roles and functions in society, which are solely possible in terms of income and Wealth.

Although income distribution is based on global economic distribution principles, economic issues, country and individual welfare are imperative and should be focused on equal opportunities for all members of society. Equal opportunity<sup>34</sup> assures the perpetuation of every person's full participation in economic and social life, and its dimensions are very wide: the principle of gender non-discrimination, equal access to compensated work, social protection, professional (vocational) training, non-violence, tolerance, equal opportunities for men and women at institutional/government levels, inclusion, social assistance, etc.

Equal opportunities policy is the key to potentially decreasing income inequalities or in other words, encourages the economic participation of individuals, including socially-vulnerable groups; it provides financial independence and a better or even sustainable standard of living<sup>35</sup>. Unemployment, as a main cause of poverty, may be reduced through demand

and equal opportunities policy (equal opportunities to education and training, access to a more flexible labor market that facilitates the employment of underqualified and inexperienced employees, including young and elderly people, etc.)<sup>36</sup>.

In addition to basic idea of this policy, there are other political instruments to reduce income inequalities. One instrument is to increase of the national minimal wage<sup>37</sup>. Although it may be an effective method of increasing disposable income, and thus, of reducing wage inequalities, this method could generate unemployment because not all companies or enterprises can afford to increase wages. Another instrument that may be used to reduce income inequalities is social benefits or subsidies38, which typically cover integrally or partly certain types of public services, especially in education and healthcare. This instrument allows the families with lower income to get access to a primary set of healthcare services, as well as skills and competences that can help them find better jobs and higher income in the future.

The reduction of economic inequalities is closely related to poverty eradication policies in economy<sup>39</sup>. Respectively, the policy of equal opportunities is an important driver, including in reducing poverty, because in order to increase income, people require equal opportunities in education and training, em-

<sup>34</sup> International Finance Corporation. World Bnak Group. Good Practice Note Non-Discrimination and Equal Opportunity. January 2006. Number 5; https://www.ifc.org/wps/wcm/connect/629b648048865944b8aa-fa6a6515bb18/NonDiscrimination.pdf?MOD=AJPERES

<sup>35</sup> UN. Inequality and the 2030 Agenda for Sustainable Development Development Issues No. 4. 21 Ocotber 2015;. http://www.un.org/en/development/desa/policy/wess/wess\_dev\_issues/dsp\_policy\_04.pdf

<sup>36</sup> UN. Promoting Empowerment of People in achieving poverty eradication, social integration and full employment integration and full employment and decent work for all; http://www.un.org/esa/socdev/publications/FullSurveyEmpowerment.pdf

<sup>37</sup> World Bank. Making transition work for everyone: poverty and inequality in Europe and Central Asia. 2000; http://documents.worldbank.org/curated/en/571801468037741599/pdf/multi-page.pdf

<sup>38</sup> Ider

<sup>39</sup> UN. Inequality and the 2030 Agenda for Sustainable Development Issues No. 4. 21 October 2015.

ployment and work at companies, in free trade etc. But unequal distribution of income will depend on relative salaries and wages that vary depending on the demand and offer on the labor market. Hence, the unequal level of income will vary depending on economic conditions<sup>40</sup>. However, in an open and favourable economy, the inequality level will be limited to obtain by the capacity of workers and their capacity to enter the labor market<sup>41</sup>.

When a society decides to reduce the level of economic inequality, it can apply several sets of instruments: *redistribution* – from those with high income to those with low income; *opportunity grid*, available at large scale;<sup>42</sup> and *social responsibility*<sup>43</sup>.

Redistribution means to take the income from those with high income and to give it to those with low income. An important role here is placed by the progressive taxation, which is designed so that the richest pay higher income taxes then the poor.

The opportunity grid is a state policy identical with the instrument that decreases the economic inequalities, mentioned above, which provides an extensive grid of opportunities to access different public services by the vulnerable population in difficulty or without support. This policy has the capacity to build a financial or subsidy opportunity grid so every child from a vulnerable family has access to education<sup>44</sup>, every adult has same reasonable possibility to achieve the economic niche in the society based on interests, desires, talents and efforts. The

most popular initiatives are the programmes for preschool children to improve education in public schools, internships, extended loan programmes, and subsidies for those with financial needs to enroll at a faculty or college; different opportunity of programmes for training and learning new skills for adults, etc.

Social accountability of companies is based on social initiative of companies as a response to the expectations of employees, clients, investors and society in general regarding business environment focused on high quality services, observance of human rights, and tackling social matters<sup>45</sup>.

The application of these instruments by the government would allow a decrease of economic inequalities, and at the same time, should not affect the economic productivity, labor market, and respectively, investment incentives. Every instrument should be analysed in details, so there is no poorly designed or imposed poverty reduction agenda, actions and measures that could damage the functionality of instruments for the implementation of investment attraction policy for economic productivity. Hence, the scenario for all stakeholders (win-win) may change into unhappy situation when nobody can win anything (lose-lose).

We would like to present a few relevant cases of economic inequalities as a proof of current stringent economic realities at national level. Are these causes related to other inequalities, processes or systems in the society?

## WHAT ARE THE CAUSES AND EFFECTS OF **ECONOMIC INEQUALITIES**?

We would like to present an overview of the *economic inequality causes* which are multiple and known. The most known causes are: wage inequalities (when some highly qualified employees earn more than less qualified employees or without skills including gender wage inequalities), globalisation process, monopoly of certain market segments, technology and information changes, fiscal policy, education, political reforms, labor market shortcomings, and wealth increase<sup>46</sup>.

An eventual attempt to level the incomes as a solution of economic inequality eradication is as dangerous as exaggerated polarisation of wealth and

poverty poles.<sup>47</sup> In other words, there will be always a relative degree of income inequalities as a driver of market dynamics. An unprecedented dynamic of volume and structure of goods, capital and services may be noticed with the globalisation process and extension of international trade with the majority world states, which leads to an unequal income distribution. And since the increase of income inequalities is an expression inclusively of the globalisation process, known for its quantitative side, we can conclude that the state's investments in the technological process, science and modernization of national economy would contribute to the creation of new jobs and eventually to an equal distribution of in-

<sup>40</sup> Grennes, Thomas. Andris Strazds Income Distribution: Equal Opportunity vs. Equal Results, Roubini Global Economics, August 22, 2014; http://www.economonitor.com/blog/2014/08/income-distribution-equal-opportunity-vs-equal-results/

<sup>41</sup> Ibidem

<sup>42</sup> Government Policies to Reduce Income Inequality (p.289) in Principles of Economics Volume 1 of 2. Textbook Equity Edition, Rice University. Houston, Texas 2014; https://textbookequity.org/Textbooks/Principlesofecon\_volume-land? and

<sup>43</sup> Archie B. Carroll, The pyramid of corporate social responsibility. Toward the moral management of organizational stakeholders, Business Horizons, Volume 34, Issue 4, July-August 1991, Pages 39-48.

<sup>44</sup> Eboni, C. Howard. What Matters Most for Children/Influencing Inequality at the Start of Life. Managing Researcher American Institutes for Research. July 2015. http://www.air.org/sites/default/files/downloads/report/Early-Child hood-Education-Equity-Howard-August-2015.pdf

<sup>45</sup> Archie B. Carroll, op.cit.

<sup>46</sup> Leung, May. The Causes of Economic Inequality. January 21st, 2015; http://sevenpillarsinstitute.org/case-studies/causes-economic-inequality

<sup>47</sup> Enache C., Mecu. C., Political Economy, Edition of "România de Mâine", Bucuresti, 2000, p. 115.

come, harnessing thus, the qualitative side of the globalisation.

The difference of income and wealth among the population is due to an important factor: people are paid differently and have a different capital (either earned or inherited), which determines the difference of income and wealth. There are more reasons why people are paid higher salaries, while the other simply earn a low salary. These may include competences and qualifications related to changing technologies, work experience and performance, better (prestigious) education, etc. All these directly impact on the calculation of employees' salaries. Obviously, the level of education and qualification mark a direct impact on the income of employees and at the same time, personal factors have a real impact on the determination of salary or income of employees. It should be underlined here that the persons with different skills may have different levels of prosperity, which lead to economic inequalities<sup>48</sup>.

As for the wealth inequalities approach, in 2015 the number of millionaires in the Republic of Moldova increased at national level, according to official data of the Main Tax Service, by 14% compared to previous year, accounting to 314 persons with annual income of over one million MDL. At the same time, 45 persons declared income between three and six million MDL in 2015, by 18.4% more than in 2014. An income of 6 to 11 million was declared by 24 persons, and more than 11 million by 4 persons, by 3 persons less than in 2014<sup>49</sup>. The number of people with low income (pensioners, employees) grows in parallel with the increase of the numbers of millionaires, as the sociological surveys show<sup>50</sup>. This is due to the depreciation of MDL by a quarter of its value compared to the USD in 2014-2015, as well as expensive credits and consumption prices, which confirms that the salary grows only on paper, while the purchasing power decreases.

There is more and more social dissatisfaction regarding economic unfairness in the Republic of Moldova recently<sup>51</sup>. This is shown in sociological surveys that reflect these dissatisfactions in real numbers. Hence, according to the sociological survey conducted in December 2015 by the IPP, 56% of respondents are not satisfied at all with the economic situation in the country. The survey shows that Moldovans become poorer which may lead to dissatisfaction and

uprising in the society, when people will have to pay more for their bills.

Economic inequalities are articulated by reduced opportunities of citizens to education and other social services due to the lack of income. The unregulated employment procedures, salaries in envelope, the lack of jobs and decent salaries, corruption in education system, failure to adapt the curricula to real needs of the society, pocket payments for qualitative medical services, etc. make the citizens think that they have not received an 'equitable share' of benefits and available resources in this society, respectively, remaining economic inequalities, as it is shown in surveys<sup>52</sup>.

A set of national prerequisites has been clarified in the background of economic inequalities, which includes the most obvious.

**PRIVATIZATION PROCESSES.** Although these were conducted in accordance with an equitable formula, many people, who participated in the privatization process, have only the receipts, while a small share of population became owners of significant wealth<sup>52</sup>. The big wealth of the rich people was created namely in the mass privatization period<sup>54</sup>, thus, the privatisation led to major economic inequalities in the society.

**UNEMPLOYMENT** contributes to more economic inequalities, either cyclic (appears in periods of economic crisis), structural (appears as a result of a misbalance between the structure of labor offer and demand) or frictional (that corresponds to the period necessary to transit from one job to another)<sup>55</sup>. The Lack of jobs, unattractive salaries and opportunities of professional integration determine many citizens to look for a job overseas<sup>56</sup>.

**INTERNATIONAL LABOR MIGRATION.** It has registered an impressive growing trend in the last 15 years, because it has facilitated the short-term resolution of many economic and financial issues faced by families of people working abroad. At the same time, the labor force migration has led to more economic inequalities in the society, especially between the households in rural communities, where poverty is higher than in urban areas<sup>57</sup>. The economic inequalities appeared between persons who have the possibility to immigrate and those who do not have such possibilities, and respectively,

<sup>48</sup> Leung, May. Op.cit.

<sup>49</sup> Official declaration of the Main State Tax Service. More millionaires in 2015. Ziarul Naţional. 17.05.2016;. http://www.ziarulnational.md/numarul-milionarilor-mai-mare-in-2015-cel-mai-tanar-milionar-din-r-moldova-are-doar-21-de-ani/

<sup>50</sup> Public Opinion Barometer, November 2015, IPP; http://www.ipp.md/libview.php?l=ro&idc=156&id=760

<sup>51</sup> Public Opinion Barometer, idem

<sup>52</sup> Ibidem

<sup>53</sup> UNDP. Human Development Report in the Republic of Moldova-1996. Establishing statehood and society integrity. Chisinau, 1996; UNDP. Human Development Report in the Republic of Moldova 1998.

<sup>54</sup> Jurnal de Chişinău. Mass privatization programme – the biggest fraud in modern history of Moldova. 1 October 2010; http://www.jc.md/programul-privatizarii-in-masa-cea-mai-mare-escrocherie-din-istoria-moderna-a-mold-ovei/

<sup>55</sup> Martínez, Rosa. Ayala, Luis. Ruiz-Huerta, Jesús. The impact of unemployment on inequality and poverty in OECD countries. Economic of transitions. Volume 9, Issue 2 July 2001. p. 417–447.

<sup>56</sup> Nica, Elvira. Labor Market Determinants of Migration Flows in Europe. Sustainability 2015, 7, p.634-647; www.mdpi.com/2071-1050/7/1/634/pdf

<sup>57</sup> See: Luecke, Matthias. Mahmoud, Toman Omar. Steinmayr, Andreas. Labour Migration and Remittances in Moldova: Is the Boom Over? Trends and Preliminary Findings from the IOM CBSAXA Panel Household Survey 2006 2008. International Organization for Migration. 2009; http://www.iom.md/attachments/110\_2009\_05\_05\_remmit\_boom\_over\_eng.pdf and Enhancing the relation between migration and development in Moldova, Centre for Research and Sociological, Politological and Psihological Investigations, World Bank, MIRPAL; CIVIS. IASCI. Chisinau 2010;

among families with income from remittances and those who have no such income, as well as those without any income. International labor migration has resulted in a higher number of abandoned children and old people – a problem that generates economic inequalities, poverty and discrimination and social exclusion<sup>58</sup>.

#### INFORMAL EMPLOYMENT AND ESPECIALLY THE SALARY PAID IN ENVELOP/UNDER THE TABLE

only expand the high discrepancies in population's income<sup>59</sup>. The inequalities in Moldova are high and the poverty is still high in rural areas, which determine the citizens to accept informal jobs and higher informal salaries with an official lower salary, because very often the salaries are at the minimum limit of existence<sup>60</sup>.

LABOR FORCE IN AGRICULTURAL SECTOR. One of the most vulnerable categories of employees is that from the agricultural sector<sup>61</sup>. Although in 2015 the share of population employed in agriculture decreased from 40.7% to 31.5%, there is a lack of employment opportunities in the non-agricultural sectors<sup>62</sup>. As for income inequality, it is slightly lower among agricultural households compared to the households analysed in the HBS<sup>63</sup>. Low wages in agricultural sector result in migration of labor force, which ends up in ageing and reduction of rural population, and the wired remittances only enhance the income inequality among households<sup>64</sup>.

**CORRUPTION.** High level of corruption increases the income inequality and poverty by reducing the economic growth, progressivity of the fiscal system, level and efficiency of social expenses, human capital development, as well as perpetuating unequal distribution of assets and unequal access to education<sup>65</sup>.

These are just some prerequisites that lead to economic inequalities. Below we would like to analyse the effect of economic inequalities on the welfare of the population, using concept approaches. Also, we would like to underline several opinions regarding the disadvantages of economic inequalities and advantages of the inequality reduction policies.

Concept approaches of economic inequalities identify some corresponding measures to limit the negative effects on economic growth and population welfare. But what is less known is the fact that the economic inequalities are considered necessary for the economic growth. While some scientists (Ostry, Berg)66 elaborate this idea, others consider it as a caution (Hasanov and Izraeli<sup>67</sup>). For decades the economists have asked themselves whether the inequality is good or bad for a long-term economic growth.

On one hand, the excessive inequality threatens with the appearance of inferior strata in the society, which are less capable to invest in health, education and training, delaying the economic growth<sup>68</sup> and respectively, having lower perspectives for plenary participation in economy as employees or consumers. On the other hand, the excessive inequality may lead to a political instability and may create risks for investments and economic growth<sup>69</sup>. The economic inequality may undermine the equitable character of political institutions<sup>70</sup>. In the case of those with political functions who need contributions for their political campaigns, they would be more receptive to the interests and requirements of the rich, and those who are not rich will not be equally represented in decision-making entities<sup>71</sup>.

Some authors (Hasanov and Izraeli) believe that since the economic inequality gives more resources to the rich (compared to an employee), it promotes investments and reduces expenses, which facilitate the economic growth<sup>72</sup>. Other authors sustain that economic inequalities may influence positively the growth by providing incentives for innovation and entrepreneurial spirit (Lazear and Rosen),<sup>73</sup> which can accumulate the necessary minimum for startups and receive a better education to become a qualified labor force (Barro)<sup>74</sup>. Also, the entrepreneurs accumulate more income than the hired workers. which leads to wealth concentration (Quadrini)<sup>75</sup>.

Another paper states that the 'increased levels of inequalities reduce the economic growth in relatively poor countries, but encourage it in richer countries<sup>76</sup>". This affirmation is closer to the hypothesis sustained by a group of scientists (Jonathan, Berg, Tsangarides), who try to analyse the correlation between the eco-

- 58 UNICEF. Situation of children without parental care as a result of migration. Studio report. Chisinau 2006; https://www.unicef.org/moldova/2006\_003\_Rom\_Study\_Children\_Left\_Behind.pdf
- 59 Loghin, Vlad. The gap between poor and rich is growing. How do we stop inequality? Vocea Poporului, 19.08.2014; http://vocea.md/se-adanceste-prapastia-dintre-saraci-si-bogati-cum-oprim-inegalitatea/
- 60 Popa, Ana. Informal employment in the Republic of Moldova: causes, consequences, and fighting procedures. Expert-Grup. Chisinau, 2012. p.22.
- 61 Ciloci, Igor. Morari, Sergiu. Decent labour profile in the Republic of Moldova. Budapest: ILO, 2013, http://www.ilo.org/wcmsp5/groups/public/--dgreports/---integration/documents/publication/wcms\_424049.pdf
- 62 National Employment Strategy for 2017-2021; http://www.mmpsf.gov.md/sites/default/files/document/attachments/noua\_strategie\_de\_ocupare\_a\_fortei\_de\_munca.pdf
- 63 World Bank Group. Poverty assessment in Moldova 2016. Structural transformation of small agricultural exploitations in the Republic of Moldova: implications for poverty reduction and shared prosperity. Report No. 105724-MD.
- 65 Gupta, Sanjeev. Davoodi, Hamid. Alonso-Terme, Rosa. Does Corruption Affect Income Inequality and Poverty? IMF. 1998; https://www.imf.org/external/pubs/ft/wp/wp9876.pdf
- 66 Ostry, Jonathan D., Berg, Andrew, Tsangarides, Charalambos G., Redistribution, Inequality, and Growth. IMF, February 2014; http://www.imf.org/external/pubs/ft/sdn/2014/sdn1402.pdf
- 67 Hasanov, Fuad, Izraeli, Oded, Op.cit.
- 68 Price, Carter C... Boushey, Heather. How are economic inequality and growth connected? Washington center for equitable growth. October 8, 2014; http://equitablegrowth.org/human-capital/economic-inequality-growth-con-
- 69 Barro, R.J. Inequality and Growth in a Panel of Countries, Journal of Economic Growth, Vol. 5(1), 2000. p. 5-32.
- 70 Scanlon, T. M. The 4 biggest reasons why inequality is bad for society. Jun 3, 2014; http://ideas.ted.com/the-4-biggest-reasons-why-inequality-is-bad-for-society/
- 72 Hasanov, Fuad. Izraeli, Oded. How Much Inequality Is Necessary for Growth? Harvard Business Review. Jan 1, 2012; https://hbr.org/2012/01/how-much-inequality-is-necessary-for-growth
- 73 Lazear, Edward P. and Rosen, Sherwin. "Rank-Order Tournaments as Optimum Labor Contracts." Journal of Political Economy, Vol. 89, No. 5, (October 1981), pp. 841-864;
- 75 Quadrini, Vincenzo. The importance of entrepreneurship for wealth concentration and mobility. Review of Income and Wealth Series 45, Number 1, March 1999; http://roiw.org/1999/1.pdf
- 76 Barro, Robert J.: Inequality, Growth, and Investment. NBER Working Paper No. 7038. March 1999;

nomic inequalities and economic distribution and growth<sup>77</sup>. This group of scientists has the opinion that the net inferior inequality may lead to a faster and sustainable economic growth, while income redistribution requires more efforts in the fiscal system, and high taxes may be more damaging to the economic growth than the inequality<sup>78</sup>. A remedy in this case is the efficient promotion of win-win policies, which are both pro-growth and pro-equality. In the opinion of this group of authors, the relation between redistribution and inequality is included in three theses:

- unequal societies tend to more redistribute the income; respectively, in the attempt to understand the growth-inequality relation, it is important to make a distinction between market and net inequality and to monitor separately the redistribution of income in the process of economic inequality growth;
- smaller economic inequalities in the society may lead to a faster and more sustainable increase only for a certain level of income redistribution;
- 3) income redistribution, generally, has a soft impact on economic growth and only in extreme cases it may have negative effects, such as opportunity decrease for poor<sup>79</sup> (for instance, less state investments in education and health programmes for the poor and disadvantaged persons).

Unlike the approaches described above, Hasanov and Izraeli consider that the impact and benefits of inequalities on the economic growth are very vague. Hasanov and Izraeli claim that a moderate growth of the inequalities may generate an economic growth but high inequalities (income and wealth) would reduce the economic growth periods and delay the growth due to the effect on the human capital. Consequently, the lack of income allows fewer persons to have access to a qualitative education, occupation and consumption goods<sup>80</sup>.

A more sustainable approach of the economic inequalities is performed by a group of authors from the World Bank (2006)<sup>81</sup>, who analyse the factors (components) that are at the base of economic inequality evolution instead of the effect. Hence, this group of authors consider the equality of opportunities and results as two parallel and differentiated components

of the origin of economic inequalities. While the unequal opportunities are impeding the development, the unequal results generate necessary incentives for capital accumulation, innovation and economic growth. For example, the inequality of opportunities or chances are damaging for sustainable development and poverty reduction, because they stimulate social exclusion, unequal access to services and aggravate the inequality between women and men, leaving a negative effect on economic growth. The positive part of inequality of chances is limited to the role of income differences, which make the population more interested in working more and assuming certain risks to create income.<sup>82</sup>

As for the policies to reduce economic inequalities, Hasanov and Izraeli claim that the advantages of reduction are obvious compared to the time: the people start to believe that the society is equitable, and that there is a social cohesion and mobility. As for the policies to direct the economic growth but ignoring the inequality, in the opinion of the authors, the intentions may fail eventually, while the policies that lead to a decrease of inequality, for instance, increasing of employment and education among disadvantaged population have a positive impact on human capital.<sup>83</sup>

As for the disadvantages of economic inequalities, an important thesis is the fact that they however, are stiffing the economic growth because of their negative effects on the society (Birdsong)84. Theoretical studies show that these effects may oscillate in both directions, i.e. from inequality to economic growth and the other way around85. Hence, the inequality of income may diminish the education opportunities for the poorest social groups, when they cannot afford to pay school fees. It can maintain the level of human capital and the level of human resources specialisation, which are inferior to the needs of an economic growth<sup>86</sup>. But a poor State may invest less in educational programmes on the background of a rapid evolution of the private sector in education<sup>87</sup>. Also, the deep income inequality is associated with the reduced provision of public goods with regional discrepancies regarding the income per capita<sup>88</sup>. Another effect is the increase of criminality rates or violent behaviours among deprived members of the society who can be more susceptible in resentments and hostility due to their inferior economic position or long unemployment<sup>89</sup>.

- 78 Ostry, Jonathan D., Berg, Andrew. Op.cit.
- 79 Ibidem.
- 80 Hasanov, Fuad. Izraeli, Oded, op.cit.

- 82 World Bank, Washington DC 2005., Op.cit.
- 83 Hasanov, Fuad. Izraeli, Idem.
- $84 \quad Birdsong, Nicholas. The Consequences of Economic Inequality. February 5th, 2015; http://sevenpillarsinstitute.org/case-studies/consequences-economic-inequality#\_ftn35 and the consequences of Economic Inequality for the consequence of$
- 85 Malinen, Tuomas. Income inequality in the process of economic development: An empirical approach. Kansantaloustieteen tutkimuksia, No. 125:2011. Dissertationes Oeconomicae. University of Helsinki; https://helda.helsinki. fi/handle/10138/28517
- 86 Malinen, Tuomas. The Economic Consequences of Income Inequality. The World Post. Dec 17, 2016; http://www.huffingtonpost.com/tuomas-malinen/the-economic-consequences\_b\_8827634.html
- 87 Dabla-Norris, Era. Kochhar, Kalpana. Suphaphiphat, Nujin. Ricka, Frantisek. Tsounta, Evridiki. Causes and Consequences of Income Inequality: A Global Perspective. IMF. June 2015 SDN/15/13; https://www.imf.org/external/pubs/ft/sdn/2015/sdn1513.pdf
- 88 Naito, Katsuyuki. Nishida Keigo. The Effects of Income Inequality on Education Policy and Economic Growth. Theoretical Economics Letters, 2012, 2, 109-113; file:///C:/Users/Viorica/Desktop/dd1e1bf135300ff7cae
- 89 Stotzenberg, Lisa. Eitle, David. D'Alessio, Stewart J.. Race, economic inequality, and violent crime. School of Policy and Management, Florida International University, Miami, FL 33199, USA; http://egov.ufsc.br/portal/sites/default/files/anexos/33027-41458-1-PB.pdf

<sup>77</sup> Ostry, Jonathan D., Berg, Andrew, Tsangarides, Charalambos G, op.cit.

<sup>81</sup> Atinc, Tamar Manuelyan. Banerjee, Abhijit. Ferreira, Francisco H.G.. Lanjouw, Peter. Menendez, Marta. Ozler, Berk. Prennushi, Giovanna. Rao, Vijayendra. Robinson, James. Walton, Michael. Woolcock, Michael. World development report 2006: equity and development. A copublication of The World Bank and Oxford University Press. Washington DC 2005; http://documents.worldbank.org/curated/en/435331468127174418/pdf/322040World0Development0Report02006.pdf

There is no empiric evidence of positive effects of eco-

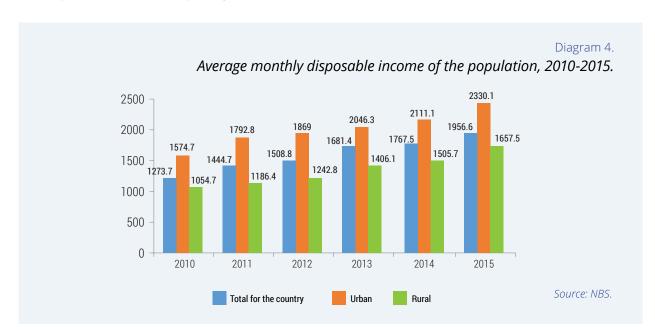
nomic inequalities. We consider that the positive effect is temporary, influencing the structure of the society by building the medium level strata. Once the financial incentives are reduced or are missing (offered by different government programmes for entrepreneurship development among women, returned emigrants, diaspora, the elderly, etc.), the medium strata are transferred to the inferior strata (poorer). We consider that these processes are temporary, because they do not affect economic growth but the structure of the society, while an economic growth requires stronger impulses, such as equal opportunities in education and training, access to labor market, mobility of human capital, incentives to start a business, etc.

#### INCOME INEQUALITIES AND **POVERTY RATES**

The quality of life has improved in the recent years on the background of economic growth registered in the Republic of Moldova, manifesting itself in higher disposable income of the population and salary increase. Globally, productivity is growing fast, but salaries are stagnating over time. This suggests that benefits, results, and products of growth are accumulated by few and nor fairly distributed among the employees90. However, inequality and inequity that persist in income distribution, are still the unsolved issues, risking becoming the permanent features of Moldovan development model. Unequal income distribution in the Republic of Moldova has different forms: per regions, place of residence, field of activity, age, gender, etc., splitting the society into rich (few), poor (many) and a middle class, which is practically inexistent<sup>91</sup>. Such situation increases the social tensions, with potential economic, social and dramatic political consequences. The difference between rich and poor is quite tangible, and this situation bears risks for economic, social and political balance in the country, as well as for ensuring a sustainable human development perspective. In this regard, reaching Goal 8: Promote inclusive and sustainable economic growth, favourable to inclusion, full and productive employment and decent work for all cannot be delayed.

Although the Republic of Moldova has registered lately certain progresses in income increase of the population, the situation at this chapter is still uncertain. The income of the population remains the smallest in the region, ranking the Republic of Moldova as the poorest in Europe. Since 2010 until 2015 the average disposable income of the population grew by 53.5% from MDL 1,273.7 to MDL 1,956.6. At the same time, the discrepancy between the income of urban and rural population has increased – from 23.6% in 2010 up to 41.8% in 2015, which proves that social inequalities between the urban and rural population have deepened (Diagram 4).

The persistence of inequalities is noticeable especially when it comes to unequal access to key social goods and services, which is shown in the analysis of the Third Report on Millennium Development Goals developed by the UN92.



<sup>91</sup> Magenta Consulting, http://consulting.md/eng/insights-publications/princes-or-beggars-social-classes-in-the-country-according-to-magenta-consulting

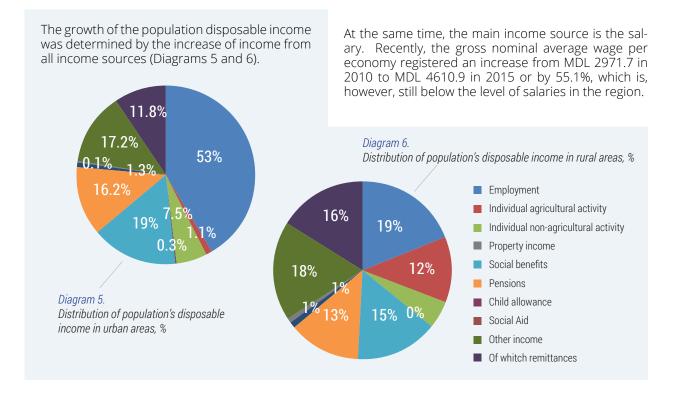
<sup>92</sup> Third Report on Millennium Development Goals. Republic of Moldova, ONU. Chisinau, 2013.

Thus, in 2015 the urban population afforded monthly expenses by about 43.5% higher than the rural population, which determined the share of food consumption in total expenditures to be much higher in the rural area compared to the urban areas - 44.8% compared to 39.6%. In general, the welfare of the population is defined mostly by the *consumption pattern*. According to some theories<sup>93</sup>, once the income of the population is higher, the share of food consumption in household decreases. For instance, in the European Union countries the consumption share of food products varies between 30 – 43% in Bulgaria, Hungary, and Poland, or up to 13% in Great Britain and

Finland<sup>94</sup>. At the same time, the monthly expenses for in-kind consumption in the rural area exceed the expenses in the urban area 3 times (MDL 278.4 compared to MDL 93).

An important share of the household budgets is allocated for dwelling/house maintenance – about 18.7% in urban area and 17% in rural area, clothing and footwear – 10.5% and 12%, respectively. At the same time, the expense share for education and leisure time is quite modest: 0.7% and 2% in urban area and 0.5% and 0.7% in rural area, respectively, which is characteristic for a state with modest income (Table 2).

Consumption		Total	Urban	Rural
expenditures of households in	Total consumption expenditures, monthly average per capita, MDL Including in % for:	2.048,5	2.475,4	1.724,1
2015 by place	Food products	42,1	39,6	44,8
of residence	Alcoholic beverages, tobacco	1,4	1,3	1,6
	Clothing, footwear	11,2	10,5	12,0
	Maintenance of the dwelling/house	17,9	18,7	17,0
	Dwelling/house endowment	3,9	3,6	4,3
	Healthcare	6,5	6,4	6,6
	Transport	4,5	5,0	4,1
	Communications	4,3	4,6	4,0
	Leisure time	1,4	2,0	0,7
	Education	0,6	0,7	0,5
	Hotels, restaurants, coffee shops, etc.	1,7	2,9	0,5
	Miscellaneous	4,4	4,8	4,0
	Cash expenditures, monthly average per person, MDL	1850,2	2382,5	1445,7
	In-kind consumption expenses, monthly average per person, MDL	198,4	93,0	278,4



<sup>93</sup> See: Social development trends in Annual social report 2012, Ministry of Labour, Social Protection and Family of the Republic of Moldova, Chisinau 2013; http://www.mmpsf.gov.md/sites/default/files/document/attachments/raport-social-2012.pdf and Orshansky, Mollie. "Who's Who Among the Poor: A Demographic View of Poverty"s, Social Security Bulletin, Vol. 28, No. 7, July 1965, pp. 3-32; https://www.ssa.gov/policy/docs/ssb/v28n7/

<sup>94</sup> Ministry of Economy. Poverty Report in the Republic of Moldova 2011-2012, Chisinau 2012; http://www.mec.gov.md/sites/default/files/raport-privind-saracia-in-republica-moldova-2010-2011.pdf and Poverty Report in the Republic of Moldova 2013, Chisinau 2014; http://www.mec.gov.md/sites/default/files/raport\_privind\_saracia\_in\_republica\_moldova\_2013\_1.pdf

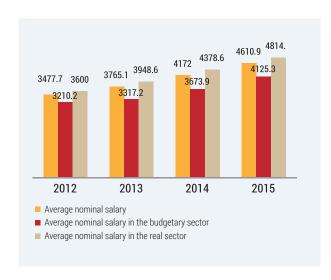
Along with salary increase, there is a stable decrease of the share in the total disposable income of the population, dropping to 41.4% in 2015, by 1.3 p. p less compared to 2012. Since the salary is the main source of income, the decrease of salary's share in the total income compromises somehow the sustainable development of the country and population's welfare growth. It should be mentioned that the share of salaries in the total disposable income in the rural area is smaller compared to urban area, accounting for 27.8% compared to 53.9%, which indicates a more disadvantageous situation of the rural population compared to urban population in what regards the welfare and economic development. A lack of employment opportunities, prevalence of income from agriculture (share of income from agricultural activity in the rural area accounted for 17.5% compared to 1.1% in urban area), a sector that ensures only a modest increase of added value, as well as from non-productive sources of income (remittances from labor migration and social benefits), result in considerable inequalities between urban and rural population, and consequently, a massive exodus of population from rural areas, a phenomenon that will be examined in the next chapter.

Amid increased salary, the unequal distribution per zones and economic sectors, type of property, etc. persists. Hence, the highest salaries are paid in Chisinau municipality, while the smallest – in the economic zone South, which shows uneven development of economic zones in the Republic of Moldova. In 2014 the difference between average monthly gross salary in Chisinau municipality and economic zone South was about 28% (Table 3).

Table 3.

Nominal average monthly salary in economy
by territorial profile

		in %	compared	to avera	ge salary	per econor
	2012	2013	2014	2012	2013	2014
Total	3,386.2	3,674.2	4,089.7	100.0	100.0	100.0
Chisinau municipality	4,026.4	4,336.5	4,827.0	118.9	118.0	118.0
North	2,905.3	3,161.4	3,522.1	85.8	86.0	86.1
Centre	2,769.7	3,001.2	3,334.7	81.8	81.7	81.5
South	2,576.1	2,831.2	3,183.5	76.1	77.1	77.8
ATU Gagauzia	2,603.8	2,894.2	3,229.9	76.9	78.8	79.0



Essential salary differences are noticed also depending on the type of ownership. Hence, in 2015 average gross monthly salary in the real sector of economy accounted to MDL 4814.6 by 16.7% more compared to average gross monthly salary in the budgetary sector (Diagram 7).

Diagram 7.

Average monthly gross salary by type of ownership

Source: NBS

of *minimal salary* calculation in the budgetary sector and in the real sector of the economy, which lies at the core of salary policy promoted in the Republic of Moldova. Hence, the minimal guaranteed quantum in the real sector of economy is MDL 2100, which is established in accordance with the Government Decision No. 165 of 09 March 2010 regarding the minimal guaranteed quantum in the real sector<sup>95</sup> based on three-dimensional negotiations among trade unions, employers and the State, and the minimal salary in the public sector is MDL 1000 and is established in accordance with the Law No. 1432 of 28 December 2000 on the Method of

This discrepancy is influenced by the procedure

setting and re-examination of the minimal salary. In 2014 the minimal salary per economy was lower than the poverty threshold (MDL 1000 compared to MDL 1257).

Salary distribution inequalities are observed also depending on the economic sector. In 2014 the average monthly salary of an employee in education was about 2.8 times lower than of an employee in the finance and insurance sector, which is a very big difference. If the workers from sectors that require enormous investment in human capital are not appreciated at their fair value, then the normal pace of country's development is undermined (Table 4).

Table 4.

Nominal gross average monthly salary in December 2015 by economic activity

ECONOMIC SECTORS	MDL
Total per acanomy	
Total per economy	5227,7
Agriculture, forestry and fishing	3713,0 5884,1
Industry total	4613,7
Mining industry	5233,0
Processing industry  Floating and thermal approximates het water and cald air production and supply	10305,6
Electric and thermal energy, gas, hot water and cold air production and supply	5836,6
Water supply, sewage, waste management, decontamination  Constructions	5145,5
	4453,4
Retail and wholesale trade; maintenance and reparation of vehicles and motorbikes	4907,6
Transport and storage	3290,8
Accommodation and public catering Information and communications	10429,6
Financial and insurance activities	10685,4
Real estate transactions	4922,9
Professional, scientific and technical activities	7102,4
Administrative service and support activities	4039,9
Public administration and defence, mandatory social insurance	6279,6
Education	3878,5
Healthcare and social assistance	5518,1
Arts, recreational and leisure activities	3118,6
Other activities in service provision sector	8574,9

Source: NBS.

Over the years, low salaries have resulted in international labor migration. Labor migration intensification has generated a growth of money transfers, which currently are a significant source in the household budget. In 2015, on average the remittances accounted for 17.4% of total income of households including 11.8% in urban and 23.4% in rural area. Although the remittances contribute significantly to the

increase of welfare of the population and reduction of poverty, especially among the rural population, it creates a real dependency of households on money received from overseas and respectively, leading to a consumption-based economy. In fact, the consumption-based economy is not the best model that ensures necessary conditions for economic development re-launch in rural and urban localities. It should

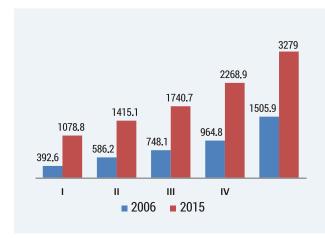
be mentioned that the remittances contribute to the increase of inequalities between the households with members working abroad and households without.

Modest perspectives of economic development are reflected in the share of social transfers from the total income of the population, which in rural area is higher than in urban area: 22.5% compared to 19.9% in 2015. Largely, the increase of social benefits share was determined by the social aid payment mechanism, stipulated in the Law No. 133-XVI of 13 June 2008 on Social Assistance, which determines the eligibility of the applicant through revenue testing. Although this social protection measure had a significant impact on poverty reduction and improvement for the living standard among the disfavoured population (social aid reduced the absolute poverty rate by 0.7 p.p., and the heating allowance by another 0.2 p.p<sup>96</sup>), it has amplified even more the population's dependency on unproductive income. The extension of social support coverage has demotivated many persons, preponderantly in rural area, with low gualifications, to be presented on the labor market, given the fact that the size of the social aid is usually compared to the salary paid to this category of people. In 2014, the social aid for a household of a couple with two children was on average equal to MDL 1125. The impossibility to find an attractive and well paid job in rural localities makes these people dependent on social aid.

The income and expenditure-based economic inequalities among rural and urban population have registered a steady decrease in the recent years. In 2015 the Gini coefficient – the key indicator of income inequalities – was 0.253 and decreased by 5.5% compared to the previous year (Diagram 9). This decreasing trend was determined by the banking system crisis followed by the depreciation of national currency. Hence, the welfare differences between the poor and the rich continue to persist. The quintile coefficient (ratio between the expenditures of the richest 20% of population and the poorest 20% of the population) is relatively high, accounting for 5.2 in 2015 (Diagram 8).

Diagram 8.

Average monthly disposable income per person, quintiles



Source: NBS.

Due to the increase of population's income, the poverty rate is steadily decreasing. In the last 5 years, it decreased twice, so the poverty rate was 9.6% in 2015 (Annex 1).

At the same time, in 2014 the poverty level in the rural area was 7.5 times higher than in urban areas; the poverty rate was 16.4% compared to 2.2% in cities and 8.4% in towns. Despite the fact that the poverty rate was decreasing (Diagram 10), the number of persons below the poverty threshold in the rural areas was over 335 thousand or about 80% of total poor in the Republic of Moldova. Largely, poverty in the rural area was determined by the lack of employment opportunities, as well as the high employment in agriculture (over 53.3% of active rural population), and the worst remunerated sector, which cannot ensure sufficient income for a decent standard of living.

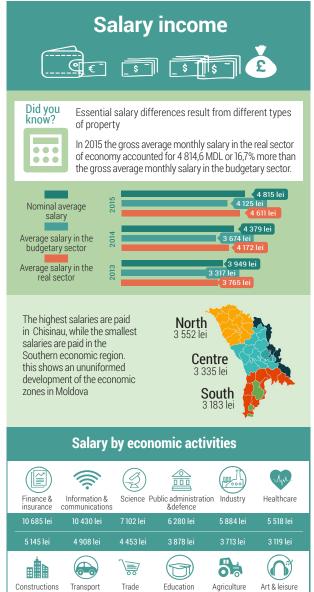
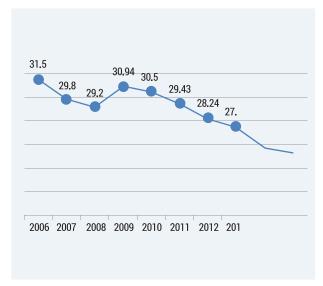
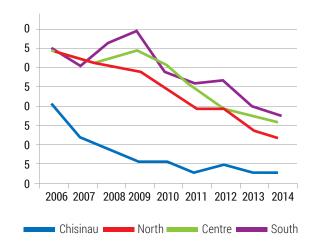


Diagram 9. Gini coefficient, 2006-2015



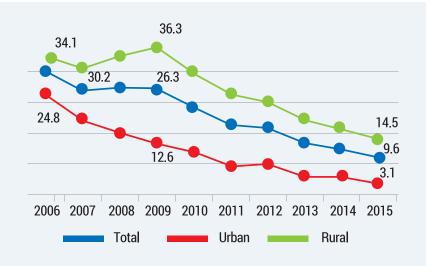
Source: Ministry of Economy. Informative Note. Poverty in the R. Moldova 2014, 2015 and NBS.

Diagram 10. Absolute poverty rate by statistic zones, (%)



Source: NBS. Informative Note. Poverty in the R. Moldova 2011; 2014.





Source: NBS. Informative Note. Poverty in the Republic of Moldova: 2011; 2014; 2015.

As a rule, the majority of persons employed in agriculture are practicing subsistence farming. And those employed based on labor contract in 2014 had an average monthly salary of MDL 2773.9 in agriculture or by 33.5% lower than the average in the country. On the other hand, in the rural area, the workers from non-agricultural sectors are affected less by the poverty risk. At the same time, being employed does not

protect from the poverty risk. About 25.5% of households managed by employees from agricultural sector and 6.8% households, however, managed by employees from non-agricultural sector are exposed to the poverty risk. Hence, the increase of employment rate in the rural area on the account of increasing employment in agriculture does not solve the poverty issue in villages.



#### Most vulnerable groups by income

The analysis of population's income reveals the groups that are mostly exposed to poverty, such as pensioners, and families with many members, especially children.

In 2015, the poverty rate in households managed by pensioners accounted for 14.6%, which is 1.3 times more than national average. The vulnerability of this category of persons is generated by small pensions as the main source of income in this group of population. In 2015, average monthly pension was about 17% smaller than the minimum existence level of pensioners and by 13.4% less than the absolute poverty threshold (Diagram 11). The analysis discovered that the employed elderly are less affected by the poverty risk than the persons dependent exclusively on pension.

The growing number of pensioners on the verge of poverty is due to labor force migration, especially of the young people (see Section on labor market), which reduces the State's capacity to bear the costs in the social insurance system owing to the decreasing number of taxpayers. On the other hand, the migration contributes through remittances to higher income for some households, at the same time, conditioning a sine qua non increase of income inequalities among households, especially in the rural area.

The poverty risks grow in households with many members, especially children. In 2014, the most vulnerable were the households consisting of five and more members. Their poverty rate was 1.7 times higher than the average per country. The poverty rate grows along with the number of children. Families with 3 and more children represent the most vulnerable category of population, which poverty rate accounted for 27.1%, or 2.9 times higher in the households with one child.

The poverty in the families with many children (9.9% in 2015)<sup>98</sup> is conditioned by the fact that most of these families, according to NBS data, reside in rural areas, where exist fewer chances to find work and to have a steady income. The income sources of the households with many children are smaller than the income of households with one child: MDL 1962.9 per month, for households with 1 child and MDL 1163.9 for households with 3 and more children<sup>99</sup>.

#### **GENDER INEQUALITIES IN**

#### SALARY PAYMENT

Following the same approach of the inequality of vulnerable groups, it is relevant to analyse the situation of salaries among women. The gender dimension in income inequalities is more complex and we will discuss it below, and the discrepancies on labor market will be analysed in the next Chapter.

The realities on labor market show that salary inequalities are circumscribed to the dynamic of the demand and offer interaction, especially in the demand for more qualified labor force that determine de facto the purchasing power of the employees. Considering more sources in the same field, we have identified three paradigms of the interaction. One is the gender perspective. The first paradigm supports interventions in life in the process of human capital formation, as investments in training, qualification and perfection, which form a differentiation in labor productivity, and hence, labor remuneration<sup>100</sup>. The second paradigm supports salary distribution under the form of income transfers determined by a wage bracket filled with incentives like bonuses for certain performance and labor intensity<sup>101</sup>. The third paradigm supports the reduction of salary discrepancy by gender, which represents a serious cause of decreased employment attraction for women and revision of some feminising occupations or economic activities<sup>102</sup>.

The last paradigm is used widely on the labor market of the Republic of Moldova, because there is an essential trend in increasing the number of women employed in feminised sectors of the national economy, such as healthcare, hotels and restaurants, and education (see Section on labor force market disparities).

Although many attempts were made to adjust the situation through government policies and legal instruments<sup>103</sup>, the registered progresses in gender

equality are still slow. In 2015 women were earning on average by 12% less than men or 87.6% of the average salary of men, which is MDL 543. Hence, the average salary of women was MDL 3831.7 and of men MDL 4374.9<sup>104</sup>. Gender salary disparities to the detriment of women were registered in 2015 in such sectors as information and communications (-23%), industry (-18.3%), arts, recreation and leisure activities (-15.1%) and other (Table 5). Also, there was a critical situation in 2014, when gender salary disparities existed in such sectors as financial and insurance activities (-27.6%) or administrative services (-20.8%) and other (Annex 2).

# Table 5 AVERAGE MONTHLY SALARY BY ECONOMIC ACTIVITY

Sector	Gros	s average monthly
_	Women	Men
Agriculture, forestry and fishing	2757,8	3089
Industry	4350,4	5316,9
Constructions	4003	4443,6
Retail and wholesale trade etc.	3677,1	4068,9
Transport and storage	4292,8	4277,9
Accommodation and public catering	2923,4	3283,6
Information and communications	7829,4	10800,6
Financial and insurance activities	6701,5	10937,5
Real estate transactions	3719,3	4222,8
Professional, scientific and technical activities	5732,3	6421,4
Administrative services and support activities	3702,1	3484,9
Public administration and defence, mandatory social insurance	5309	6067,6
Education	3812,1	3936,1
Healthcare and social assistance	4263,6	4926,7
Arts, recreational and leisure activities	2814,6	3322
Other activities in service provision sector	6080,9	5675,4

Source: NBS

<sup>100</sup> OECD. Employment outlook 1989. Chapter 2. Educational attainment of the labour force; https://www.oecd.org/els/emp/3888221.pdf

<sup>101</sup> Barth, Erling. Moene, Karl O Willumsen, Fredrik. The Scandinavian model—An interpretation. Journal of Public Economics 117, 2014. p 60–72; http://www.sv.uio.no/econ/english/research/publications/ articles/2014/files/the-scandinavian-model-an-interpretation.pdf

<sup>102</sup> World Bank. World Development Report 2012: Gender Equality and Development. Chapter 5. Gender differences in employment and why they matter; http://siteresources.worldbank.org/INTWDR2012/ Resources/7778105-129969968583/7786210-1315936222006/chapter-5.pdf

<sup>103</sup> Parliament Decision No. 415 of 24.10.2003 on the approval of National Human Rights Action Plan for 2004-2008. 28.11.2003 in Official Monitor No.235-238, art. No: 950.; 23; Government Decision No.288 of 15.03.2005 on the approval of Millennium Development Goals in the Republic of Moldova by 2015 and First National Report on Millennium Development Goals in the Republic of Moldova. 25.03.2005 in Official Monitor No. 46-50, art. No: 340; Law No.5-XVI of 09.02.2006, on ensuring equal opportunities for men and women. 24.03.2006 in Official Monitor No. 47-50, art. No: 200; Labour Code. No 154 of 28.03.2003. 29.07.2003 in Official Monitor No. 159-162, art. No: 648. Article 5. (e) — equal rights and salary possibilities.

<sup>104</sup> National Bureau of Statistics. Statistical profile of women and men in the Republic of Moldova. Press Release of 04.03.2016.



Analysed from gender perspective, the salary inequality is caused first of all by unequal career opportunities. According to NBS data, although women represented almost a half of the labor force of the country in 2015 (49.6% of active population), they were employed in fields with lower net remuneration<sup>105</sup>.

Women are more interested in salary activities and formal employment than men: 72% of total women are employed as employee (based on individual labor contract), while the same index for men is 62%<sup>106</sup>. At the same time, 3 out of 10 women have informal jobs (preponderantly in households), self-employed (37%) or non-remunerated domestic workers (72.3%). However, men are predominant in the category of self-employed (60.3%)<sup>107</sup>.

All these factors influence payment disparity between women and men. Also, men have higher share among managers at all levels, which have a considerable impact on remuneration disparity between women and men. Out of the total number of management positions, only 43% are held by women, and in case of managers of social-economic companies the gender differences are even higher: 26.9% women and 73.1% men<sup>108</sup>. Out of 10 women managers at all levels, 6 lead in private sector and 4 in public sector<sup>109</sup>.

Salary differences appear also because of the fact that it is natural that highly experienced persons or persons who perform highly qualified jobs are better paid. However, there are secondary causes, such as working hours. For instance, women work more hours than men, including in the household – 38.5% of 24h compared to 34.2% men<sup>110</sup> – and tend to interrupt their career when pregnant, and then raising children. Hence, an uninterrupted career is what promotes men more often than women in their career.

Gender-based salary discrepancy decreased by 1 p.p. in 2016 compared to 2015, which is not sufficient to encourage the financial autonomy of women<sup>111</sup>. We consider that the increasing or decreasing variable is rather a reaction to salary improvement depending on the activity field of women.

<sup>105</sup> National Bureau of Statistics. Women's economic and business profile. Chisinau, 2016; http://md.one.un.org/content/dam/unct/moldova/docs/pub/prof\_004\_econ\_ROM-2016\_new.pdfNational Bureau of Statistics. Statistical profile of women and men in the Republic of Moldova. Press Release of 04.03.2016.

<sup>106</sup> National Bureau of Statistics. Statistical picture of women and men in the Republic of Moldova. Press release 04.03.016

<sup>07</sup> Idem

<sup>108</sup> National Bureau of Statistics Women in decision-making process. Chisinau, 2016; http://md.one.un.org/content/dam/unct/moldova/docs/pub/prof\_009\_funct\_ROM-2016\_new.pdf

 $<sup>109 \ \</sup> National \ Bureau\ of\ Statistics.\ Women\ in\ decision-making\ process.\ Chisinau\ 2016;\ http://md.one.un.org/content/dam/unct/moldova/docs/pub/FemeilnProcesulDecizional\_v2.pdf$ 

<sup>110</sup> National Bureau of Statistics. How men and women manage their time in Moldova? Chişinău 2012; http://www.statistica.md/public/files/publicatii\_electronice/Utilizarea\_timpului\_RM/Infografice/Timp\_general.pdf

<sup>111</sup> Gender-based salary inequalities in Moldova. Center Partnership for Development Progen; http://www.progen.md/files/1353\_analiza\_paygap\_moldova.pdf

The share of women entrepreneurs (managers and co-owners of businesses) in the total number of entrepreneurs in Moldova accounts for 27.5% (2015). However, the number of men entrepreneurs is 2.6 times higher than the number of women<sup>112</sup>. In entrepreneurship women represent only a quarter of the number of managers of companies<sup>113</sup>.

According to Global Gender Parity Index, Moldova ranks 18 out of 145 states according to the economic participation rate of women and economic opportunities for women registering 0.797 (79.7% of 100%). Thus, the Republic of Moldova ranks two positions higher than Denmark, and 20 positions higher than Germany<sup>114</sup> and 32 positions in front of Romania, first place held by Norway (Table 6). These positive results are due to the support for women from entrepreneurship programmes implemented with the support of development partners<sup>115</sup>, and political measures in economy undertaken lately<sup>116</sup>.

Despite these positive indicators, social-economic realities in the country are still showing the existence of some bureaucratic and deprivation barriers that impose the social and economic inequality development among women. Along with the multitude of programmes and initiatives to encourage financial independence of women, the subjugated justice (favouritism) and high level of corruption still persist that maintain unequal opportunities in business development and access

Tabelul 6.

#### Coeficientul de participare economică și oportunități economice, 2015

Country/rank	Economic participation coefficient and economi opportunities				
Norway (1)	0.868				
Barbados (2)	0.848				
Sweden (4)	0.836				
Singapore (9)	0.814				
USA (6)	0.826				
Moldova (18)	0.797				
Germany (38)	0.737				
Ukraine (40)	0.731				
Russia (42)	0.731				
Romania (50)	0.708				
France (56)	0.699				

Source Global Gender Parity Index, 2015.

to finance<sup>117</sup>, as well as legislative gaps that do not impose the implementation of the equal remuneration principle for work of equal value<sup>118</sup>.

<sup>112</sup> Ministry of Economy. Women entrepreneurship: policies and incentives for development. Press release of 05/20/2015; http://www.mec.gov.md/ro/content/antreprenoriatul-feminin-politici-si-stimulente-pentru-dezvoltare

<sup>113</sup> National Bureau of Statistics. Women profile in economy and business. Chisinau, 2016; http://md.one.un.org/content/dam/unct/moldova/docs/pub/prof\_004\_econ\_ROM-2016\_new.pdf

 $<sup>114\ \</sup> The\ Global\ Gender\ Gap\ Index, World\ Economic\ Forum\ (WEF);\ http://www3.weforum.org/docs/GGGR2015/cover.pdf$ 

<sup>115</sup> Women in Business Program implemented by EBRD in the Eastern Partnership States. http://dcfta.md/ue-si-berd-sporesc-sprijinul-acordat-imm-urilor-si-femeilor-antreprenoare-din-tarile-partnereiatului-estic; Programme to attract remittances in economy (PARE1+1) http://odimm.md/menu-types/despre-program.html; Credit Guarantee Fund (FGC) http://finantare.gov.md/ro/content/fondul-de-garantare-creditelor; National Youth Economic Empowerment Programme (NYEEP) http://www.odimm.md/ro/instruiri/instruiri-pnaet.html, Economic Empowerment of Women by Increasing the Employment Opportunities in the Republic of Moldova, UN WOMEN; http://www.anofm.md/ru/node/300 etc.

<sup>116</sup> Chapter Priority VII Develop women entrepreneurship in the Republic of Moldova of the Strategy for Small and Medium Enterprise Sector Development 2012-2020, approved by Government Decision No. 685 of 13 September 2012; National Strategy for rural and agricultural development 2014-2020, approved by Government Decision No. 409 of 4 June 2014; establishment of Coordinating Council for Women Entrepreneurship Development in the Republic of Moldova by Order of the Minister of Economy No. 89 of 04.05.2015; Art 5 (h) regarding support to start businesses by women entrepreneurs in Law No. 139 of 15.06.2012 on State Support; Decision of the Council for Competitiveness no. 7 of 30.08.2013 on the approval of the Regulation on providing support to start-ups of women entrepreneurs.

<sup>117</sup> Jurnal TV. Reporting Sep 3, 2014. Global Competitiveness Report developed in partnership with specialists from the Academy of Economic Studies in Moldova; https://www.youtube.com/watch?v=Ul0y6zl0vTQ

<sup>118</sup> Non-observance of this principle is considered a discriminating action of the employer according to Law no. 5/2006 (article 11) and Law on ensuring equality No. 121 of 25 May 2012 (article 7 para. (2) let. d) in lonescu, lustina. Macrinic, Sorina. Principle of equal payment for equal work or work of equal value in the Republic of Moldova. Legislative analysis. Soros Moldova; http://www.soros.md/files/publications/documents/Analiza%20 Plati%20Egale.pdf

#### **BUSINESS CLIMATE REFORM**

As a continuation of the idea from the previous section regarding bureaucratic and deprivation barriers in starting a business, it is important to emphasise that a good portion of Moldovan economy is monopolised, and the independent players on the market are gradually eliminated from different sectors, while the consumers are constrained to pay high prices for low quality products, which affect directly their income.

Economy monopolization is characterised by a low economic efficiency, a lack of investment and implicitly, and new jobs in the market. Thus, according to the Index of Economic Freedom, in 2015 Moldova ranked 111 of 180 countries, accumulating only 57.5 points out of 100<sup>119</sup>, where the highest economic freedom gets 100 points, which means that private property is guaranteed by the Government. The justice system imposes contracts in an efficient and rapid manner, and punishes those who confiscate private property illegally. Especially there is no corruption or expropriation action. Countries that accumulated a score between 50 – 59.9, like the Republic of Moldova, are considered mostly economically not free, because enforcing the rights of ownership is lax and subject to delays. Corruption is possible, and the judiciary system can be influenced by other leverages of the governance. Expropriation is less probable<sup>120</sup>.

According to this result, it is observed that Moldova has improved its ranking in the field of freedom of investment, control over government expenditures and tax freedoms. But it regressed in monetary freedom, labor freedom, trade and businesses. Such classification allows us to understand that there are still bureaucratic and corruption barriers so the entrepreneurs are not free to start new businesses, and the customs duties are high, which impede free developments of trade and entrepreneurship.

According to the Index of Economic Freedom classification 2015, Moldova ranks under regional and global average level, as an economy 'preponderantly not free, where the rule of law is not firmly institutionalised and where the judiciary is vulnerable to political interferences and corruption". As consequences of favouritism and macroeconomic barriers, the national

economy is vulnerable and has a low competitiveness. At microeconomic level, it is reflected through the concentration of wealth in the hands of few people, while about 10% of the population oscillate at the absolute poverty threshold<sup>121</sup>.

The evolution of the economy of the Republic of Moldova in international rankings shows a latent development year by year. It qualifies the speed of business climate reforms as low<sup>122</sup>. Altogether, the recent increase of the number of employees in companies from 46.7 thousand persons (2010) to 51.2 thousand persons (2015) has not determined an increase of the number of jobs. Hence, the number of employees in companies registered a constant decrease by -3%, from 526.2 thousand persons (2010) to 510.3 thousand persons (2015)<sup>123</sup>, of which the SMEs accounted for 58.8% (2010), and assimilated 55.1% of total employees in 2015<sup>124</sup>.

If the interaction between an entrepreneur and a state institution is based, first of all, on bribery (something discovered by the Index of Economic Freedom), the first consequence of this phenomenon is the preferential treatment, the favouritism. The state institutions apply legal provisions differently and selectively in different cases, depending on the entrepreneur who has to benefit from one service over another. The consequences of this phenomenon is spread across the entire economy, severely affecting the competitiveness position of some entrepreneurs, distorting the market and stimulating the concentration of economic power and monopoly. Inevitably, the social effect of this phenomenon is the reduction of a number of jobs and incapacity of some entrepreneurs to create new jobs.

The practice on non-transparent and abusive inspections (controls) on behalf of the state with only one final goal – bribery – is a relevant index. Often it is seen as an open harassment of entrepreneurs who instead of focusing on business development, spend their time in abusive inspections. The differentiated and non-transparent treatment is spreading from inspections to duties of state bodies authorised to supervise and inspect<sup>125</sup>.

 $<sup>119\ \ 2015\</sup> Index\ of\ Economic\ Freedom, The\ Heritage\ Foundation; http://www.heritage.org/index/pdf/2015/book/index\_2015.pdf$ 

<sup>120</sup> The Index of Economic Freedom. Methodology; http://www.heritage.org/index/pdf/2016/book/methodology.pdf

<sup>121</sup> Vremiş, Maria. Craievschi-Toartă, Viorica. Rojco, Anatolii. Cheianu-Andrei, Diana. Social exclusion approaches in the Republic of Moldova. Methodological and analytical aspects. UNDP. UNIFEM. Chisinau, 2010.

<sup>122</sup> Funke, Norbert. Schindler, Martin. Structural reform and growth. Joint Vienna Institute. April 2015; http://imf.md/press/Moldova%20April%2028-%20alumni%20pres-final.pdf

<sup>123</sup> National Bureau of Statistics. Activity of small and medium enterprises in the Republic of Moldova in 2015. Press release of 30/06/2016.

<sup>124</sup> National Bureau of Statistics. Activity of small and medium enterprises in the Republic of Moldova in 2014. Press release of 29.06.2015

The fact that the entrepreneurs or citizens are treated differently for the same service is a huge disadvantage for competitors, leading to a situation when small and unprivileged actors are excluded one by one. The red-tape and administrative barriers affect small actors on the market and protect monopolies to increase even more their dominant positions<sup>126</sup>. While the causes of this situation are different (from corruption, bribery and extortion to unclear procedures or over-regulation, and sometimes incompetence of officials), the consequences of these practices are really dramatic.

At the moment, the bulk of economic growth in Moldova is identified by a reduced number of companies, including with foreign capital<sup>127</sup>. Since the growth dis-

tribution is uneven, the small and medium companies are under-represented in the economy. Despite the fact that the SMEs account for 97% of the total number of companies registered in Moldova and generate 1/3 of GDP<sup>128</sup>, they are, however, disadvantaged and non-represented (twice less than the average in the states of the European Union).

In conclusion, the unfair treatment and unequal opportunities contribute permanently to the increase of population income gap, with obvious social and economic consequences. The Republic of Moldova needs coherent policies that would support the development of the SMEs sector, which in turn, would create jobs and distribute equally the economic growth in the national economy.

<sup>126</sup> See: National Confederation of Patronages of the Republic of Moldova. Major constraints in business environment in Moldova, Chisinau, 2013 and Grushevsky, Alexander. Vulpe, Dan. Internal barrier in fresh vegetable and fruit export from the Republic of Moldova. UNDP, Chisinau 2013.

<sup>127</sup> See the ranking of the best companies to work for developed by Axa Management consulting; http://www.axa.md/; and PricewaterhouseCoopers, Investing Guide Moldova 2014; https://www.pwc.com/md/en/publications/assets/moldova-business-guide-2014.pdf and PricewaterhouseCoopers, MIEPO. Investing Guide Moldova 2016, http://miepo.md/sites/default/files/moldova-business-guide-2016.pdf

<sup>128</sup> National Bureau of Statistics. Activity of small and medium enterprises in the Republic of Moldova in 2015. Press release of 30/06/2016.

HOW DOES MIGRATION
INFLUENCE THE DEMOGRAPHIC
STRUCTURE OF THE SOCIETY
AND POPULATION'S REVENUES?

WHAT INEQUALITIES EXIST IN THE ACCESS TO SERVICES?

#### LABOR MARKET **EDUCATION** HEALTH **SERVICES** DECENT WORK AND ECONOMIC GROWTH QUALITY EDUCATION GOOD HEALTH AND WELL-BEING **CLEAN WATER** AND SANITATION **SDG** 4.3.1 Youth and adult **8.3.1** 1 Proportion of **3.7.2** Adolescent birth **6.1.1** Proportion of informal employment in participation rate in rate (aged 10-14 years; population using safely non-agriculture employlife-long formal and aged 15-19 years) per managed drinking ment, by sex - 12,6% non-formal education, 1,000 women in that water services - 51,5 total, 18,6% man, 7,4% by sex (over the past 12 **NATIONAL** age group, by location woman (2015) months) - 31,0 -27,91**INDICATOR 8.6.1** Proportion of **3.8.1.1** Proportion of **4.5.1.1** Gender parity **6.2.1** Proportion of youth (aged 15-24 index and levels of edprivate expenditure population using safely years) not in educaucation - 0,99 primary, (households) for managed sanitation tion, employment or 0,99 lower secondary, health, % - 4,3 services - 28,2 training - 40,5 (2015) 1,0 higher secondary, 1,4 tertiary (2015)

**Source:** updated data according to the report Nationalization of Indicators for Sustainable Development Goals, Results of consultations on adjusting the indicators for assessing and monitoring the 2030 Agenda for Sustainable Development to the context of the Republic of Moldova, Expert-grup/UNDP, with the support of UN Country Team, including UNFPA, UNICEF, ILO and UN Women

#### CHAPTER 3.

#### **SOCIAL INEQUALITIES**

The expanding phenomenon of population migration and ageing in the last ten years, irrespective of forms and factors, continues to have a significant impact on human development. The migration flows, by their quantitative and qualitative structure, influence both demographic structure of the society, contributing to the appearance of spatial disparities, and the standard of living of the population having less beneficial impact on the labor market, and respectively, on the income of households and on social insurance system.

This Chapter tries to identify demographic and occupational social inequalities as a result of external and internal migrations, as well as its relation to economic inequalities.

The Chapter seeks to establish the circumstances and conditions to achieve Sustainable Development Goals in healthcare, access to water and hygiene of population, access to quality education, ensuring jobs and decent working conditions, and access to energy at affordable prices.

## **ESSENCE** AND **DRIVERS** OF SOCIAL INEQUALITIES

The essence of social inequalities refers to the social class, gender, age, occupation, etc., all starting from the unequal distribution of *resources* as power, wealth, and *opportunities* as access to education, health, work and justice. Also, social inequalities underline such phenomena as marginalisation and social exclusion and operate with terms that refer to disadvantaged, marginalised, socially excluded, and vulnerable persons<sup>129</sup>, including vulnerable consumers<sup>130</sup>.

Social inequalities lead to social stratification that reflects the manner in which the society is hierarchically structured (strata depending on power, property, prestige, wealth, up to the poorest and helpless)<sup>131</sup>. This social hierarchy takes the form of a pyramid, where layers/strata are classified unequally: every layer is stronger than the one below.

The most privileged group forms the superior strata, and, on the other hand, the most marginalised founds the inferior.

- 1. Social stratification is considered as an essential in approaching social inequalities, as a preliminary condition for social development to survive<sup>132</sup>. This approach refers to classic functional theory of social inequalities that is based on three general principles<sup>133</sup>.
- 2. All societies have different social statuses, which receive different types of compensation in the form of property, power and prestige.
- 3. Individuals with different types of talent should be encouraged to assume different social functions and to perform.

<sup>129</sup> More here: Maria Vremis, and others. Op. cit.; http://www.statistica.md/public/files/publicatii\_electronice/Excluziune\_soc/Excluziune\_soc\_ROM.pdf

<sup>130</sup> European Commission. Understanding consumer vulnerability. Factsheet. February 2016; http://ec.europa.eu/consumers/consumer\_evidence/market\_studies/docs/consumer\_vulnerability-factsheet\_web\_final\_en.pdf

<sup>131</sup> Bottero, Wendy. Stratification: Social Division and Inequality. Psychology Press, 2005, p. 11.

<sup>132</sup> Kingsley, Davis. Wilbert, E. Moore. 1945. Some Principles of Stratification. American Sociological Review, Vol.10. Nr.2, 1944, pp. 242-249; http://web.stanford.edu/group/scspi/\_media/pdf/Reference%20Media/Kingsley\_Moore\_Theory.pdf

<sup>133</sup> Radulet (Pavelea), Ani. Social stratification. Transylvanian Communication Science Magazine, 3(14)/2011, pp. 93-104.

To have a match between talented individuals and corresponding social roles, all societies should provide the individuals with incentives, such as property, power and prestige; incentives directly proportional to competence requirements and functional importance of the positions to be held. According to this theory, it is obvious that the economic independence of individuals and creation of their wealth based on incentives contribute to the knowledge and level of education. Equitable distribution of income and investment among people create the material and socio-cultural framework of life expectancy of people, so the longevity or the capacity of the population to live a longer and healthier life is a fundamental feature of human development<sup>134</sup>.

However, it should be mentioned that members of different social groups have different background, because, depending on their social origin and wealth, their conditions are different in enhancing capacities, wisdom and talents that have an effect on income<sup>135</sup>. Despite this phenomenon, we consider that a society has to guarantee equal opportunities to all individuals through public policies and legal instruments so the social inequalities are manifested only through distribution of performance-based rewards.

Based on equal opportunities, the rewards and income of individuals are differentiated only from the perspective of obtained performances in an open competition. It is up to everyone to apply these equal opportunities to study, to obtain results and performances. Obviously, equal opportunities are the essential factor in reducing social inequalities.

But marginalisation and social exclusion deepen social discrepancies and generate prerequisites for stereotypes, prejudice and erroneous perceptions in the society<sup>136</sup>. The presence of these stereotypes and prejudice requires efforts to prevent stigmatization and discrimination of persons based on their ethnic group, religion, language, sexual orientation, etc. through equal opportunities in accessing education and labor market. This is a necessary thing, first of all, to provide every child and adult with equal opportunities to the knowl-

edge and the capacity building, which can eventually ensure an economic independence and a better social status. Secondly, we consider that this decreases in the social distance among individuals, including the distance between their financial possibilities and capitalisation of goods and services in the society.

Exclusion appears at all levels of social hierarchy<sup>137</sup>.

Access to quality education is a historical driver of social mobility of individuals on hierarchical scale<sup>138</sup>. But the quality of education programmes for all does not ensure an economic independence of individuals, if people have no equal access to the labor market, which is another driver of decreasing social inequalities. Ensuring equal chances of access to labor market is an animated and comprehensive discussion regarding reduction of gender discrimination, ensuring equity, adjusting the skills to labor market needs, ensuring flexible labor contracts and career promotion to ensure new jobs and various employment, increasing the mobility and exchange of experience, and facilitating the balance between the professional and personal life etc.

Both equal access to quality education and training based on the society's needs, and the promotion of inclusion for underrepresented groups on the labor market contribute to poverty reduction amongst the population <sup>139</sup>. But the poverty among the population is not caused by unequal opportunities <sup>140</sup>, but by two essential factors: a *lack of jobs as well as salaries below the poverty threshold*.

These two essential *push factors* serve as catalysts of labor force migration in the last ten years and modifications of demographic structure of the society. At the same time, it should be mentioned that the migration is highly influenced by *pull factors*, such as economic development in countries of destination, development opportunities, manifestation, enhancement of capacities, economic, social and political security, etc. In this context, it is important to present a reflection on inequalities, depending on migration and demographic processes.

<sup>134</sup> Bunea, Carmen. Sustainable human development management and determined indicators. Academy of Economic Studies from Bucuresti. http://www.managementmarketing.ro/pdf/articole/65.pdf

<sup>135</sup> See: Woolcock, Michael. The Place of Social Capital in Understanding Social and Economic Outcomes. OECD; http://www.oecd.org/innovation/research/1824913.pdf

<sup>136</sup> Bernt, Matthias. Colini, Laura. Op cit.

<sup>137</sup> Vougiouka, Anna. Social exclusion and inclusion. \*Development of educational programme and support material for specialists in social inclusion - Module 2. 2011. p. 18; http://posdru.afiprofamilia.ro/

<sup>138</sup> Dabla-Norris, Era. Kochhar, Kalpana. Suphaphiphat, Nujin. Ricka, Frantisek. Tsounta, Evridiki. Causes and Consequences of Income Inequality. A Global Perspective. IMF. June 2015. SDN/15/13;. https://www.imf.org/external/pubs/ft/sqn/2015/sqn/15/13 and f

<sup>139</sup> Messmore, Ryan. Justice, Inequality, and the Poor. National Affairs. Nr.10, 2012.pp.108-120; http://www.nationalaffairs.com/publications/detail/justice-inequality-and-the-poor

<sup>140</sup> Amy, Douglas. Equal Opportunity Won't Reduce Poverty. The Huffington Post. 04.11.2014; http://www.huffingtonpost.com/douglas-j-amy/equal-opportunity-wont-reduce-poverty\_b\_4755771.html

#### DISPARITIES CAUSED BY MIGRATION FLOWS

The migration phenomenon has an essential impact on human development and the functionality of national economy. The migration has registered an amplified evolution of many factors in the last decades. Most studies in the field emphasise that over 70% of economic factors that determine migration referring to the income of population are a consequence of the lack of jobs, as well as reduced opportunities to improve the professional or social status. Hence, the fundamental determination is *poverty*.<sup>141</sup> The estimation of full and objective volume of population's migration is difficult because of Transnistrian segment border crossing, which is not controlled by the authorities of the Republic of Moldova, and dual citizenship of migrants, including the introduction of electronic customs records in 2007-2008. However, the estimated number of Moldovan citizens residing abroad, according to data provided by the diplomatic missions and consulates of the Republic of Moldova in host countries, accounted to about 984 thousands in 2014<sup>142</sup>. About 23.6% of the young people of 15-24 years in the rural area already work abroad<sup>143</sup>. The number of Moldovan emigrants may be estimated only approximately based on the data in the countries of destination, data provided by the MFAEI, NBS, Border Control, independent studies, risking, thus, to underestimate or overestimate the number of emigrants from Moldova<sup>144</sup>.

Despite the stabilisation through different political and legal instruments, the migration continues to influence the national economy and demographic structure of the republic. The migration of specialists and intellectuals, or so-called brain drain, has created a substantial deficit of highly qualified employees on the local labor market, which has decreased the economic performances in the last two decades. Respectively, the migration of qualified labor force has provoked the growth of the share of less qualified labor force (Annex 3), which in turn resulted in the reorganisation of professions on the market. Although migration has generated essential modifications both on the labor market and demographic structure of the society (the thesis is analysed further in this Chapter), we should not neglect the fact that the poverty and the lack of steady income in households have provoked this phenomenon two decades ago.

The migration impact analysis on the income of households and economy in general is based largely on the analysis of financial flows originating from the migration. Currently, Moldovan emigrants transfer more than USD 1.6 billion every year. Incontestably, the number of emigrants in the total population, volume of remittances and their share in GDP are important economic variables for the development of economic and social policies, including in estimating the development level of the republic. As a poor country, remittances are a source of significant income for most of the population of Moldova, especially those from the rural area. After the decrease registered in 2009, the remittances accounted for about 20-26% of GDP, after Tajikistan and Kyrgyzstan, the Republic of Moldova as a country with the highest dependency on remittances in the region 145.

Since the remittances are transferred through different channels, both official and unofficial, these are difficult to monitor. However, the remittances represent one of the largest share of the income of the population, representing a source in escaping poverty. At the same time, remittances create discrepancies in the income structure of households, especially between those who benefit from remittances and those who do not.

Overall, about one quarter of the population has benefited from remittances. Remittances have helped many households to overcome poverty and increased their wealth, but not all families have benefited equally from this lifebelt. About 25% of households with migrants cannot count on the benefit of remittances<sup>146</sup>. Along the same line, one of the unwanted effects of remittances is increasing income inequalities between families with and without migrants, a situation that produces often a social differentiation in the society. The social differentiation becomes more visible through a wide range of expenditures, access to goods and services compared to other households with modest income and those that do not benefit from remittances.

In the Republic of Moldova, remittances are rather directed to private consumption and family support (spouse, children, and old parents) than to income generating investments<sup>147</sup>. To generate investments, special instruments are necessary to attract the 'savings' of migrants, which already represent a highly competitive market influenced by opportunities from overseas and risks in the Republic of Moldova.

Migration contributes to the creation of gender discrepancies. Having examined many sources in this field, we

<sup>141</sup> International Organisation for Migration. Extended migration profile of the Republic of Moldova. 2013. p.162; http://www.iom.md/attachments/110\_raportpmero.pdf

<sup>142</sup> Ministry of Internal Affairs of the Republic of Moldova. Bureau for Migration and Asylum. Extended migration profile of the Republic of Moldova 2009-2014. Analytical report, Chisinau, 2015, p. 82; http://www.mai.gov.md/sites/default/files/document/attachments/raportul-analitic-pme\_2009-2014\_23.12.2015.pdf

<sup>143</sup> World Bank. Poverty Assessment in the Republic of Moldova 2016. Poverty reduction and partial prosperity in Moldova: Progresses and perspectives. Report No. 105722-MD. May 2016. p. 20; http://documents.worldbank.org/curated/en/715861467989513808/pdf/105722-WP-P151472-PUBLIC-ROMANIAN-Moldova-Poverty-Assessment-2016.pdf

<sup>144</sup> World Bank, MIRPAL; CIVIS. IASCI, Op.cit, Chisinau 2010, and Zwager, Nicolaas. Sintov, Ruslan. Innovation in circular migration. Migration and development in Moldova, Nexus-IASCIS, October Chisinau, 2014; http://nexus-net.md/pic/uploaded/IASCI\_CIVIS\_Market\_Analysis\_Driving\_Innovation\_in\_circular\_migration.pdf

<sup>145</sup> Poverty Assessment in the Republic of Moldova 2016. Poverty reduction and partial prosperity in Moldova: Progresses and perspectives. Report of the World Bank Group, Report No. 105722-MD. May 2016. p. 20; http://documents.worldbank.org/curated/en/715861467989513808/pdf/105722-WP-P151472-PUBLIC-ROMANIAN-Moldova-Poverty-Assessment-2016.pdf

<sup>146</sup> World Bank. Op.cit. Report No. 105722-MD. Mai 2016.

<sup>147</sup> Mislitcaia, Irina. Remittances for the Republic of Moldova: a Way to Survive or a Chance to Succeed? Kyiv School of Economics. 2009; http://www.kse.org.ua/uploads/file/Remittances%20for%20the%20Republic%20of%20 Moldova.pdf

can conclude that based on gender dimension, women are less tempted to emigrate (14.5%) than men (25.4%), and if they do it, they do it for employment (6.8%), compared to 16.8% men (2013)<sup>148</sup> Hence, under gender dimension, the emigrating labor force, as the official data show, has a masculine tendency accounting for 65% men and 35% women in 2015 in the republic.<sup>149</sup> This gender distribution underlines de facto the demand for labor in the sectors preponderantly dominated by men, such as constructions, forestry, petrol, agriculture, and transportation from Russia, Israel, Norway, Portugal etc., while the women are attracted mostly by the service sector in Italy, Spain, Greece, etc.

In the light of extended external migration, permanent or temporary relocation abroad or repatriation of own

citizens registers a negative migration balance, assuming that the number of people who left permanently or temporary exceeds the number of persons who entered the Republic of Moldova for the same purposes.<sup>150</sup> This is how the discrepancy in migration circuit appears, where the number of emigrants is larger than that of the persons who returned. According to data of the Bureau for Migration and Asylum, in 2015 the migration balance in the Republic of Moldova accounted for 0.56%, having a slower growing rate compared to the previous years. Because the emigration data is only the official ones from the State Registry of Population (those who declared the cancelation of residency because they moved overseas for permanent stay) and does not reflect the entire volume of emigrants. The graphic below shows a negative balance (Diagram 12).

At the same time, the returners start a business, buying property or investing in own households. The official data show that many migrants and their relatives benefit from consultancy in starting businesses locally<sup>151</sup>, innovation project development<sup>152</sup> etc.

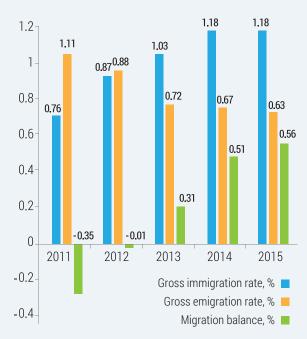
In a more extended dimension, the return of immigrants with capital from remittances and their attempt to enter the national economy by starting small businesses, create real prerequisites in wealth and income inequalities between those who returned with and without capital. The respective phenomenon is slightly visible and difficult to estimate, but in the future we should analyse the impact of migration on the characteristics and forms of ownership (private/public, agricultural and non-agricultural) where the returned immigrants activate. It will provide an analysis of income structure of returned immigrants by their occupational status and form of ownership, etc.

At the same time, it should be mentioned that although the policies on diaspora and migration, especially those to support the returned immigrants in entrepreneurship development, registers quantitative results nationwide, these still do not foresee measures for financial incentives for those people with very small capital, so they are not disadvantaged by those with bigger and very big capital.

It is clear that all institutional constraints such as excessive bureaucracy, excessive taxes, and endemic corruption do not increase the chances for entrepreneurship development at local level and do not contribute to the increase of the number of immigrant entrepreneurs (see Section about unequal economic opportunities).

In this context, the importance of directing remittances of immigrants to local development should be emphasised<sup>153</sup>. Even if the remittances are 'expenditures with well-defined goal' (compensation for consumption shortcomings and services), the sum of money can also be

Diagram 12. *Migration Balance, 2011-2015* 



Source: Bureau for Migration and Asylum.

seen from another angle – as savings of migrants that can be transformed in investments. In this regard, financial education and banking and financial services are important, as well as the assimilation of best practices to manage the household budgets. These awareness and capacity building measures represent real prerequisites that contribute gradually to poverty reduction in rural households. Coherent information of returned immigrants about real opportunities to start a business, as well as having general management skills reduces the risks of unwanted losses and exposures to poverty.

<sup>148</sup> Sinţov, Ruslan. Cojocaru, Natalia. Assessing the relation between education, training and migration of labour force in the Republic of Moldova. International Labour Organisation 2013, p. 24; http://www.ilo.org/wcmsp5/groups/public/—europe/—ro-geneva/—sro-budapest/documents/publication/wcms\_244724.pdf

<sup>149</sup> National Bureau of Statistics. Labour Force; http://www.statistica.md/category.php?l=ro&idc=107

<sup>150</sup> Government Decision on the approval of the National Strategy on Immigration and Asylum (2011-2020) no. 655 din 08.09.2011, Official Monitor.152-155/726 din 16.09.2011.

<sup>151</sup> Ministry of Economy. About MDL 200 million were invested through Programme PARE 1+1 in 313 businesses of returned Moldovan migrants. Press release. 02/18/2014; http://www.mec.gov.md/ro/content/circa-200-mil-lei-aufost-investiti-prin-programul-pare-11-313-afaceri-ale-migrantilor

<sup>152</sup> Centres SYSLAB for Innovative career development; http://www.syslab.md/instruiri/

<sup>153</sup> Note: State Chancellery 25 places in the Republic of Moldova will benefit from assistance within Migration and Local Development Project Press Release. 13/11/2015.

#### Internal mobility of population

Internal migration creates territorial discrepancies between localities involved and not involved in the process. As a rule, the localities involved in internal mobility are agricultural or agro-industrial localities, with opportunities to employ persons with different levels of training, with access to public services, including functional infrastructure units. These localities, due to internal labor force migration flow, have a higher potential for economic growth and can attract new investments. At the same time, the localities with low infrastructure and that lack jobs have very little chances to grow economically and are facing dramatically the population ageing process.

If we analyse the profile of persons who migrate internally, we found that these are the active persons with an 89% share, predominantly aged between 20 and 49 years. The 2015 arrival/departure flow by gender accounted for 57% women and 43% men, respectively. About 2/3 of total number of population that changed the residence in 2015 were in the rural area. <sup>154</sup> At the same time, we would like to note the fact that many

citizens change their residences without making official records of changed residences, that is why we admit that these data do not reflect fully the internal migration process.

Since rural life lacks access to a functional infrastructure, it becomes unattractive for the young and active population. The causes for population's relocation in cities and municipalities are economic and namely, poverty, lacking jobs, undeveloped infrastructure, bad remuneration of employees, weak evolution of local budgets, etc. The internal migrants change their residences due to increased productivity and consumption of goods of services. Thus, the localities they leave behind lose human resources. About 2/3 of the total number of population that changes the residence are from rural areas; the mobility index varies year by year between 9 – 13 persons/thousands who leave the rural areas. The number of residents in villages decreases annually the paradigm of the population of the republic (57.5% in 2015). Statistic evaluations show that the share of rural population has decreased by 0.9% in the last 5 years, compared to 1.3% - ten years ago<sup>155</sup>.

Table 7.

Urbanization level reported to the number of urban versus rural population

YEARS	2011	2012	2013	2014	2015
Total number of rural population, thousands	2078,7	2073,8	2067,3	2054,6	2047,9
Total number of urban population, thousands	1481,7	1485,8	1492,2	1503,0	1507,3
Urbanization rate, %	41,62	41,74	41,92	42,24	42,40

Source: NBS.

The internal migration has a significant impact on the urbanisation degree of the country (Table 7). Although the internal mobility to urban areas is significant, Moldova still has a reduced urbanization profile, accounting for 42.4% (2015), as a preponderantly rural country.

The decrease of population in Moldova takes place especially due to loss of residents from rural areas, who migrate overseas, although the greatest share of population is still concentrated in rural areas<sup>156</sup>. The

population in urban area grows in parallel as a consequence of massive concentration of labor, affected at the same time by external migration, which leads to increased special discrepancies.

We would like to present an approach of social risks from the perspective of demographic processes that take place in the society as a result of labor force migration and population ageing, as well as an analysis of these phenomena based on social inequalities.

<sup>154</sup> National Bureau of Statistics. Demographic situation in the Republic of Moldova in 2015. Press release 03/06/2016; http://www.statistica.md/newsview.php?l=ro&idc=168&id=5225

<sup>155</sup> Idem. Number of stable population in the Republic of Moldova as of 1 January 2016, in territorial profile, per regions, genders, and age groups. Press releases 07/04/2016; http://www.statistica.md/newsview.php?l=ro&id-c=168&id=5156

<sup>156</sup> Simion Chiocină. Moldova loses its people. DW. Din 07.08.2015; http://www.dw.com/ro/moldova-r%C4%83m%C3%A2ne-f%C4%83r%C4%83-oameni/a-18633585

## INEQUALITIES DUE TO **DEMOGRAPHIC CHANGES**

The causes for social inequalities previously analysed have different origin and content. They lead to society stratification, crystallised social strata, where the transit from one stratum to another is normal because the social differences are not an established phenomenon. They have the capacity to continuously change depending on a number of social-demographic, educational, economic, political, cultural factors, etc. Within social stratification, some strata have an imposing volume of money, wealth, and power, the other are poor and marginalised. Social inequalities are stringent when certain social groups are deprived of rights or are limited in accessing goods and services for living conditions. Social inequalities bring out the risk of changes in society's structure, and migration is a repulsion of social inequalities and a decisive factor of changes in the demographic structure of the society.

According to previous Chapter, social-economic conditions are often the reason of internal mobility of the active population, which causes a uniform spreading of the population in the territorial profile in general, and leads to the development of special inequalities.

**Spatial (regional) inequalities.** A territorial profile analysis shows that the republic is composed of 65 urban and 1549 rural localities. The rural population is dispersed on 92.3% of the territory. The largest portion of the population is concentrated in the Central Region of Moldova (including Chisinau municipality), which is populated by 50% of the total number of residents on 34% of territory. As a result, territorial profile realities attest the existence of some spatial density discrepancies. Thus, in the rural area, the average density is 68.6 persons per km<sup>2</sup>, and in the central region of the country is 85 persons per km<sup>2</sup> 157. More than 15% of total population resides in the South region of the country. Maximum density in the country is 1380 persons per km<sup>2</sup> and is registered in Chisinau municipality, which is 10 times more compared to national average. Up to 5% of the total population of Moldova reside in ATU Gagauzia. The residents of Chisinau municipality represent one fifth (20%) of the population of the country with more than half (50%) of its urban population.<sup>158</sup> Together with Balti municipality, two regions account for about 60% of the urban population of the country, while 40% of the urban population resides in the other 63 cities.

Also, there are demographic discrepancies between cities. Chisinau City exceeds demographically 4 times than the smaller cities of the country (Balti, Tighina, Tiraspol and Cahul), and 40 times than the towns. The numeric disproportion between the biggest cities (Chisinau, 674,500 residents) and the smallest town (Slobozia – 14,600 residents) is over 60 times.

At the same time, territorial distribution of rural localities is not uniform. According to the official data of the NBS, the rural population accounts for 2,042,005 persons, the majority of 57.4% in medium and small villages with over 2,000 residents, while 26.9% reside in medium villages with 1,000-2,000 persons. The small villages with 500-1,000 residents account for 15% of rural population and only 4.6% reside in villages with a population under 500 residents<sup>159</sup>.

Social inequalities and discrepancies as a result of demographic ageing. Internal and external migration as special mobility of the population affect the demographic structure of the society. In the recent years, the demographic evolution in the country shows slight increase of life expectancy (71.5 years), decreased fertility (1.24 – 1.30 births per woman) and an increased mortality (by 1.0% compared to 2014) on the background of dramatic decrease of population<sup>160</sup>. At the same time, the decrease of the number of young population due to an increase of the share of older persons (60 +) emphasises the demographic ageing. As of 1 January 2015, there is a reduced share of children (0-14 years) from 23.8% to 16.0% (-298.2 thousand persons) compared to 1 January 2000, and an increased share of old people (65+ years) from 9.4% to 10.7% (+39.3 thousand persons). Based on these considerations, it is very important to make an analysis of demographic changes compared to social inequalities that can be transferred to next generations.

Hence, the demographic processes and social inequalities ratio are imperative when the processes show an increase of ageing population and a growing immigration rate of the young population. These processes are real challenges for the country regarding sustainable economic growth. For instance, the decreasing birth rate is explained by the decreased total number of feminine fertile age population, as a consequence of migration or modification of the system of values in the society, focusing

<sup>157</sup> More here: Mâtcu, Matei, Hachi, Mihai. Rural population of the Republic of Moldova: Geodemographic studies, ASEM, Chisinau, 2008.

<sup>158</sup> Government Decision No. 768 of 12.10.2011 on the approval of the National Strategic Programme in the field of demographic security of the Republic of Moldova (2011-2025)

<sup>159</sup> National Bureau of Statistics. Demographic situation in the Republic of Moldova in 2015

<sup>160</sup> Ibiden

more on building own life and professional career. Respectively, the described changes are based on significant gap between the levels of births in the two residential environments.

According to the official NBS data (2015)<sup>162</sup>, the demographic situation in the country shows a very low birth rate in urban localities (9.0%) compared to rural areas (12.3%). The gap between the birth rates in two residential areas is explained by the age structure difference of population as a result of young labor force migration in the last two decades, including by reducing the share of fertile feminine population, training and employment of women and internal migration in two areas. Hence, an important role in balancing this gap is the share of fertile feminine population (15-49 years). There has been registered a decrease of the number of fertile feminine population by 4.2% in urban area and 4.5% in rural area respectively, in the last years (2010-2015). In this context, it should be mentioned that mothers from rural area give birth earlier (24.0 years) than mothers in urban area (26.5 years), while the average age of the mothers at the first birth is 24.9 years (2015) compared to 26.7 (2010). These indicators show a change of paradigm of family values as a cell of society and are focusing on the attention of women on individual approach to life and social relations. Economic and social relations have their effects on the evolution of fertility rate reduction.

The birth rate in rural localities is higher than in urban areas. An argument is because the traditions and cultural values regarding marriage and children are preserved in rural localities. Although the situation of Moldovan village is dramatic, the rural population is united as a community of patriarchal traditions, family roles and stereotypes that are reflected inclusively on the specific lifestyle of women in villages, where the essence of perpetuation is giving birth to children, family relations, and less career growth. It can be considered as an explanation of the fact that the most children born in numerous families are from rural area<sup>163</sup>. Overall, the distribution of new-borns by age of mother shows a dominant up to 30 years. Also, the decreasing trend of the number of new-borns of mothers who are younger than 20 years old accounts for 7.7% of the total number of new-borns in 2014 and a decrease of 0.2 p.p. compared to 2013.

The gap between the birth rate of the two residential areas is also influenced by the training and occupation rate of women, as well as the level of internal migration in the two areas. In the last years (2010-2015), a decrease of the total number of the fertile feminine population with high level of education has been attested. According to the NBS, the segregated data

analysis shows a negative growth (-28.1%) in the fertile age group (15-24 years), while the growth is positive (+5.9% and +13.8%, respectively) in the fertile age groups (25-34 years and 35-44 years). Also, the data show an essential decrease of the fertile age group (15-24 years) with higher education (-25.6%), vocational (-21.4%), secondary vocational (-17%), high school, general education (-44.9%), and lower secondary education (-27.8%). In other fertile age groups (25-34 years and 35-44 years), there is a dynamic of increased and decreased cycles of feminine population with higher education. The significant reduction of fertile age group (15-24 years) is explained by the fact that it has the highest degree of exposure to migration considered as the risk group because of the higher chances to stay outside the country than in the case of other groups (Annex 4). Often the reasons for leaving are studies or work for an undetermined period of time.

External mobility of the population affects very much the family structure or the lifestyle of people who live together. As a result, when at least one family member leaves, the share of family/household responsibilities is shifted to those who stay behind, as a rule on one of the parents/spouses, but not necessarily. The distance between spouses followed by economic and daily problems increases the divorce rate.

The horizontal analysis of the phenomenon proves a high divorce rate among young generations. Also, there is an increase of median age in divorces and divorce rate of couples married for 15 years or longer<sup>164</sup>. Respectively, the official data show that the average length of a marriage that ended with a divorce was 11 years (2015)<sup>165</sup>. An eventual segregated analysis of data shows that the highest divorce rate (26.6%) was registered among couples married for less than 5 years, followed by 5-9 years (27.3%) and respectively the couples married for 20 years and longer (23.0%). Relatively smaller rates were registered among couples married for 15-19 years (9.1%) and 10-14 years (14.0%), respectively.

The family structure changes as a result of divorces, which has a considerable impact on the income structure of households. There are no official data regarding economic consequences of the divorce for both genders, as well as household, but according to studies in the field we can establish that women as a rule are those who face more difficult financial consequences of the divorce until they remarry, and economically more vulnerable than men. 167

In parallel with the birth rate and divorce rate, there is a significant difference in general mortality rate by area, which results in a more acute demographic ageing process of the population in rural areas. In 2015,

<sup>162</sup> Ibidem

<sup>163</sup> National Bureau of Statistics, Ibidem.

<sup>164</sup> Sociodemographic profile of the Republic of Moldova 20 later after the adoption of the Action Plan. Article collection. Centre for Demographic Research Chisinau 2014. p. 59; http://ccd.ucoz.com/\_ld/0/3\_CCD-culegeri-ca.pdf

<sup>165</sup> National Bureau of Statistics. Demographic situation in the Republic of Moldova in 2015.

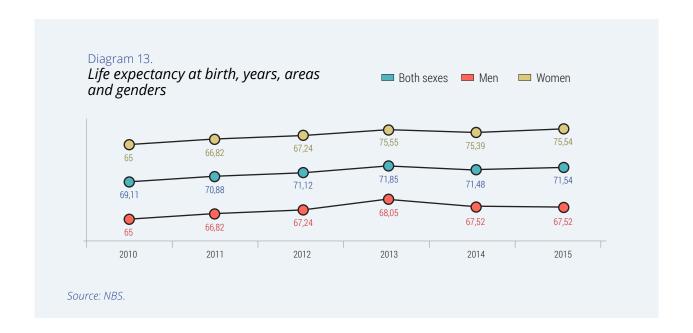
<sup>166</sup> Vladicescu, Natalia. Cantarji, Vasile. Jigau, Ion. The Impact of Migration and Remittances on Communities, Families and Children in Moldova. UNICEF. 2008; https://www.unicef.org/socialpolicy/files/The\_Impact\_of\_Migration\_and\_Remittances\_on\_Communities\_Families\_and\_Children\_in\_Moldova(1).pdf

<sup>167</sup> Violence toward women in the family in the Republic of Moldova. Edition 1, 2011. Chisinau, 2011. BNS. UNDP; http://www.undp.md/presscentre/2011/ViolenceWomen\_12Dec/Rap\_Violenta-F\_rom\_FINAL-09-12-2011.pdf

the lowest mortality rates were registered in Chisinau (7.9%) and Balti (9.1%) municipalities. The segregated analysis per districts shows that the lowest mortality rates were registered in Ialoveni (10.1%), Cantemir (10.5%) and Cahul (10.1%) districts, and the highest rates – in Donduseni (16.6%), Briceni (15.1%), Şoldanesti (13.9%), Ocnita (14.2%), Edineţ (14.7%) and Drochia (14.3%) districts.

Life expectancy at birth in 2015 changed significantly compared to 2014, accounting to 71.6 years. At the same time, women live longer than men, on average by 8 years. This gap is due to the higher level of premature mortality of men of cardiovascular diseases, followed by tumours, road or work accidents etc.<sup>168</sup> This social inequality is

conditioned by the standard of living of both genders (access to services, utilities, occupation, income, etc.), as well as the type of residence (rural/urban). As one of the main indicators of quality and welfare of the population, including of health state, the life expectancy registers demographic inequalities too. The official data show that the average life expectancy of women is usually 5-7 years longer in rural areas and 4-5 years in urban areas. The average life expectancy has increased by 1.6 years for men and women in the last 5 years (Diagram 13). If we compare the 2015 EU index, according to which there are 18 states with average life expectancy longer than 80 years, then the Republic of Moldova ranks below the European average<sup>169</sup>.

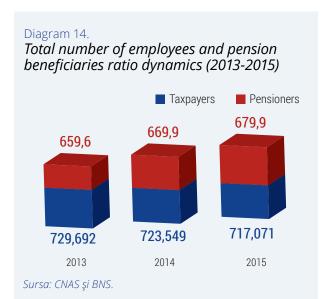


#### Population ageing and social-economic inequalities

Since the mortality rate is slowly growing and the total number of fertile female population with higher education is decreasing, the 65+-year-old population is growing. This growth influences the sustainability of public pension system, when the number of taxpayers is decreasing compared to the number of beneficiaries (Diagram 14). Hence, the presence of a large number of pensioners compared to the number of taxpayers is a social inequality and leads to the poverty risk of both sides. If the decrease of taxpayers' number increases the financial pressure on beneficiaries of the pension system, then the increase of the number of beneficiaries has a direct impact on the sustainability of salary income of employees; compulsory month-

ly contributions to pension fund could suffer certain modifications anytime.

The poverty risk among employees grows based on the increase of service and consumption price. The figures speak for themselves: monthly available income of the population in 2015 amounted on average to MDL 1956.6 per person or 10.7% more compared to the previous year. But with the adjustment to consumption price index, the income of the population has registered only 0.9% increase. The income sources from salaries accounting for 41.4% of total income decreased by 0.2 p.p. compared to the previous year.



The demographic pressure on the pension system has also increased, because the total number of employees per economy in 2015 reduced compared to the previous year by 0.8 % or 6.478 persons. At the same time, the total number of pension beneficiaries has increased by 1.4% in 2015 or 10,000 persons.<sup>170</sup>

Diagram 14 shows that the discrepancy between the number of beneficiaries and taxpayers is essential and grows annually. As a result, ensuring the stability of pension and social insurance fund is an acute problem and requires the elderly to participate on the labor market, as well as the increase of retirement age.

Since the demographic ageing is accompanied by an increased morbidity rate of old generation, the increase of retirement age is a dilemma for the authorities. The health status of the elderly is changing constantly; their access to medical services is too expensive from the point of view of household income, especially for the older rural population. Respectively, to keep the elderly longer on the labor market, it is necessary to implement active ageing and social protection measures, which would include not only lifelong education, flexible provisions in the labor code, and creation of jobs suitable to the elderly, but would also ensure the access of elderly to quality health services. This should be taken into account, because the elderly more often require healthcare services than young people, which is one of the most critical point of life quality.

The official data show that only 20% of pensioners stay on labor market. Most of them stay on the mar-

ket only for the first year of retirement. But since the legislative framework on the pension system does not stipulate a pension bonus from salaries for employed pensioners, they have been discriminated, which is transposed into income inequalities.

The retirement age intensifies social inequalities. Unequal retirement age of men and women is an expression of discrimination and inequality on the labor market, which affects, first of all, the women. At the same time, the pension of men and women is unequal. Respectively, women receive a smaller pension than men; the reason is the pension calculation formula, which does not stipulate 'compensation' for maternity leave and raising children<sup>171</sup>. After the 2017 pension system reform, the situation will be change for the better.

Population ageing takes place based on social changes, such as modification of family structure and inter-generation relations, and higher concerns regarding care for elderly. Since the growing age group of 50-64 years raises the issue of active ageing, the share of 70+ population has increased by 8.9% in the last ten years, emphasising the need to increase the responsibilities of younger generations to care for the elderly. The younger generations have to take care of the elderly, which is expressed in income distribution, service, economic burden, etc. The reality shows that the elderly and those who are close to the age that need more economic care spend more<sup>172</sup>. Hence, there is a social inequality of accessing quality services directed by income inequality, when the minimum pension is lower than the minimum level of existence, and the replacement rate is not even 30% of the average wage in the economy<sup>173</sup>. Eventually, pension reform legislation will come into force in Moldova on 1 January 2017, the situation would change and the replacement rate would increase up to 40%, which would improve the general situation on the pension income of the beneficiaries.

Generally, the life expectancy as a welfare indicator is closely related to the income of the population. For the young and older persons to participate actively in the economic, social life and having a decent standard of living alongside with the improvement of working conditions and efficient income distribution, it is essential to ensure the access and quality of services provided to the population. This is because the low quality of healthcare and educational services together with public utilities and unequal access aggravates the living standard of the population, which is reflected in the life expectancy and birth rate, respectively, in the welfare indicator.

<sup>170</sup> Note: Calculations of authors based on NACS and NBS in 2015

<sup>171</sup> National Bureau of Statistics. Gender statistics; http://www.statistica.md/category.php?l=ro&idc=264; and Ciobanu, Cristian. Väileanu, Cristina. Pension system reform in the light of gender dimension. Analytical Note Centre Partnership for Development;http://www.progen.md/files/6827\_reforma\_pensii\_final.pdf

<sup>172</sup> Help Age International. Staying behind: the effects of migration on older people and children in Moldova. Pontos. Chişinău 2010.

<sup>172</sup> National Bureau of Statistics. Social protection of the population; http://www.statistica.md/category.php?l=ro&idc=200

#### DISPARITIES

#### ON THE LABOR FORCE MARKET

As it was mentioned in the previous section, population ageing based on reduced fertile age group and high level of premature mortality among men creates serious deviations from the sustainability of the pension system. Of course, all these factors influence the labor force.

A retrospective view on the labor force dynamics in the last ten years (2005-2015) shows a rapid growth of the employed old population compared to the number of

young population on the labor market (Diagram 15). This is especially visible in the age group 55-64 years, which the number has increased by 20% in the respective period, followed by the age group 65+, which increased by 63%. At the same time, the number of younger population (15-24 years) has decreased by 25.8% on the labor market. Also, the essential changes took place in the age group 55-64 years, which increased by 23.7% in the same period. Hence, there is a discrepancy between the reduced number of young persons and increased number of elderly on the labor market. The reduced number of the youngest persons (15-24 years) on the labor market is an inherent consequence of poverty, i.e. a lack of jobs, which to a great extent has led to migration of young labor force and the rarely interests of return in an eventual employment. The critical point of the balancing action on the labor force is ensuring well-paid jobs, including extending the training and development opportunities, as well as viable business opportunities and performances for the talented youth.

These needs are vital for a sustainable labor market and are in line with achieving the *Sustainable Development Goal 8 on ensuring decent jobs and economic growth.* 

It is important to emphasise that the growth of the number of old persons on the labor market is an economic necessity, but at the same time, represents a real problem for their regualification. Once the preliminary targets of the Goal 8 have been set, which follows the diversification of productivity, technological modernisation and innovation by using intensively the labor forces, there is a need to prepare and re-qualify the human capital so that it can adapt to the needs of the labor market. The development of new economic sectors, as well as new technologies in economy (computer literacy and information/digital technologies) has a direct impact on the labor force – need to enhance capacities through a continuous training and a lifelong learning. Despite the younger groups, the adults, especially the elderly, are exposed to a rigidity degree of changes, which can cost them their job. In this sense, the implementation of training programmes and professional development in companies 174 ensure this requalification or transition from one level to another labor level.

It should be noted that there are critical differences in engaging the elderly on the labor market. Since the elderly in the Republic of Moldova have limited skills in using information technologies (2.9% compared to 40.8% registered in the EU states) and from lifelong education (0.3% compared to 4.5% in the EU states)<sup>175</sup>, their employment is much more difficult. A *lack of digital skills and competences among the elderly are real prerequisites in employment inequalities*. Although it is necessary to invest in the human capital, often the employers prefer to

Diagram 15.
Employment population by age groups,
thousand people



avoid this to save financial resources, while the employees do not hurry to re-qualify because of the lacking awareness about the importance of this need. In reality, the investments in enhancing the capacities of human capital represent the key to successful labor productivity. It only depends on how this is perceived by the employer and employees.

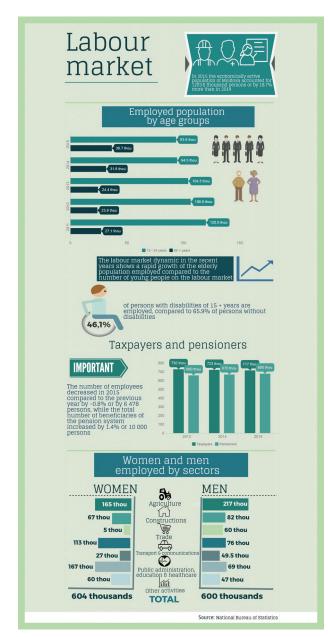
The elderly are more active on the labor market in the rural area, respectively, the correlation with labor market is specific. According to NBS data, in 2015 the share of employed population of 65+ years in the rural area was 25.8 thousand or 14.9 thousand more than in the urban area, growing by 16.4% compared to the previous year. Also, in 2015 the participation of the age group 55-64 years on the labor market in the rural area is essential – 16.6% of total rural or 9% of country's total. In the last five years, this group has registered a 25.6% growth compared to the urban area, where the participation is relatively small, accounting for 14.7% of total urban or 6.7% of country's total.

In the rural area, the employment of the elderly is more difficult due to the lack of jobs and an undeveloped infrastructure. Hence, it is established that in 2010-2015 the number of self-employed has increased by 53.6% especially in the age group 55-64 years. Also, in the respective period, the number of unemployed family members in the same age group has increased by  $96.8\%^{176}$ .

 $<sup>174 \</sup>quad See: Training Centre Moldelectrica; \\ http://www.moldelectrica.md/ro/about/training_center; Centre for Professional Training of the State Enterprise "Posta Moldovei"; \\ http://www.posta.md/ro/instruire for Professional Training of the State Enterprise "Posta Moldovei"; \\ http://www.posta.md/ro/instruire for Professional Training of the State Enterprise ("Posta Moldovei"; \\ http://www.posta.md/ro/instruire for Professional Training of the State Enterprise ("Posta Moldovei"; \\ http://www.posta.md/ro/instruire for Professional Training of the State Enterprise ("Posta Moldovei"; \\ http://www.posta.md/ro/instruire for Professional Training of the State Enterprise ("Posta Moldovei"; \\ http://www.posta.md/ro/instruire for Professional Training of the State Enterprise ("Posta Moldovei"; \\ http://www.posta.md/ro/instruire for Professional Training of the State Enterprise ("Posta Moldovei"; \\ http://www.posta.md/ro/instruire for Professional Training of the State Enterprise ("Posta Moldovei"; \\ http://www.posta.md/ro/instruire for Professional Training of the State Enterprise ("Posta Moldovei"; \\ http://www.posta.md/ro/instruire for Professional Training of the State Enterprise ("Posta Moldovei"; \\ http://www.posta.md/ro/instruire for Professional Training of the State Enterprise ("Posta Moldovei"; \\ http://www.posta.md/ro/instruire for Professional Training of the State Enterprise ("Posta Moldovei"; \\ http://www.posta Moldo$ 

<sup>175</sup> Buciuceanu-Vrabie, Mariana. Active ageing index in the Republic of Moldova. Martie-Aprilie 2016; http://unfpa.md/images/stories/Policy\_Paper\_IIA.pdf

<sup>176</sup> National Bureau of Statistics. Employed population

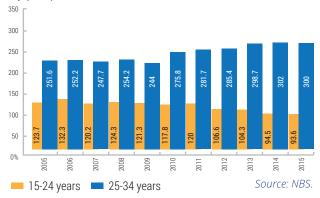


Encouraging the elderly to participate on the labor market is an economic and social need to harmony with the requirements of the labor market and to be accompanied by a growth of quality employment. At the same time, the increase of employment degree of the elderly is not sufficient to improve the quality of their lifestyle, if this eventual employment is not accompanied by a lifelong education and new skills. It is one of the most important needs in case of domestic workers and self-employed in the informal and agricultural sectors, which account for 15.6% of the employed population of the country (2015)<sup>177</sup>.

As for the employment of younger population, a recent decrease has been observed, except for the age group 25-34 years, which increased in 2005-2015 by almost 9% (Diagram 16). This is explained by the fact that more graduates and students prefer to go for internships in the last year of studies<sup>178</sup>, and master's degree if they cannot find a job. The internship programmes in public and

private agencies and institutions intend as a rule to hire interns, if they meet the requirements and have necessary knowledge.

# Diagram 16. Number of employed young people, thousands of people



Also, the reduced number of young employees is explained by the fact that some young people drop early out of school and training, looking for an informal job or self-employment. For instance, according to NBS data, 2.5% of total young persons of 15-29 years interrupted their education in 2014-2015, and the main reasons invoked were the wish to work (26.7%), a lack/loss of interest for education (17.5%), difficulties related to education financing (16.6%), difficulties studying the subjects (10.4%) and family responsibilities (9.3%)<sup>179</sup>. In the case of informal labor, according to NBS data, in households that produce for own consumption, the participation rate of the young people (15-24 years) has increased by 35% in the last two years or by 10.5% in the last ten years.

Since poverty is one of the essential issues of the young people, especially in the rural area, many young people, including pupils, are encouraged to abandon school by parents to work the land, opting for different agricultural works instead of education. It is obvious that besides the social support, the agricultural rural employment or daily work is the only source of income for many families. A lack of income is more stringent in villages.

Based on the abovementioned, it should be emphasised that the very reduced educational stock and engaging the young people in agricultural works have no strong impact on reducing the poverty level. Since the agricultural works are seasonal, potential income from this employment has a seasonal contribution to the household budget. Respectively, in the absence of a stable income and a job, the chances to reduce sustainably the economic inequalities among young people are slim.

But the essence of this context is ensured by the fact that all persons have equal opportunities to study and to work, which would allow them to develop their potentials in the home locality. Respectively, if some young people prefer agricultural works, there should be equal opportunities for them to obtain professional

<sup>177</sup> National Bureau of Statistics. Labour force in the Republic of Moldova: employment and unemployment in 2015; http://www.statistica.md/newsview.php?l=ro&idc=168&id=5147

<sup>178</sup> See: IT Support Engineer Internship Programme, http://www.endava.com/en/Careers; Internship in Mobiasbancă – Groupe Société Générale, https://mobiasbanca.md/en/stagiu; Internship is in public institutions http://www.stagii.gov.md/

<sup>179</sup> National Bureau of Statistics. Transition from school to labour. Chisinau 2015. p. 10.

qualifications in agricultural and non-agricultural jobs in the farming households. This training will contribute to the improvement of financial situation and, at the same time, some would be supported in starting a new business. In this context we would like to remind that this group of young people can be identified as Roma, young persons with disabilities, young women, and young persons without working experience.

The individual sector that includes households and adjacent land (private property) is less explored by the programmes that are focused on rural entrepreneurship development. But the individual sector, according to NBS data, provides informal jobs to young persons – 25.6 thousand (25-34 years), of which 52.3% are women, and – 10.6 thousand (15-24 years), respectively, of which 25.4 % are women.

Entrepreneurship development programmes are focused especially on business incubators, women entrepreneurship, arts and culture, social entrepreneurship (employment of persons with disabilities)<sup>180</sup>, and courses that refer to different phases of a business. At the same time, to exceed the poverty barrier among the youth, the entrepreneurship promotion in rural households has the potential to focus on capitalization of domestic goods and healthy food products, also to contribute to the exploration of value chain consisting of farmers, suppliers, traders, transporters, processers, and consumers. The orientation of the young people in this complex and dynamic environment would facilitate more rapidly their economic position as household producers who develop domestic products, which hence, would reduce their income and social inequalities.

It should be mentioned along the same line that it is very important to support micro companies at local level, including those run by young people, through different financing programmes, grants and subventions<sup>181</sup>, as well as by simplifying crediting conditions applied by the banking system.

Taking into account what has been mentioned above, we understand perfectly the importance of promoting development policies that support productive activities, create decent jobs, support entrepreneurship, creativity and innovation, and that encourage formalization and development of micro, small, and medium enterprises, including through access to financial services that represent overall another target of Sustainable Development Goal 8.

Along with everything mentioned above, the decline of young labor force is a consequence not only of migration cycles, including seasonal or informal occupation, but also of the transition between school/lyceum and college/faculty to an active life. This transition is not flexi-

ble, especially in the case of young people who come from disadvantaged environment. Many graduates of lyceums or professional schools address the employment agencies without any experience and only with a dose of enthusiasm. Although the productivity and performance are the roots of success in a career, a big part of young people cannot find work for a long period due to the lacking an adequate background that would allow them to have better professional opportunities or benefit from counselling services and career guidance in the educational institutions or at the place of residence.

Transition of young people from studies to work is slow either because of the limited access to information or the inefficient career guidance in school or due to other reasons. For instance, according to NBS data, almost ¼ of total young persons did not look for work after graduation/interruption of studies (23.7%)<sup>182</sup>. And 54.67% of young people planned to continue their formal or non-formal training after graduation instead of looking for a job<sup>183</sup>.

Also, few partnerships with employers are developed in the field of professional development instruments. *These gaps create unequal opportunities among the graduates in identifying a job.* These unequal opportunities are artificially created, because there are no legal instruments that would limit the access of young people to information or on the labor market. On the contrary, there are measures to stimulate their employment<sup>184</sup>, including entrepreneurial and subsidised loans for young farmers, etc.<sup>185</sup> Employment and development options do exist, but not all are suitable for young graduates. As a rule, the employers request experience from 1 to 3 years as one of the employment criteria. Starting own business is influenced by many factors such as age, education, labor experience, competition, etc.

Reduced occupation among young people is explained not only by small salaries and level of training, but also by a weak correlation of human resource qualifications with labor market needs. Transition of individuals from studies to work is slow, due to the mismatch of obtained knowledge with qualifications required by the employers. Or, this lack of harmonization among the curricula in education with labor market requirements marks the existence of some inequalities at the salary level: the case of over qualified workers, who have higher education diploma compared to low-qualified workers who have lower education degree than the necessary one. Such cases speak about the existence of some real gap in skills. According to the National Employment Agency, most vacancies (2015) are addressed to persons with secondary vocational education, general education and unqualified workers (75%) and a smaller share to persons with higher education and post-graduate technical education (25%).

 $<sup>180 \</sup>quad See: On-the-job\ training\ programme\ and\ assisted\ employment\ of\ the\ persons\ with\ disabilities;\ https://ecorazeni.wordpress.com/resources/re$ 

<sup>181</sup> Business finance: http://finantare.gov.md/

<sup>182</sup> National Bureau of Statistics. Transition from school to labour. Chisinau 2015. p. 17.

<sup>183</sup> Idem. p. 10.

<sup>184</sup> Law No. 215 of 29.07.2016 on young people. Published: 23.09.2016 in Official Monitor No. 315-328.

#### Feminized occupations

At the level of economic branches, there are feminized fields (education, health, and services), as a result of strong stereotypes and patriarchal models inherited from the Soviet times. The situation that stayed unchanged during the years of independence disadvantages the women who want a professional career.

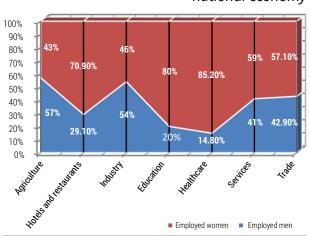
The phenomenon is not just a consequence of the society's transition to a market economy and the results of patriarchal traditions in the economy. Under conditions of increased workload and gender prejudice in the structures and participating processes, women feel the effect of declined key role both in rural and urban area as an essential party of economic, political etc. development of the society. These factors, in essence, develop gender inequalities on labor market.

Respectively, the distribution by economic sectors shows that in 2015 women had a bigger coverage in service sector (59% women compared to 41% men), education, public administration, health and social assistance (70.9% women compared to 29.1% men, Diagram 17). The share of women in the total employed population is practically equal to that of men and has been constant during the last years (49.6% women and 50.4% men). However, the occupational rate among women registers lower values (37.4%) compared to men (42.1%).<sup>186</sup>

Overall, analysing the profile of women employed in national economy, according to NBS data, 7 of 10 jobs in public administration, education and health are held by women (78%), and 6 out of 10 jobs – in trade, hotels and restaurants<sup>187</sup>. Out of 10 employed women, 5 work in agriculture. However, women are less employed in agricultural sector (43%) compared to men (57%<sup>188</sup>. The activity of women in agriculture is in correlation with the level of education – the lower the level of education, the higher the rate of women who work in this field (2014): 93% with primary education or without studies, 70% lower secondary education, 58% high school or general education, 42% secondary vocational, 29% vocational and only 10% of women with higher education<sup>189</sup>. As for informal occupational rate among women, it accounts for 28%, and 37% men (2015)<sup>190</sup>.

Diagram 17.

Gender gap by occupations in national economy



Source: NBS.

#### Groups with reduced participation

In the general context of demographic and economic challenges, the employment of groups with reduced participation such as ethnic groups and persons with disabilities, is essential. In the ethnic groups, the Roma group is the most exposed to poverty risk, because they are not employed<sup>191</sup>. This social exclusion is based on general characteristics such as a lack of legal identity, including proof of residence and domicile, a lack of education and professional formation, reduced participation in business environment, limited access to healthcare and other services, high incidence of unwanted pregnancies, as well as limited access to housing. All these factors are a sensitive subject, and show a reduced employment of Roma. The capacity to integrate and affirm

of Roma on the labor market is not only influenced by the education background but also by the discriminating attitude of the employers based on different stereotypes. The share of total employed persons (15+) by gender accounted to 25% for Roma males compared to 40% non-Roma and respectively: 15% for Roma women compared to 34% non-Roma women<sup>192</sup>. The Roma women have a reduced presence on the labor market (28% compared to 52% in the case of non-Roma women) and employment (16% compared to 43% in the case of non-Roma women). Also the unemployment rate among Roma women and girls - 41% compared to 17% for non-Roma women and 69.2% Roma women and

<sup>186</sup> National Bureau of Statistics. Statistic picture of women and men in the Republic of Moldova. Press release 04/03/2016; http://www.statistica.md/libview.php?l=ro&id=5106&idc=168

<sup>187</sup> National Bureau of Statistics. Women profile in economy and business. Chisinau, 2016; http://md.one.un.org/content/dam/unct/moldova/docs/pub/prof\_004\_econ\_ROM-2016\_new.pdf

<sup>188</sup> National Bureau of Statistics. Statistical picture of women and men in the Republic of Moldova. Press release 04/03/2016; http://www.statistica.md/libview.php?l=ro&id=5106&idc=168

<sup>189</sup> National Bureau of Statistics. Women profile in rural area. Chisinau, 2016; http://md.one.un.org/content/dam/unct/moldova/docs/pub/prof\_001\_rural\_ROM-2016\_new.pdf

<sup>191</sup> Cantarji, Vasile. Vremiş, Maria. Toartă, Viorica. Vladicescu, Natalia. Romani in the Republic of Moldova in communities populated preponderantly by Romani. UNICEF, Chisinau, 2013. 192 Ibidem.

girls have no work experience compared to 23.3% in the case of non-Roma women<sup>193</sup>.

The normative framework and measures for Roma inclusion on the labor market are developed by the relevant institutions<sup>194</sup>, but the biggest problem has not solved. Because the integration of Roma group on the labor market is a two-fold problem: some employers are avoiding Roma, and some Roma do not want to work, opting for traditional jobs or migration<sup>195</sup>. Hence, there is an artificially created inequality between the participation of Roma and non-Roma population on the labor market, which is influenced mostly by prejudice and stereotypes about Roma rather than the options of the labor market. But the existence of these prejudice and stereotypes creates serious barriers in accessing the education and training for Roma persons.

Also persons with disabilities have a valuable social-economic potential, although their access to labor market is limited. According to the National Employment Agency data, of the six thousand available jobs in Chisinau in 2015, only 27 referred to employment opportunities for persons with disabilities or 0.4% of the total. In 2014, according to the National Employment Agency data, 598 persons with disabilities were registered as unemployed, of which 220 persons were employed or 36.7%. In 2015 the statistics showed that only 350 companies created jobs, while less than one thousand persons with disabilities were employed on the market. The refusal of the companies to work with persons with disabilities is explained by the low number of hours which is very essential for these workers, longer vacation 196 different flexible forms of occupations that imply the modification of the timetable, as well as the procurement of special equipment, assisting technologies and devices. Based on the refusals and the lack of equal opportunities, their employment is very difficult.

The state of things shows that according to the estimations of selective household study<sup>197</sup>, 46.1% of persons with disabilities of 15+ years are employed compared to 65.9% persons without disabilities. The level of employ-

ment of persons with disabilities is determined by the degree of severity, so the rate of persons with mild disability is higher - 62%, persons with moderate disability - 48.2%, and those with severe or profound disability - 14.6%. According to occupational status, the persons with disabilities are mostly self-employed in agriculture (73.1%), with a prevalence of persons from rural area (79.4%). At the same time, about 59% persons with disabilities in the urban area of the total employed persons are employees<sup>198</sup>.

At the same time, it should be mentioned that the low education level or even the lack of access to quality education is one of the most important barriers in inclusion of persons with disabilities on the labor market. Usually the companies have a deficit of qualified labor force and are often searching for talents, but very few are oriented to the group of persons with disabilities, valuing their potential contribution to cover their deficit. But their employment may bring fiscal benefits to the companies and a position recognised on the labor market.

On the background of a profound demographic crisis, there is a diversified demand for qualified labor force and an emergency to align the quality of education to the needs of labor force. Also, partial or integral exclusion from the labor market of certain social groups as long-term economic challenges burdens the labor force capacity, depriving the flexibility from the labor force. The labor market has a higher degree of feasibility, which can be ensured by policies of equal opportunities, social inclusion and cohesion of vulnerable, marginalised and excluded groups.

All these elements become a structural priority in reaching the target of Sustainable Development Goal 8 which plans by 2030 a full and productive employment and decent work for all women and men, including young people and persons with disabilities, as well as equal remuneration for equal work.

In this context it should be mentioned that the Republic of Moldova has assumed international regulatory obligations and the commitment to implement the principle of equal share<sup>199</sup> (see gender inequalities in salary income).

#### UNEQUAL ACCESS TO SERVICES

We analysed social and economic inequalities in the previous sections, as well as the discrepancies caused most of all by the migration and demographic processes. We would like to identify the inequalities in the access to different social services caused by system imperfections analysed in the context and income inequalities that limit the access of population to these services. The existing inequalities in education, health, public utilities (especially water, sewage, and electricity) and digital services will be identified and analysed. These are economic and social types of inequalities,

but are analysed from a systemic perspective with a direct impact on living standard of the population.

Unequal access of the population to quality services is observed in huge difference in equipped infrastructure and qualified personnel (for instance, education, and health); in huge differences at the level of public utility services costs (heating, and electrical energy); and in differences of infrastructure equipment (water, sewage and digital services).

- 193 National Bureau of Statistics. UN Women. Profile of Roma women and girls, Chisinau, 2016; http://md.one.un.org/content/dam/unct/moldova/docs/pub/prof\_006\_rome\_R0M-2016\_new.pdf
- 194 Commitments of the Government of the Republic of Moldova in social inclusion of Roma in accordance with the Government Decision No. 494 of 08.07.2011 and No. 56 of 31.01.2012; http://lex.justice.md/md/342070/
- 195 Cantarji, Vasile. Vremiş, Maria. Toartă, Viorica. Vladicescu, Natalia. Op.cit.
- 196 Persons with disabilities await for changes in labour protection field, Interviews 28 January, 2015, http://discriminare.md/persoanele-cu-dizabilitati-asteapta-schimbari-in-domeniul-protectiei-muncii/
- 197 National Bureau of Statistics. Household Budget Study 2015; http://www.statistica.md/category.php?l=ro&idc=445&
- $198 \quad Idem. The situation of persons with disabilities in the Republic of Moldova in 2014, Press release. \\ 30/11/2015, http://www.statistica.md/newsview.php?!=ro&idc=168&id=4976$
- 199 Convention No.100 of International Labour Organisation by Parliament Decision No. 610 of 1 October 1999; Association Agreement was signed on 27 June 2014 in Bruxelles, Belgium. Parliament of the Republic of Moldova ratified this Agreement by Law No. 112 of 2 July 2014 (art. 31 and 32 let..(f)); Law on ensuring equality No. 121 of 25 May 2012. In Ionescu, Justina. Macrinic, Sorina. Principle equal payment for work of equal value in the Republic of Moldova. Legislative analysis. Soros Moldova; http://www.soros.md/files/publications/documents/Analiza%20Fgale.pdf

#### Access to quality education

SDG – 4 - Ensuring an inclusive, equitable and quality education and promotion of lifelong education opportunities for all is one of the 17 sustainable development goals. Assuming and implementing commitments in achieving this goal is ensuring an equal access to free primary and secondary education, secondary vocational education at a reasonable price and elimination of gender inequalities and welfare disparities to guarantee a universal access to a high quality education.

The access to a quality education is essential for economic development and growth. The education contributes directly to poverty reduction and facilitates the reduction of economic and social inequalities. Access equality to educational services is a necessary condition to prevent social exclusion and the factor that increases the economic independence level of individuals.

Social distribution of educational services, although has registered an improvement in the recent years, is still rooted in stringent economic realities, as well as in the rural area, so the accessibility of rural population to educational services is problematic. At the same time, the education service system having an obsolete infrastructure, partly modern, continues to support significant expenses<sup>200</sup>. A lack of teaching staff in basic subjects, especially in rural schools, creates premises for unequal opportunities among pupils by residential areas (rural-urban) with regard to educational offer, school achievements and existence in the system (graduation). According to recent estimations, the educational institutions are missing 1252 teaching staff, most physics and math teachers<sup>201</sup>. The greatest lack of teachers is registered in Cahul, Hancești, Ungheni, Cantemir, and Drochia<sup>202</sup>. The issues regarding unequal opportunities by residence are so complex that it would be difficult to overcome them in a short period of time, because the pressure of demographic changes is present inclusively in social distribution of educational services, determined by the migration rate of teaching staff<sup>203</sup>. The official data of the Ministry of Education show that in 2011-2015 the number of primary and secondary educational institutions decreased by 9.3%, while the number of pupils reduced by 12.3%, and the number of teaching staff by 18.2% <sup>204</sup>. Also, the demographic pressure is come in family structure, analysed below, which from educational perspective is manifested through school abandonment by children in favour of domestic work and responsibilities in households, more specific in rural areas. School abandonment of children in favour of other occupations is reflected later on their school achievements<sup>205</sup> (see section *Disparities on labor force market*). The incidence

of this phenomenon is felt by the children from disfavoured families, especially with many children in rural localities. It is significant for the fact that the number of absences, in general, is higher in the urban area, while the share of unmotivated absences is higher in rural area. Boys are absent more often than girls, registering a remarkable number of unmotivated absences. Moreover, in the last years, there is a decreasing trend of the net enrolment rate of children in general education, with a consequence of external migration of the population, followed by poverty. Respectively, the population of school age (7-23 years) decreased gradually in 2005-2015, registering a decrease of -13.8% compared to 2010, and by -29.6% compared to 2005. If we analyse based on gender dimension, then we could see that in the last ten years (2005-2015) there is a significant reduction of feminine population of school age on average by -30% or -33% in the urban area and respectively, by -28.4% in the rural area. At the same time, the number of students/pupils in education system has reduced. The total number of pupils/ students at the beginning of academic year 2014-2015 was 477.8 thousand persons or 14.4% less compared to 2010 and 31.5% compared to 2005<sup>206</sup>.

Equal opportunities are necessary to ensure independence between school performances and social origin of the pupils.<sup>207</sup> Based on educational services and their relation with school age population, there are two types of opportunities - formal and real - each as sustainable and balanced with the need of education of every child. Formal opportunities refer to forms of access and participation to education of all pupils. Real opportunities depend on formal opportunities, because different systemic and non-systemic factors are imposed, such as income and family/household origin, school orientation or quality of education process. Educational achievements are perceived as the best evaluation means of real opportunities.<sup>208</sup> Respectively, system deficiencies conditioned or not conditioned by internal management processes influence directly these types of opportunities. Consequently, the access to quality education in a favourable environment is a greater opportunity for a pupil in a family with higher income than for a pupil in a disfavoured family with a more difficult family situation. This happens because it has been proven that the families with sufficient economic capital invest in the education of children, procuring books and stationery, paying school fees, including food, transport and other related payments, as well as extracurricular activities. While the disfavoured families cannot afford to cover these exacerbate costs, and the acquisitions are a luxury.

At the same time, it is important to emphasize here

<sup>200</sup> Ministry of Education, CNE report on monitoring results of the right to education (September – October 2013); http://www.edu.gov.md/sites/default/files/raport\_ene\_accesul\_la\_educatie\_septembrie-octombrie\_2013.pdf and Ziarul de Gardă. Schools from Parcani and Voloave: optimization reflection. No 581 of 25 August 2016; http://www.zdg.md/editia-print/social/scolile-din-parcani-si-voloave-oglinda-optimizarii and Stela Mihailovici. New projects financed by the EU, developed in 20 localiteis. Ziarul Naţional of 13.11.2015; http://www.ziarulnational.md/noi-proiecte-finantate-de-uniunea-europeana-dezvoltate-in-20-de-localitati/

 $<sup>201 \</sup>quad IPN. \ Over \ one \ thousand \ teachers \ are \ needed \ in \ the \ educational \ system \ of \ the \ country. \ 17 \ August \ 2016; \ http://ipn.md/ro/societate/78376$ 

<sup>202</sup> Realitatea md. The Ministry of Education is hiring teachers. Schools are missing about 600 teachers. 08 August 2016, http://www.realitatea.md/ministerul-educatiei--in-cautarea-profesorilor--scoille-din-tara-duc-lipsa-a-cir-ca-600-de-cadre-didactice--video\_43425.html

<sup>203</sup> Cheianu-Andrei, Diana. Migration of teaching staff in Moldova: brain gain or brain waste? Social Monitor No.15. October 2012. IDIS Viitorul, FES. Chisinau; http://www.fes-moldova.org/media/pdf/Monitor\_social\_15\_ro.pdf

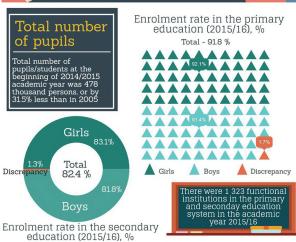
<sup>204</sup> Ministry of Education, Teaching staff in general primary and secondary educational institutions, by territory (2011-2015); http://www.edu.gov.md/sites/default/files/personal\_didactic\_incadrat\_in\_institutiile\_de\_invatamint\_primar\_si\_secundar\_general\_pe\_profil\_teritorial\_anii\_2011-2015.pdf

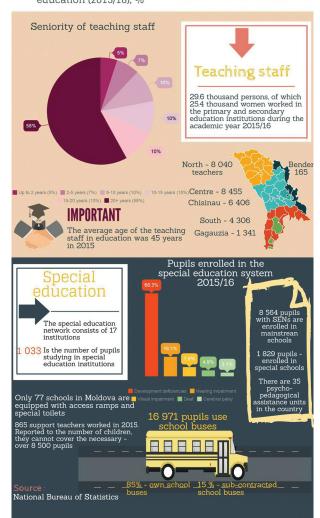
<sup>205</sup> Agenda de dezvoltare post-2015: UNICEF final report on consultations in the Republic of Moldova, Analytical Center Independent EXPERT-GRUP. November April 2013; http://www.unicef.org/moldova/Post2015Report\_Rom.pdf

<sup>206</sup> Ministry of Education, General statistical analysis of the education sector in 2010-2015,, http://www.edu.gov.md/sites/default/files/analiza\_statistica\_generala\_a\_sectorului\_educatiei\_pe\_anii\_2010-2015,pdf

<sup>207</sup> Gender equality and their effects on school achievements: A study on measures undertaken until present and actual situation in Europe, Executive Agency for Education, Audio-visual and Culture, Brussels, 2010. p. 21; http://eacea.ec.europa.eu/education/eurydice.../documents/thematic\_reports/120R0.pdf

<sup>208</sup> Ibidem, p 22.





that irrational use of resources in the educational system has led to informal methods of additional finance, such as parents' associations. These represent a serious inequality poll in some educational institutions, contributing to the formation of groups/classes with different technical equipment, with different attitudes toward the pupils, including different food, etc.

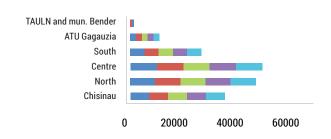
A quality education has the goal to integrate as many students as possible in a successful school situation, irrespective of their social status, i.e. pupils with good performance and results, and to guarantee an annual competitive rate of graduates from different backgrounds, a competitive participation rate in extracurricular activities, etc.,

As antithesis, the absenteeism, school repetition and abandonment at class/school level, including a lack of intervention on behalf of educational institution. For instance, the official data of the Ministry of Education show that at the end of academic year 2014-2015 (by 31 May) the number of children who abandoned school has increased by 35 cases (accounting in total for 203 children or 0.068%). At the same time, an unessential drop of the number of unschooled children has been registered, maintaining the same percentage (-0.021 %) as in the previous year.

In the same context of ensuring the quality education, a priority aspect is *providing with qualified teaching staff* the educational institutions, especially in rural environment from early education to high school. The official data show that in academic period 2011-2015, the number of teachers in primary and secondary education has reduced by 18.2%. (Diagram 18).

Diagram 18.

The dynamics of teaching staff (2011-2015),
thousand persons



	CHISINAU	NORTH	CENTRE	SOUTH	ATU GAGAUZIA	TAULN and mun. BENDER
2011-2012	7267	10451	10845	5733	1728	110
2012-2013	7079	9722	10183	5406	1640	127
2013-2014	7005	8994	9345	5033	1580	192
■ 2014-2015	6902	8688	8952	4775	1411	106
2015-2016	6406	8040	8455	4306	1341	165

Source: NBS/ME

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### Discrepancies related to the reduction of the number of teaching staff

The reduction of teaching staff in primary and secondary educational institutions has an impact on the quality of education and academic environment, as well as on the expectations of beneficiaries (children and parents) to align to corresponding standards. Also, the impact of these changes on the organisational culture of the education cell is understandable. Hence, an imperative of the institutions authorised to ensure quality education is to build bridges between the primary needs in the activity and functionality of educational institutions and to attract young competent teaching staff. For instance, there were 1063 vacancies in the academic year 2015-2016, which is about 3% of the total number of teaching staff in the general educational institutions. To fill in the vacancies, the graduates from pedagogical speciality participated on the labor market: 2490 graduates of higher education institutions and 470 graduates from post-secondary pedagogic educational institutions, but only 579 (of which 503 with higher education and 76 with vocational training) were hired<sup>209</sup>. Low salaries based on high requirements compared to low benefits make unattractive to the profession of teacher for many graduates in the field. At the same time, the working conditions in many rural schools are inadequate and unattractive due to a defective system management. Reduced employment of young graduates may be explained inclusively by a lack of housing, especially in rural localities. This is why we have a low level of employment among young graduates only 19.5% in the academic year 2015-2016.

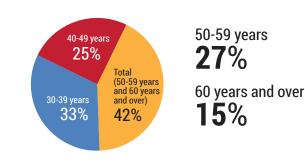
Human resources in education, including the pupils, teaching and non-teaching personnel in rural area are not capitalised in accordance with current social policies. According to the National Programme HRDQE<sup>210</sup>, the salary level of the teaching staff is low. There is no attractive salary and performance-based benefit package or an efficient state policy to support teaching staff. The average salary in education is according to legislative and normative acts in force, MDL 3678.50, which is too small compared to other areas. A young teacher with higher education receives MDL 2200 for 18 teaching hours, a psychologist MDL 2000 and school librarian MDL 1140<sup>211</sup>. Compared to countries that have registered very good results in international evaluations (Finland, Japan, and

Singapore) in the Programme for International Student Assessment (PISA), the salary of a professor in the Republic of Moldova is 20 times smaller which affects seriously the image of the professor and school community. Professors are seen as a socially-vulnerable professional category Therefore, that is why the motivation of employees in education and option of the young persons for this profession decreases rapidly, provoking the turnover of debuting teaching staff. All these generate inequalities and inequity in education most severely in the rural area.<sup>212</sup>

Based on the reduced number of teaching staff in general primary and secondary education, there are discrepancies in employment against age (Diagram 19). Data show a global employment rate of 42%, formed from the total number of persons employed of 50-59 years (27%) and respectively 60+ years (15%), compared with a global rate of 58%, formed out of total teaching staff of 30 years (12%), 30-39 years (21%) and 40-49 years (25%).

#### Diagram 19.

Classification of teaching staff in primary and secondary general educational institutions, by age in the academic year 2015-2016



Source: NBS and Ministry of Education

The average age of the teaching personnel in education was 45 years (2015), forecasted to drop by 3 years by 2020 as a result of reduced number of teaching staff that form today the age group 50-59 years and 60+ respectively.

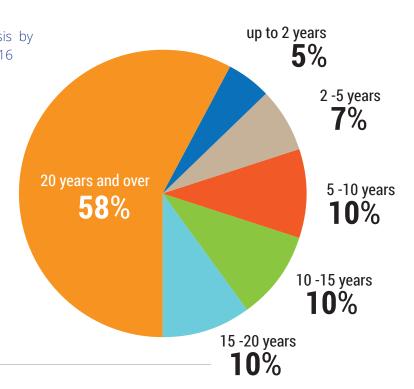
<sup>209</sup> Ministry of Education. Sector Expenditure Strategy in Education, 2017-2019; http://www.edu.gov.md/sites/default/files/strategia\_sectoriala\_de\_cheltuieli\_in\_domeniul\_educatiei\_2017-2019\_0.pdf

<sup>211</sup> Government Decision No. 807 of 07.12.2009 to approve amendments and modifications to some Government Decisions. Published: 15.12.2009 in the Official Monitor No. 184-186, art. No. 89.

<sup>212</sup> Idem. Professional skills standards of teaching staff in general education. Chisinau 2016; http://www.ipp.md/public/files/Proiect\_de\_document\_-\_Standarde\_Didactice-1.pdf

### Classification of teaching staff in general primary and secondary education institutions by seniority in the academic year 2015-2016

At the same time, a segregated analysis by seniority in the academic year 2015-2016 shows that the highest share of 57.9% of the total teaching personnel have more than 20 years of experience (Diagram 20). The inequalities regarding the professional development are obvious. About 9.9% of total number of teaching staff has specialized secondary education, while 89.8% have concentrated on the higher education.213 Based on gender dimension, the inequalities are consolidated in the academic year 2015-2016 under the incidence of the share of employed women - 85.8% compared to men 14.2%.



Source: NBS and Ministry of Education

Attracting young staff in education is a priority and an issue for authorised institutions in ensuring quality education. First of all, the optimization results, especially the process gaps as a result of structural reform strategy in education, were registered in the institutional memory of overall education system, i.e. of teaching staff and final beneficiaries (parents and pupils). The education reform that started in 2009 has foreseen the reduction of non-teaching staff and vacancies as results of decrease serving the obsolete norms inherited from soviet times, which involved the useless increase of teaching and non-teaching staff in the system. The optimi-

zation foresees especially the gradual consolidation of school network by closing down the schools with small classes and ensuring the transport for pupils, but the full implementation of this measure in 2011-2013 had to reduce by 2661 the number of teaching staff and by 1426 non-teaching staff. Finally, the number of savings accounted to MDL 136 million per year<sup>214</sup>. It should be mentioned that as a result of optimization, the social protection costs in education are covered by family income. Hence, overcoming complex perceptions about optimization by active and inactive teaching staff and final beneficiaries is a slow process.

### Discrepancies related to children participation in education

In accordance with the sustainable development goal to ensure quality education, there are two essential targets that aim at ensuring by 2030 the access of all children to early quality education, care and preschool education, so that they are ready for primary education, as well as the fact that all girls and boys graduate free, equitable and quality primary and secondary education.

In this regard, it should be mentioned that the gross rate of enrolling in *early education institutions* has been

13.6% recently. Also the number of early educational institutions is growing by 6.3%. In parallel with the increased number of children in early educational institution, an increased coverage rate of children has been attested. If in 2010 the coverage rate was 77.1%, it reached 83.9% by 2015. Especially, the coverage of children in urban area increased by 9.4 p.p.<sup>215</sup>. There are discrepancies at the coverage rate when the average of 100 places in preschool institutions are occupied by 86 children. The most wanted are the kindergartens in

<sup>213</sup> Ibidem, p. 13.

<sup>214</sup> Center for Human Rights of Moldova. Education reform implementation. Thematic report. Chisinau 2012; http://www.ombudsman.md/sites/default/files/document/attachments/raport\_tematic\_\_reforma\_in\_invatama-nt\_2222\_0.pdf

<sup>215</sup> Ministry of Education, General statistical analysis of education sector in 2010-2015;

urban area, where there are 101 children per 100 places, and 76 children per 100 places in rural area.

Although in the recent years the situation of the access of children to preschool education has improved, the enrolment rate in kindergarten stays low. Preschool education development in villages is difficult due to a limited budget or an inefficient management of financial resources at local level and low level of awareness of investment in children at the earliest stage. At the same time, the ME Report stipulates that in 2014-2015 more than 95 thousand children benefited from improved conditions in kindergartens to support the disadvantaged communities to ensure the access to early education. 200 new groups were opened and, respectively, the enrolment capacities in kindergartens increased by 5000 places. New jobs were created for about 600 persons (teachers, assistants, helpers, and other personnel)<sup>216</sup>.

The access to preschool education has been partly resolved by opening community centres for early education. However, the parents especially from rural area, see the preschool institutions as care centres for children, which provide food, rest and security of children, as well as the possibility for parents to work, and the reduced 4-6 hour programme dedicated to

Table 8.

Gross enrolment rate in lower secondary education, in %

Year	Gross rate total	Gross rate girls	Gross rate boys	Discrep- ancy
2007/2008	90.1	90.3	89.8	0.5
2011/2012	86.5	88	87	1.0
2015/2016	82.4	83.1	81.8	1.3

Source: NBS

Overall, it is known that in the rural area only 32 out of 219 lyceums have at least two classes at each level of education – one with real profile and one with humanitarian profile. But in the rural area, the share of lyceums that do not ensure education of both profiles is about 85%. These data are an argument regarding the decrease of quality and competitiveness of results of graduates of lyceums in rural area. For many graduates of lower secondary education in rural lyceums, especially for those from vulnerable families or with modest results in education, the local lyceum represents a convenient alternative to the training in secondary vocational institutions 'guaranteeing' further enrolment in a higher educational institution.<sup>218</sup>

educational activities in community centres do not satisfy the requirements of the parents who work full day. Hence, a diversity of early education services is necessary depending on local needs by encouraging private service development, including at family level.

According to OECD Programme for International Student Assessment (PISA 2009+), despite relatively high costs for education, student performance in primary and secondary education is under the OECD average. Also from different reasons, the results in high schools are not encouraging. According to the studies in the field<sup>217</sup>, in 2000-2013 overall, the number of lyceums has increased by 2.5 from 183 to 466. This increase is more obvious in rural area – 5 times more compared to an increase of about 2 times in urban area. The experts emphasize that this increase of the number of high schools took place on the background of significant decrease of the graduates in the lower secondary cycle (based on gross enrolment rate, Table 8), which has led to de facto cancellation of admission contests, especially in rural localities and small towns. In this context, the gross enrolment rate in the primary education has been observed, which forms significant gender discrepancies compared to lower secondary education (Table 9).

Table 9.

Table 9. Gross enrolment rate in primary education, in %

Year	Gross rate total	Gross rate girls	Gross rate boys	Discrep- ancy
2007/2008	94.0	95	93	2.0
2011/2012	93.8	93.2	88	5.2
2015/2016	91.8	92.1	91.4	1.7

There are significant differences regarding the achievements of pupils in rural and urban lyceums. Hence, in 2014 the passing rate of the baccalaureate exam by pupils in rural lyceums was by 11.8 p.p. lower than that of the graduates in urban lyceums: 64.6% and 76.4%, respectively. A similar situation is observed in the case of baccalaureate exam: the average mark in rural lyceums is 6.35, while in urban – 6.69, as the difference of 0.34 p.p. Since the admission in higher education institutions is made based on graduation results of the baccalaureate exams, based on urban-rural ratio, the graduates of rural lyceums have less opportunities to continue the education in higher education institutions, especially at the specialities considered 'prestigious' by many candidates and their parents.<sup>219</sup>

 $<sup>216\</sup> Activity\ report\ of\ the\ Ministry\ of\ Education\ in\ 2015;\ http://www.edu.gov.md/sites/default/files/raport-me-2015.pdf$ 

 $<sup>217 \</sup>quad \text{UNICEF. Study. Basic education in the Republic of Moldova from the child-friendly school perspective. Chisinau 2009; $$https://www.unicef.org/moldova/educatia_de_baza_Rom.pdf}$$ 

<sup>218</sup> Education for a society of knowledge. Reference framework of the new national curriculum. IPP. Soros Foundation Chisinau 2015. p. 64; http://www.soros.md/files/publications/documents/Studiu%20Cadrul%20de%20 Referinta.pdf

<sup>219</sup> Ibidem. p. 67.

### Discrepancies in ensuring transport for pupils in general primary and secondary education

In 2014-2015, the public transport was used by 21.3% of the total number of pupils, predominantly in Chisinau and Balti municipalities<sup>220</sup>. Also, in the case of rural localities, about 5.7% of pupils come to school with the school bus and transport rented by authorities. The transportation of pupils in the reference year was organized by 274 school buses and 66 rented buses, covering 100% of needs. However, the route to school is difficult for hundreds of children, especially in rural areas. Some of them are forced to walk for several kilometers to school and in winter it becomes very difficult, so that many children do not go to school or go rarely depending on the weather conditions. Local authorities do not have money to ensure transport to children in rural localities, although it is stipulated in the Regulation on pupils' transportation<sup>221</sup>. Recent official data (2015) show that the localities in the Republic of Moldova transported a total of 16971 pupils, from all levels of general education: most of them – 85.1% or 14456 pupils – are transported by own school buses, while only 14.9% or 2515 pupils – by rented buses. The total number of transport means accounts for 274, while 66 transport means are rented.<sup>222</sup>

Local public authorities have specific responsibilities in ensuring access to quality education. The Code of Education, art. 141, stipulates expressly that the local public authorities of second level and of ATU Gagauzia in the field of education: "shall ensure free transportation of pupils and teachers to and from educational institutions in rural localities on distances that exceed 2 km"<sup>223</sup>. This action favours the creation of hub schools to provide access to quality education to children in rural areas.

## Discrepancies in ensuring ICT services and efficient teaching process

Many schools do not have ICT/Internet/interactive pads/educational software in every class/subject to improve the teaching process. According to minimal norms for ICT equipment stipulated in corresponding standards, the schools must have one computer for 20 pupils (Annex 21). Many schools are missing teaching laboratories equipped with materials necessary for natural science subjects (biology, chemistry, physics, etc.); no sport fields are equipped or are even missing. Hence, schools become technologically uncompetitive

and the teaching process becomes theory and unattractive without practical applications in laboratories, field visits, etc. The teaching staff has a number of simultaneous responsibilities: quality teaching, responsibility for physical comfort of the child in school and in the family, and a volume of statistical information about pupils requested almost daily from teaching staff, a requirement that takes a lot of time which could have been used for teaching or self-development purposes.

#### Working conditions discrepancies

There are no relaxation or meditation spaces. The educational system is based on conscious teaching staff. But the personnel are exposed to professional burnout, due to overwork (HRDQE)<sup>224</sup>. Also not all schools have the possibilities to provide food. Official data (2014-2015) show that all pupils from 1-4 grades receive free food<sup>225</sup>. 135,655 pupils who were enrolled in the primary education in the academic year 2014-2015 were fed 100% in all educational institutions. Of the total number of pupils enrolled in grades 5-9 (158,454 pupils), only 15% received food (23,341 pupils). Free food of pupils of 10-12 grades from socially-vulnerable families is organised in 25 districts<sup>226</sup>. The teachers do not benefit from any discounts for food or social packages.

One of the main targets of the Goal 4 to ensure quality education refers to ensuring equal access for all women and men to receive technical, vocational and tertiary education, including accessible and quality higher education.

In this regard, it should be mentioned that one of the

factors that contributes to the achievement of this goal is the *decrease of inequalities regarding the participation to education by levels of professional, technical and higher education.* Hence, the highest share of 64% or 81.7 thousand students of the total of 128.2 thousand is concentrated in the higher education, compared to vocational education, which accounts for 36% or 46.5 thousand pupils. Massive concentration of young people in higher education is explained by the fact that the system and labor market require first of all, the qualifications from the higher education, which increases the chances to obtain a scholarship overseas. However, the imperfections of vocational education system are seen as an impediment.

At the same time, there is an extremely high rate (about 29%) of young people who do not undergo any training or professional development nor are employed (NEET rate)<sup>227</sup>. According to specialists, Moldova exceeds the average of EU countries at this index (17.9%), which confirms the high rate of social exclusion of young people.

- $220 \quad \text{Ministry of Education, Education Expense Strategy, 2016-2018; http://www.edu.gov.md/sites/default/files/ssc\_2016-2018\_text\_final.docx} \\$
- 221 Decision No. 903, of 30.10.2014, Regulation of transportation of pupils.
- 222 Ministry of Education. Education Expense Strategy, 2016-2018.
- 223 Code of Education of the Republic of Moldova. Code No 152 of 17.07.2014.
- 224 National Human Resources Development Programme in general education in the Republic of Moldova 2016-2020, draft Chisinau, 2015.
- 225 Note: the alimentation of pupils in the educational system in the republic is organised based on the Government Decision No. 234 of 25.02.2005 on the alimentation of pupils and Government Decision No. 849 of 08.10.2014
  On amending and modifying the Government Decision No, 234 of 08.10.2005 and order of the Minister of Education No. 1277 of 30 December 2014 On financial norms for alimentation of children/pupils in educational institutions", registered at the Ministry of Justice and coordinated with the Ministry of Finance.
- 226 Ministry of Education, Education Expenses Strategy, 2016-2018.
- 227 Buciuceanu-Vrabie, Mariana. Pahomi, Irina. Situation of young people in the Republic of Moldova: from desiderata to opportunities. Demographic Barometer, UNFPA Moldova, 2015; http://unfpa.md/images/stories/Barometrul\_Demografic\_Tineret.pdf

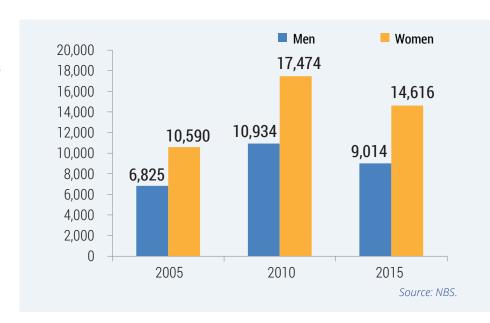
#### Discrepancies in number of graduates by gender

If in 2005 the ratio between women and men at the graduation of higher education was 60.8% and respectively, 39.2% than by 2015. The situation shows a slight increase of the rate of women – 61.9% compared to the rate of men 38.1%. On average, 230 students in higher education are registered per 10 thousand residents, which is getting significantly lower by 73 students in 2010-2015.

Lately (2005-2015), there have been an essential dynamics of the gender dimension regarding the number of graduates of primary and secondary educational institutions (Diagram 21), compared to the situation in the secondary vocational educational institutions. In the academic year 2015-2016, the gender ratio between men and women was 70.7% and 29.3% respectively, in the secondary vocational institutions. Unlike the academic year 2004-2005, this ratio reduced by 22.3% for women and increased by 13.4% for men. A similar essential ratio is seen in colleges (Table 10).

Diagram 21.

Gender ratio dynamics regarding the number of graduates of primary and secondary institutions



#### There are discrepancies per residence area

among pupils in secondary vocational institutions at the beginning of the academic year. Hence, in the academic year 2015-2016 most pupils (95.3%) were studying in institutions from urban area andmore popular among boys (70.7%); compared to the academic year 2014-2015, the share of children in urban area increased by 4.1%.

Table 10.

Gender gap, pupil/student by years, by educational institutions (2004-2016)

	General primary and secondary educational insti- tutions		vocat educa	ndary tional tional utions	Colle	eges
	М	W	М	W	М	W
2004/2005	50.13	49.87	60.21	37.79	44.37	55.63
2009/2010	50.14	49.86	68.43	31.57	43.73	56.27
2015/2016	50.76	49.24	70.67	29.33	47.12	52.8
						Source: NBS

# Alongside gender inequalities and residence area, there are access inequalities on labor market among the graduates.

The preparation of graduates from universities and vocational/technical education to become competitive on the labor market is an essential element of educational system. An important challenge in this regard is the harmonization of professional training in the vocational/technical education based on competences and values with labor market requirements.

The on-going vocational/technical education reform has the purpose to enhance profession skills of qualified workers, different categories of specialists in accordance with the qualification and levels of educational system. To improve system activities, the reform stipulates its reorganisation in 2 levels: lower secondary education graduates and vocational/technical education will enjoy secondary vocational/technical education, and high school and college graduates will enjoy vocation-

al/technical schools which will consolidate the post-secondary vocational/technical education<sup>228</sup>. But due to the lack of financial resources, the system reform is delayed, and the echoes are reflected on the labor market, because most labor opportunities are of inferior level – qualified workers and foreman.

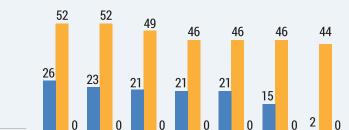
Currently, the secondary professional education system includes 47 institutions or 22% less institutions than in the academic year 2014-2015, and a total number of about 16.0 thousand pupils of which, 58.1% are enrolled in 2015-2016 (Diagram 22). Of the total number of institutions, there are 2 occupational schools, 44 vocational schools and 1 centre of excellence. Respectively, there are 45 colleges (2015-2016), of which

19 in Chisinau,7 in the Centre,15 in the North,2 in the Southand 2 in ATU Gagauzia

in the post-secondary technical vocational education.

2015/16





2005/06 2010/11 2011/12 2012/13 2013/14 2014/15

Schools of crafts Vocational schools Centres of exellence

Source: NBS.

Since more graduates of higher education enter on the labor market, the labor force in the Republic of Moldova is highly qualified, while most employment opportunities are for graduates of vocational education. When analysing the employment evolution on labor market of the vocational/technical graduates, according to the recent mapping, we can see a substantial reduction of the rate in the last years – from 63% in 2010-2011 to almost 50% at present, which is explained by the decrease of satisfaction level of the employer toward the quality of the labor force provided in the system<sup>229</sup>. Respectively, the operability decree of the reform depends on the participation degree of the young people in the educational voca-

tional/technical system, and eventually, their entry on the market.

It should be mentioned that due to the assistance of development partners, things are happening. For example, the dynamics is oriented towards dual technical vocational education development, updating the classification list of occupations by including new specialities, professions, and upgrading the existing and the harmonization with European standards<sup>230</sup>. Also the validation and recognition of skills obtained through informal and non-formal education is undergoing.

<sup>228</sup> Government Decision No.97 of 01.02.2013 to approve the Vocational/technical Education development strategy in 2013-2020.

<sup>229</sup> Ministry of Education. GOPA. Mapping results of secondary professional education institutions, key results. Chisinau, July 2014; http://www.eu-vet-project-gopa.md/wp-content/uploads/2015/07/Raport\_VET\_Institutions\_Final\_3.07.2014.pdf

<sup>230</sup> Government Decision No. 425 of 3 July 2015 on the Classifying List of professional formation and occupations/professions and Government Decision No. 853 of 14 December 2015 on the approval of the Classifying list of specialities and qualifications for post-secondary professional technical education and non-tertiary post-secondary education.

# Unequal opportunities in accessing education are remarkable in the case of children with special needs,

which become more obvious after a report of a number of international and national regulatory documents<sup>231</sup>. The educational system in the country offers a limited range of opportunities favourable to the intellectual, physical, and cultural development of children with special needs. At present, only 77 out of 1340 educational institutions are equipped with access ramps and toilets for disabled persons. Also neither teachers nor parents have special training to integrate socially the children with special needs. To ensure equal opportunities to educational and social services, in the light of the need to streamline public expenditures, the Ministry of Finance estimated the necessary costs for inclusive education services depending on the number of beneficiaries with special educational needs, type of service, and administrative-territorial unit, based on the information provided by the ME and MLSPF. However, the official recognition and guarantee of equal opportunities to education and social protection stipulated by law are not sufficient enough to eliminate the inequalities in the field. A source of inequality is social-economic disparities between different areas and social categories. The reality shows a segregation system in education inherited from the soviet model; the status of the school is determined by the academic achievements of children, which means that the children with good school achievements are promoted.<sup>232</sup>

There is a different attitude manifested by the school administration and the teaching staff toward the children with disabilities and their parents between the non-inclusive and inclusive schools. The position of the school personnel toward the children with disabilities in non-inclusive schools is dismissive, and in the inclusive schools, on the contrary, the behaviour is responsible and welcoming. Some parents affirm that the administration of non-inclusive schools encourages them to institutionalise their children and if the children are not integrated in schools, they will be taken out of school activities by the administration of the school.<sup>233</sup>

As for the *minimum package of inclusive education services*, it is increasing every year but is still insufficient. If in 2012 there were only 7 district/municipal services of psycho-pedagogic assistance, then in 2015 their number increased to 35. The number of support teaching staff increased from 100 persons in 2012 to 865 in 2015. But reported to the number of children in schools, these numbers have not covered at all the necessary based on the fact that

more than 8500 children with special needs were enrolled in the general education in the academic year of 2014-2015.

An important fact in the socialisation of children with disabilities is the insistence of parents and existence of inclusive education requirements. Centres for inclusive education were opened mostly with the assistance of projects financed from extra budgetary sources. The integration of children in the institutions with no services is a challenge. The 2014 budget projected MDL 35.7 million for the creation and equipment of resource centres for inclusive education (MDL 65.0 thousand). Financial means were distributed by districts depending on the number of general secondary education institutions. In 2014, the budget foreseen in the amount of MDL 32.0 thousand to ensure children with special needs with support teaching staff. The financial means paying salaries to the support staff were distributed based on the number (40%) of general secondary education institutions by each ATU as of 2012. Hence, the number of these centres increased from 354 in 2012 to 737 in 2015. However, reported to the total number of non-tertiary educational institutions - 2899 -, the number is insufficient.

Educational inequity is also favoured by the attitude of the parents of the other children in the same class with children with special educational needs. According to the specialists, the parents of the other children have a negative attitude toward the fact that their children study with a child with SEN. Some parents require that their child does not share a desk with such a child because 'he/she is lagging behind'. The interviewed parents of healthy children give the following arguments to sustain their reluctance: behaviour of children with disabilities stresses the healthy children, the teacher pays too much attention and time to the child with SEN, disadvantaging the other peers, and children with SEN are disruptive of classes<sup>234</sup>.

Low level of inclusive education is observed in the case of Roma population, which is considered poor especially because they did not receive education, and therefore is ignored by authorities, cannot participate on labor market and overcome the poverty. Currently, there is a significant discrepancy between the literacy rate of Roma population and of the rest of population. The Roma have a higher rate of illiteracy, a more reduced level of education, a reduced coverage in ed-

<sup>231</sup> UN Convention on the Rights of the Child, Parliament Decision No. 408–XII of 12.12.1990; UN Convention on the Rights of the Persons with Disabilities ratified by Law No.166–XVIII of 09.07.2010; Government Decision on the approval of the National Strategy Education for All for 2004-2015, no. 410 of 04.04.2003; Inclusive Education Development Programme in the Republic of Moldova for 2011 – 2020, approved by Government Decision No.523 of 11.07.2011.

 $<sup>232 \</sup>quad \textbf{Education for a knowing society: Reference Framework of the new national Curriculum. IPP. Soros Foundation. Chisinau 2015; \ http://www.soros.md/files/publications/documents/Studiu%20Cadrul%20de%20Referinta.pdf}$ 

<sup>233</sup> Cara, Angela. Implementation of inclusive education in the Republic of Moldova. Public Policy Study. IPP, Chisinau, 2014; http://www.ipp.md/public/files/Proiecte/Studiu\_Cara\_Angela.pdf

<sup>234</sup> Malcoci, Ludmila. Chistruga-Sînchevici, Inga. Impact of the inclusive community programme in Moldova on beneficiaries. Sociological study, Keystone Human Services International Moldova Association, Chisinau 2013; http://www.keystonemoldova.md/assets/documents/ro/publications/BIA.pdf

ucation and a higher rate of school abandonment. Every fifth Roma cannot write and read (21%). 43% of Roma children with the age between 7 and 15 years do not go to school compared to about 6% in case of non-Roma children. Only 45% of Roma children are enrolled in secondary education, and only 20% in general and high school education. The persons with high education account for only 4% of the total Roma population compared to 38% of non-Roma population.<sup>235</sup>

Low attendance rate in educational institutions is due to a lack of financial possibilities to support the education of Roma children, health problems of the children, underdeveloped school infrastructure in localities populated mostly by Roma children, reduced effort of parents in encouraging children to study as well as early marriages and discrimination in schools<sup>236</sup>. At the same time, there are few educational institutions with only Roma children avoiding, thus, the negative effect of segregation and discrimination of these children. It is still the alarming situation of children in Roma localities where the number of pupils in school is under the average per republic. Moreover, the often unpleasant attitude toward these children determines them frequently to abandon the school. Despite the motivational activities and creation of favourable conditions to enrol Roma children in educational institutions, the enrolment rate in primary, secondary and university education is extremely low.<sup>237</sup>

The process of ensuring quality education affects all, and respectively should make all liable. Low attendance rate is due to a lack of financial possibilities to support the studies of children, health issues of children, as well as unfavourable conditions to which the children are exposed due to gaps in the system. The situation of children and teachers in rural areas is still alarming. And if there is no primary educational institution, the pupils are forced to walk long distances to the closest school, endangering thus their health, especially in bad weather conditions and practically nonexistent roads. Unequal opportunities of children in rural area, when parents cannot afford to buy additional literatureand stationery due to low budget of the household, affect obviously the quality of studies. But it is known that only an educated and healthy generation has a prosperous future.

The situation with the quality of vocational/technical education is still bad, which determines many young people to enrol for high education. But the labor market is not ready to face such an abundance of labor force of high education. The employers tend to hire graduates of high education for positions that do not require a superior qualification<sup>238</sup>. Hence, ensuring the reform of secondary/technical sector is more than actual imperative to prepare a competitive and qualified labor force in accordance with the requirements of labor market.

#### ACCESS TO **HEALTH SERVICES**

The access to health services, as well as education services, is stipulated in the law and guaranteed by the State, considered a fundamental right. However, the health system faces financial and system difficulties that create certain discrepancies in the coverage of the quality services of the population. At the same time, the access to health services is a difficulty for certain social groups due to their difficult social-economic conditions.

The population requests health services based on different social-economic and cultural factors that influence the manner of perception of the needs. The authorities make decisions in the context of availability, accessibility and provided quality (real or perceived) of a range of services. To ensure a high level of effective coverage, the interventions should be available, accessible, acceptable and effective<sup>239</sup>.

Generally, there are three types of inequalities in the health sector, examined in this report:

- *Inequalities in the availability of health services;*
- Inequalities in accessing health services;
- Reduced acceptability of health services as a result of inequalities.

#### Inequalities in availability of health services

The availability index examines the extent to which the resources are sufficient to provide a service.

**Infrastructure.** Primary health care (PHC). The quality of conditions to provide PHC medical services differs from one district to another, especially in urban area compared to rural area, indicating certain inequalities in receiving assistance in renovated rooms and in accordance with modern standards for residents of different regions.

<sup>235</sup> Cantarii, Vasile, Vremis, Maria, Toartă, Viorica, Vladicescu, Natalia, Roma in the Republic of Moldova in Roma communities, UN Chisinau 2013; https://www.unicef.org/moldova/ro/Raport, ROMA, rom2013.pdf

<sup>236</sup> Ibidem, p. 23.

<sup>237</sup> Government Decision No. 494 of 08.07.2011 on the approval of the Action Plan to support the Roma population in the Republic of Moldova in 2011-2015.

<sup>238</sup> Ganta, Vladimir. Shamchiyeva, Leyla. Transition of young people to labour market of the Republic of Moldova. Articles Work4Youth No. 38. International Labour Bureau. Geneva. July 2016. p. 4; http://www.ilo.org/wcmsp5/groups/public/—ed\_emp/documents/publication/wcms\_536294.pdf

<sup>239</sup> Whitehead, Margaret. Dahlgren, Göran. Concepts and principles for tackling social inequities in health: Levelling up Part 1. World Health Organization 2006; http://www.euro.who.int/\_data/assets/pdf\_file/0010/74737/E89383.pdf

There were 259 PHC institutions in 2015 which in the last 10 years benefited partly from substantial renovations within a project funded by the World Bank and contributions from LPAs (2009-2010). However, about half of institutions have never been renovated and about 80% of the total number of institutions are not connected to water and sewage systems<sup>240</sup>.

Hospital institutions. More than 50% of specialised and hospital capacity is concentrated in Chisinau, which indicates reduced possibilities of the rural population to access equally these services. Even since 2004, the number of hospitals has reduced, the secondary and tertiary institutions have not been reorganised, maintaining a significant overlapping and disadvantageous system. Most hospitals are not renovated, have obsolete premises, and do not meet the hygiene and control conditions of intra-hospital infections. The recovery wards are not equipped to provide modern high care services<sup>241</sup>. These conditions generate considerable inequalities for the population in rural regions, who cannot enjoy quality health care services. There is no reform to improve the efficiency of hospital services, and re-evaluation of the role of district hospitals, which have to be activated as community hospitals. All these disadvantages maintain considerable inequalities among the population who needs such services, but which are not available currently. The health system does not develop services necessary to certain groups of patients, like those with long-term chronic diseases, incurable patients, and at terminal stage of the disease. There are only several palliative and geriatric assistance sections in the country. The beneficiary of these services are in vulnerable situation, because they are denied or they have reduced accesses to necessary qualified assistance; they lack medical, social and psychological care and go through suffering and pain due to an inefficient pain therapy management.

*Pharmacies.* Geographic distribution of community pharmacies is not uniform. There are important differences between towns and districts – in Chisinau and Balti, the number of pharmacies has increased considerably (147 in 2007 and 683 in 2015); but in districts the number of community pharmacies and their branches has decreased. For instance, 225 branches of the FDC ceased their activity in 2014, and out of 123 community pharmacies that opened in 2015, 41 are located in the Chisinau municipality area, 32 in the North, 26 in the South, 21 in the Centre and 3 in ATU Gagauzia (Annex 5). The reduction of the number of pharmacies has led to a modification of the number of persons who go to pharmacy, implicitly to reduced ac-

cess of population from rural regions to pharmaceutical services, generating an obvious inequality for the population of these regions. The pharmacies in some districts have a double load compared to the average per republic (3.123), and in some places (Nisporeni), a three times bigger number of residents<sup>242</sup> (Annex 6).

#### **Endowment and equipment**

Populations in rural regions have substantially lower chances of receiving diagnosis and treatment services by modern equipment and devices. The participants in some discussions organized within a qualitative survey<sup>243</sup> have stated that the diagnosis, laboratory, and equipment capacities are very limited at the rural level, as most of them are located in Chisinau. *The population believes that there are big differences in the quality of lab services and the results of the radiological examinations in their regions compared to in Chisnau.* Therefore, those who have the financial ability prefer going to Chisinau for medical testing.

Healthcare workers who have left the healthcare system and/or the country, remarking that in the majority of cases the demotivating factors for working in rural regions are insufficient endowments and obsolete equipment<sup>244</sup>. The endowment of district hospitals is additionally out-of-date<sup>245</sup>. These findings reveal a high level of inequity between access to modern health services in rural regions and in Chisinau. The lack of equipment and out-of-date endowments increases the rate of risks for wrong or delayed diagnosis and of interventions with a higher level of complications. Thus, reducing the chance for patients to stay hospitalized in these institutions. The majority of the equipment used in oncological healthcare is obsolete. Consequently, a patient diagnosed with cancer in the Republic of Moldova has a much lower chance of recovering and reintegrating into the workforce than a patient with the same diagnosis from a country with a more developed economy. Oncological treatment is only provided at the Oncological Institute in Chisinau and a small branch in Balti, which clearly indicates that there are centralized services, creating a reduced access to services for patients in rural regions<sup>246</sup>.

Significant inequity is likewise prevelant in emergency healthcare provisions, which are fully covered by health insurance for the whole population. Only 355 vehicles are available from the total number of ambulances required at the country level (455), out of which over 80% have a degree of wear exceeding 70%, which should initiate their settlement<sup>247</sup> (Diagram 23). It is important to note that according to the currently legislation in force<sup>248</sup> specialized medical transporta-

<sup>240</sup> Ciurea, Daniel. Master Plan development for infrastructure and human resources in the Primary Medicine Assistance. Report. September 2007: http://www.ms.gov.md/sites/default/files/proiecte\_desfasurare/proiectul\_servicii\_de\_sanatate\_si\_asistenta\_sociala\_grand\_phrd\_0.pdf

<sup>241</sup> Ministry of Health, National General Plan of Hospitals 2009-2018. Report Final; http://www.ms.gov.md/sites/default/files/proiecte\_desfasurare/planul\_national\_general\_al\_spitalelor\_2009-2018\_0.pdf

<sup>242</sup> Ministerul Sănătății. Agenția Medicamentului și Dispozitivelor Medicale. Resursele și activitatea sistemului farmaceutic din Republica Moldova. Anuar statistic 2014. Chișinău 2014; http://amed.md/sites/default/files/

<sup>243</sup> World Health Organization. Barriers and factors facilitating access to health services in the Republic of Moldova. Series of papers on the health policy area No. 9. Copenhaga, WHO Regional Bureau for Europe, 2012; http://www.ms.gov.md/sites/default/files/bariere\_si\_factori\_ce\_faciliteaza\_accesul\_la\_servicii\_de\_sanatate\_in\_republica\_moldova.pdf

<sup>244</sup> Idem. Health workers originating from the Republic of Moldova who live and work in Romania. Republic of Moldova Health Policy Paper Series No. 13. Copenhagen, 2014; http://www.euro.who.int/\_data/assets/pdf\_file/0004/254623/MDA-study-Health-workers-originating-Moldova-live-and-work-in-Romania-FINAL-VERSION-KEYWORDS-2.pdf; Idem. Health Workers from the Republic of Moldova: Changing Professions. Republic of Moldova Health Policy Paper Series No. 18. Copenhagen, 2015; http://www.euro.who.int/\_data/assets/pdf\_file/0007/277414/MDA-report-Changing-professions-ENG.pdf?ua=1

<sup>245</sup> Ministry of Health. National Master Plan for Hospitals 2009-2018. Final Report.

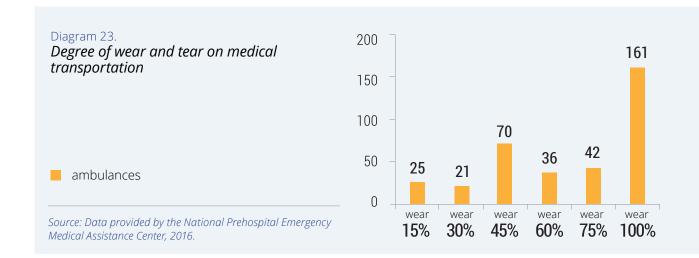
<sup>246</sup> The Ministry of Health. Decentralization of chemotherapy and radiotherapy services within hospital health care. Final Report, April. 2013; http://old.ms.gov.md/\_files/14322-Decentralization%2520cf%2520chemotherapy%2520-%2520intermediate%2520report.pdf

<sup>247</sup> Note: Data provided by the National Centre of Prehospital Emergency Healthcare.

<sup>248</sup> Government Decision approving the State Program for Emergency Healthcare Service for 2006-2010 No. 564 dated 22.05.2006. Published: Official Gazette No. 087 dated 09.06.2006, art. no. 645.

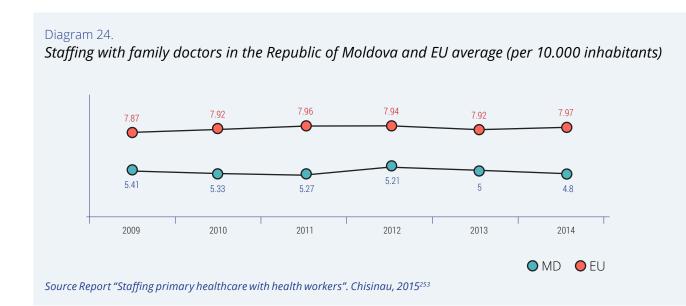
tion cannot be used for emergency medical care if the degree of wear exceeds 50%. However, such transportation continues to be used in providing services to the population, indicating inequality in emergency healthcare for the rural population as they are provided legislatively mandated services without the necessary equipment<sup>249</sup>

to save lives and reduce the risk of irreversible complications. Due to a lack of necessary equipment, serious patients are identified as non-transportable. This situation decreases their chances of survival and reduction of the complications occurred after the medical emergencies in case of the patients.



**Human resources.** Recent studies indicate a massive migration of health workers from rural areas abroad. This mass exodus reduces the ability for the population to have access to necessary medical services. There is an uneven distribution of medical services from geographic point of view and by healthcare levels. Chisinau and Balti have an indicatory of double number of doctors as compared to the rest of the country<sup>250</sup>.

*Primary healthcare*<sup>251</sup>. According to established norms<sup>252</sup>, there is 1 family doctor per 1500 inhabitants (6.6 doctors per 10000 inhabitants) and 13.2 family doctor medical assistants per 10000 inhabitants in urban localities; while in rural localities – from 13.2 to 19.8 doctors per 10000 inhabitants. The country-level indicator accounts for 4.8 family doctors per 10000 inhabitants, much less than the EU average (Diagram 24).



<sup>249</sup> Note: In case of medical emergency for patients from rural localities, the equipment from the ambulances is sometimes the only chance to benefit from assistance within adequate time, as the transportation to a medical institution make take more time 30-45 min. than in the emergency cases in cities, when the patient is transported quickly in the medical institution (10-15 min).

<sup>250</sup> World Health Organization. Health workers originating from the Republic of Moldova who live and work in Romania. Copenhagen, 2014 și Idem. Health Workers from the Republic of Moldova: Changing Professions. Copenhagen, 2015.

<sup>251</sup> Ministry of Health. National Centre for Health Management. Staffing the primary healthcare with health workers, 2015; http://www.cnms.md/sites/default/files/Asigurarea%20Asisten%C5%A3ei%20Medicale%20Primare%20 cu%20personal%20medical.pdf

<sup>252</sup> Note: Standards approved based on the Ministry of Health Order No. 1582 of 30.12.2013.

<sup>253</sup> Ministry of Health. Report on Staffing Primary Healthcare with health workers. Chisinau 2015

In some rayons of the country, this indicator accounts for 2.6 up to 3.5 family doctors per 10.000 inhabitants; hence, a family doctor serves over 2.500 inhabitants. Such situations will compromise the quality of provided health services, reduce the access of population to the PHC services, increase patients' lack of satisfaction and influence negatively the indicators related to population health.

Specialised services. The population from rural regions has lower chances to receive specialised healthcare because of a lack of specialists at this level. There is a significant gap in staffing with specialist doctors in between rural and urban institutions. For instance, the level of staffing with cardiologists per 10000 inhabitants accounts in the rural areas for 0.2 as compared to 0.5 registered in urban areas. The same situation is also registered in staffing levels with ophthalmologists and otolaryngologists. A significant discrepancy is registered for the staffing levels for obstetricians, gynaecologists (per 10.000 inhabitants, for municipalities – 2.1 and for rayons – 0.8), paediatricians (per 10.000 inhabitants, for municipalities – 1.3 and for rayons - 0.6) and neurologists (per 10.000 inhabitants, for municipalities – 0.8 and for rayons – 0.3). There is a significant discrepancy also in the staffing level with dentists (per 10.000 inhabitants, for municipalities - 2.5 and for rayons - 1.4). Taking into account the high TB morbidity levels, an alarming situation is identified in relation to staffing with phtysiopneumologists, especially at the rayon level. In some rayons, one single phtysiopneumologist serves in average from 20.000 to 25.000 inhabitants, while in other rayons – from 50.000 to 100.000 inhabitants<sup>254</sup>. The lack of specialists in the rural medical institutions reduces significantly the availability and accessibility of specialised services for the patients with certain health problems from rural areas, and leads to a missing of specialised preventive checks, lack of monitoring, and late detection of diseases, which implies an increased risk of disability or early mortality of population with the corresponding economic and social impact.

#### Inequalities in accessibility of health services

The available services should be located at a reasonable distance from those who are benefiting from them.

**The geographic index of access** to health services is not uniform in the whole country. In case of the rural inhabitants, the average distance till the rayon hospital accounts for 19.8 km (the average is 17 km). Long distances, very small share (9%) of satisfactory roads and insufficiency of transportation services limit the access to specialised healthcare for some groups of population, especially for the families with small children, pensioners and unemployed people<sup>255</sup>.

The limitation of access to health services induces inequalities for children from rural areas, with serious consequences for their health and lives. A review of deaths among under-five years old children at home showed that in majority of cases, the deaths occurred as a result of trauma or poisoning (81%) among the rural inhabitants (74.1%) and were associated with the social-economic conditions and the negligence to children. Half of the children had visible symptoms of disease during 24 hours before the death, but the parents did not ask for medical assistance because of insufficient knowledge, a lack of telephone links, long distance to the medical institution and fear of getting hospitalised<sup>256</sup>.

Many patients self-refer themselves to the tertiary healthcare, considering the referral system in between the medical assistance levels to be problematic. The patients encounter long lines at the rayon level and sometimes they lose days and days in travelling for getting appointments, visits, and collecting all the necessary tests, before they can consult a specialist. As a result, the population gets discouraged or just uses self-treatment, delaying or refusing the medical assistance in general, or using individual contacts. The more well-to-do patients prefer going directly to Chisinau. In general, it is considered that the services are not well organised – are very inconvenient for the patients, may be doubled and not cost-efficient<sup>257</sup>.

The limited access of population from rural areas to screening services and modern diagnosis methods condition the late detection of cancer cases. Over 60% of the newly detected cases of cancer are in late stages (3 and 4 stages)<sup>258</sup> – this fact indicates an inequality among the population in relation to access to health information services, diagnosis methods, prevention and prophylaxis of diseases.

The general physical accessibility of medicines in Moldova is low both in the public sector (average accessibility of 51.2%), as well as in the private sector (average accessibility of 58%). The physical accessibility is especially low for originals and a little bit better for the cheapest generics. Accessibility in rural area is lower than in urban area.<sup>259</sup>

Financial resources represent an important precondition in establishing the access to dentistry services. A survey carried out in 2012 revealed that the dentistry services are accessed mainly by the better-off population – 11.9% as compared to 4.4% in case of persons less assured. The population with an average level of assurance accounts for a share 2.3% persons going to the dentist<sup>260</sup>.

#### Compulsory health insurance

According to the legislation in force, the States guarantees the right to health protection and to a minimum free of charge medical services. But, in spite of

<sup>254</sup> National centre of Health Management. Statistical Yearbook in Health System in Moldova 2015; http://www.cnms.md/ro/rapoarte

<sup>255</sup> UNICEF Moldova. Situation analysis of vulnerable, excluded and discriminated children in Moldova. Chisinau, 2011; https://www.unicef.org/moldova/Raport\_ENG.pdf

<sup>256</sup> Ibidem, 2011. p. 57.

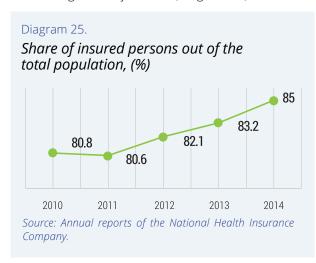
<sup>257</sup> National Bureau of Statistics. Population access to health services. Results of household survey. Synthesis. Chisinau, 2013; http://www.ms.gov.md/sites/default/files/proiecte\_desfasurare/rezultatele\_studiului\_bns\_in\_gospodarii\_\_accesul\_populatiei\_la\_servicii\_de\_sanatate\_2012.pdf

 $<sup>258 \</sup>quad \text{Idem. Statistical yearbook in the health system in Moldova~2015; http://www.cnms.md/ro/rapoarte} \\$ 

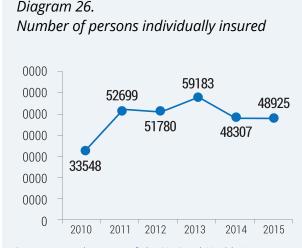
<sup>259</sup> World Health Organization. Accessibility and affordability of medicines and evaluation of quality systems for prescription of medicines in the Republic of Moldova. Series of papers in the area of health policies No. 6. Copenhagen, WHO Regional Office for Europe, 2012; http://www.ms.gov.md/sites/default/files/accesibilitatea\_fizica\_si\_economica\_a\_medicamentelor\_in\_republica\_moldova.pdf

<sup>260</sup> National Bureau of Statistics. Population access to health services. Results of household survey. 2013.

introducing in 2004 of compulsory health insurance, the system does not cover yet about 15% of population (Annex 7). Serious problems still persist, hence, limiting the access to services, and they were not yet eliminated by introducing the system of compulsory health insurance: unofficial payments, low level of satisfaction with the quality of services, inefficiency of expenditures from public funds and of the way in which the health services' providers operate, a mechanism of financing and accrediting the insufficiently developed medical institutions. Even after the proposal of reducing the price of the health insurance, the insignificant changes in the share of people who self-insure themselves represent a proof that the price is not a determining factor for self-insurance. As of 31.12.2015, the number of insured persons under the compulsory health insurance system accounted for 2.571.960 persons, of whom only 1.9% were persons who have insured themselves individually (Diagram 25). As compared to 2014, the number of person who have insured themselves individually decreased significantly in 2015 (Diagram 26).



One of the reasons of this drop derives from the legislative provision, according to which the persons who stay outside the country for more than 183 days during the calendar year are not obliged to pay the compulsory health insurance premium in fixed amount<sup>261</sup>.



Source: Annual reports of the National Health Insurance Company.

The identified inequities derive from the results of some surveys which reflect the negative attitudes of the population in relation to the current healthcare system. Every citizen who works pays from his/her salary 4.5% for health insurance. The persons buying the health insurance by themselves paid in 2015, 4056,0 lei each (Annex 7).

The biggest perceived benefits were the lack of need to pay for the hospital bed, increasing access to the list of compensated medicines, especially for the under-five years old children and for the patients with diabetes and hypertension. At the same time, the health insurance policy does not guarantee the coverage of all health needs.

If the insured persons enjoy certain benefits, those who have to buy the health insurance by themselves (agricultural workers, informal workers, and immigrants) consider that they have to pay for the health insurance and thus it is not useful for them, even at a share of 25% of the price. The self-insured persons tend to buy the health insurance policy only when they feel that they will need it, hence, there is significant adverse selection, where they are not satisfied with the health insurance coverage, considering that the health insurance is just money in vain, if they did not use any medical service over the respective year. The employed persons consider themselves to be in unfair situation and not understanding the principle of solidarity - they would like to have a health insurance system, which would allow them accumulating money in a private fund for personal assistance rather than subsidising for the poor. The better-off insured patients also are not satisfied with the health insurance benefits, wanting a differentiated package of health insurance for those who can contribute with more money, so as to cover a more extended package of better quality and without additional payments. The insured persons consider that they receive healthcare of a lower standard, do not have the wished attitude from doctors, wait in long gueues and follow a very bureaucratic flow with many restrictions and few benefits, as compared to those who pay directly out of pocket<sup>262</sup>.

#### Out-of-pocket payments and financial protection

The share of the out-of-pocket payments in the total expenditures for health, as well as the rate of population is affected by excessive expenditures for health serve as indicators for measuring the financial barriers for accessibility. The surveys carried out in this area confirm that the majority of population has to incur additional payments, even though they have health insurances. The majority of payments are meant for procurement of medicines (70-85%) and diagnosis services. According to the National Health Accounts, 46.6% of the total health expenditures are covered by the households, of which 73% these expenditures spending on medicines and medical goods supplied to the patients in the ambulatory healthcare services<sup>263</sup>.

<sup>261</sup> National Health Insurance Company Report on execution of the Compulsory Health Insurance Fund in 2015; http://www.cnam.md/httpdocs/editorDir/file/RapoarteActivitate\_anuale/2016/Raport-executarea-FAOAM-2015\_ro.pdf

<sup>262</sup> World Health Organization. Barriers and factors facilitating the access to health services in the Republic of Moldova. Copenhagen 2012.

<sup>263</sup> Ministry of Health of the Republic of Moldova. National Centre for Health Management. Report of National Accounts in Health 2015; http://www.cnms.md/sites/default/files/Raport.%20Conturi%20Nationale%20in%20Sanatate%2C%20anul%202015.pdf

A study on quality and accessibility of hospital health services<sup>264</sup> revealed that about 17.8% of hospitalised persons reported that they have used at least once the out-of-pocket formal payments for some hospital services. Most of the payments are made for the lab and investigation tests (60.6%), followed by pharmaceutical and para-pharmaceutical payments (medicines, anesthetise and syringes, bandages and other); in 36.2% of cases, the respondents have reported payments for consulting the doctors and nurses' services (injections, perfusions, and other). There is a direct correlation between the level of the household's income and the trend for paying officially for the health services - the patients with a higher social-economic level, pay more frequently to the hospital cashier office. The level of payments made to the hospital casher office depends significantly on the area of respondents' residence, the level of the hospital and the social-economic level of respondents. Over one third of survey participants (37.1%) confirmed that they made unofficial payments directly to the health workers during the treatment in the in-patient facilities.

Regardless of the social-economic status and health insurance holding, different studies revealed differences in the attitude of the health workers during hospitalisation, depending on the fact if the patients paid or not out of the pocket. The child deliveries usually imply a standard direct payment, which determines the doctor's attitude during the labor and delivery itself. There cases for hospitals when the payments for surgeries are negotiated in advance. Thus, the persons with limited capacity to pay have to either postpone the treatment or to use self-treatment even in cases when the medical assistance is really necessary. Some persons take loans for paying the inevitable medical assistance. This phenomenon is called the trap of medical pov*erty* – meaning the poverty caused by the payments for healthcare 265.

# Reduced accessibility of health services as a result of some inequalities

Even though the resources are available and accessible, they should be accessed by the population. The acceptability is influenced by the perceptions of the persons, the expectations related to the health services and their costs, quality of care, personal opinions and beliefs. Frequently this is based on previous experiences and interactions with the health workers. The discriminatory attitudes related to some groups may create inequalities and barriers in acceptable assistance for them.

**Perception of services' quality.** The quality of the health services provided in private institutions differs significantly from the quality of some services provided in public institutions. But because of the high prices for private health services, an adequate healthcare became practically inaccessible for the majority of population.

At the same time, the obsolete equipment and the high level of wear and tear in some public institutions are not subject to any control from behalf of the central public authorities, creating, thus, serious risks for the security of healthcare services provided in these institutions. For instance, there is no possibility in the Republic of Moldova for metrological verification of a number of medical equipment, including the ones used in anaesthesia. The private institutions have the possibility to pay for such verifications to some specialised companies from outside the country, but from financial point of view, the public medical institutions cannot afford it. As a result, the patients hospitalised in the public institutions are under the risk of using the equipment during the treatment which are not subject to metrology verification, versus

the patients who are hospitalised in more secure conditions in the private institutions.

A qualitative study shows that the lack of trust in doctors presses the patients to look for a second or third opinion. The population also requests another opinion for the results of the tests and diagnosis, repeating the tests at a higher level of healthcare services. Many patients, considering the hospital conditions as inacceptable, prefer receiving a treatment at home, so as to reduce the risk of nosocomial infections and to avoid the hospital meals which are in poor quality<sup>266</sup>.

Among the persons who did not consult a doctor over the last 12 months, in spite of the fact that it was really necessary, 8.4% reported that they have not visited the doctor because of the perception of the service as being of low quality, and 5.2% – because of a lack of trust for the doctor<sup>267</sup>.

Some inequalities are found in the population vaccination. The vaccination rate is lower in the rayons from the left side of the River Nistru – only 71.3%<sup>268</sup> (Diagram 27).

The fairness analysis shows a negative correlation between the level of mother's education and the immunization rate. The children from the urban area, those from the northern region of the country and from Chisinau municipality register lower vaccination rates as compared to the children from the southern and central part of the country<sup>269</sup>. This fact is explained by a recent wave of resistance against vaccination among the mother who are insufficiently or incorrectly informed. A lower coverage

<sup>264</sup> Ţurcanu, Ghenadie. Moşneaga, Andrei. Bivol, Stela. Soltan, Viorel. Opinion Barometer. Access and quality of hospital health services in the perception of the population of the Republic of Moldova. Results of the repeated survey, 2013. Health Monitor 1 (12)/ 2014/ Centre for Policies and Analysis in Health (PAS Centre). – Chisinau 2014.

<sup>265</sup> Whitehead, Margaret. Dahlgren, Göran. Evans, Timothy. Equity and health sector reforms: can low-income countries escape the medical poverty trap? The Lancet. Volume 358, No. 9284, p833–836, 8 September 2001; http://www.thelancet.com/pdfs/journals/lancet/PIIS0140-6736(01)05975-X.pdf

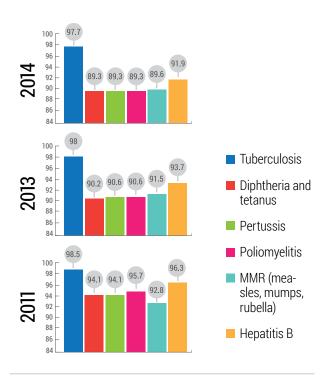
<sup>266</sup> World Health Organization. Barriers and factors facilitating access to the health services in the Republic of Moldova. Copenhagen 2012; http://www.ms.gov.md/sites/default/files/bariere\_si\_factori\_ce\_faciliteaza\_accesu

<sup>267</sup> National Bureau of Statistics. Population access to health services. Results of household study, August October 2010; http://www.statistica.md/public/files/publicatii\_electronice/acces\_servicii\_sanatate/Accesul\_servicii\_sanatate 2011.pdf

<sup>268</sup> IUNICEF. Situation analysis of vulnerable, excluded and discriminated children in Moldova. 2011

<sup>269</sup> Soltan, Viorel. Savin, Ştefan. Turcan, Lilia. Report of the study on fairness analysis in mother's and child's health. UNICEF Moldova. Chisinau, December 2009; https://www.unicef.org/moldova/ro/Maternal\_and\_Child\_Health\_Equity\_Analysis\_translation\_Ro.pdf

## Dynamics of coverage with primary vaccination of the children up to 2 years old, (%)



Source: NBS

of the vaccination program is also registered among the children of Roma ethnicity. In general, 3% of non-Roma children and 11% of Roma children under 14 years old are not vaccinated at all. The causes mentioned by the Roma respondents include the missing health insurance policy and insufficient information (UNDP, 2007, cited in UNICEF, 2011).

Discrimination. The health services represent an area where many persons are discriminated. Social exclusion may induce challenges for certain groups who need health services and who have difficulties in accessing healthcare services. The data regarding the accessibility of health services among the socially excluded groups are very limited, and there is a real need to have a more systematic approach to discrimination. A study from 2011<sup>270</sup> on access to healthcare shows that the poor persons in the Republic of Moldova encounter the strongest level of discrimination, followed by the elderly persons and the persons with disabilities. The poor persons are frequently discriminated in hospitals and clinics because of their incapacity to pay, unemployment, a lack of health insurance, and even when holding the health insurance policy - because of the incapacity to make

additional payments (hence they are treated with indifference). Discrimination is a phenomenon encountered by the patients with HIV/AIDS and TB. A lack of confidentiality, drawbacks in medical ethics, and persistence of stigmatization are identified as specific obstacles in accessing the services by this category of patients. Half (50.7%) of the HIV positive persons in the Republic of Moldova were discriminated at least once in their lives, because of the HIV status. This discrimination was more frequently reported by female respondents (52.2%) as compared to male respondents (48.8%). Among those who have reported discrimination cases, the hospitals were indicated more frequently (55.8%) as compared to other public services<sup>271</sup>. The experience of stigmatization and the discrimination attitude from the health workers during the first pregnancy and delivery may be the cause of the fact that some women living with HIV avoid contacts with health services during the subsequent pregnancies<sup>272</sup>.

There is little quantitative evidence regarding the differences in the accessibility of health services for the Roma population. A study from 2007 establishes that 9% of Roma household members were refused healthcare provision at certain stages because of insufficient documentation (lack of ID cards), and 2% of the study respondents were isolated from other patients when hospitalised.<sup>273</sup> Another study reveals that Roma women usually do not go to doctors for preventive health services or for treatment, even though they have a poor health condition. The majority of those interviewed did not have the compulsory health insurance and insurance policies.

Another obstacle in accessing the health services would be the distance to the medical clinic, which sometimes may be 3 km and more away. As a result, often the Roma women do no benefit from the necessary medical treatment. There were also cases of refusing or denying the provision of healthcare services requested by women living in rural isolated areas. The poor living conditions in Roma communities and the lack of social protection have a damaging impact on Roma women's health and promote their continuous social exclusion<sup>274</sup>.

Some of the service providers have intolerant attitudes and social accusation behaviours in relation to vulnerability and delayed addressing to medical assistance, which shows that not all the health service providers and decision-makers in this area fully understand the main principles for determining poverty and social exclusion. The service providers are influenced by biases and consider that the low level of health value, from cultural point of view, in the personal system of values, represents the main obstacle for requesting healthcare services on time and late consulting of doctors. This is attributed to a significant part of the population, especially rural inhabitants<sup>275</sup>.

<sup>270</sup> Soros Moldova Foundation. Population percpetions in the Republic of Moldova regarding the discrimination phenomenon. Sociological Survey. Publishing house Cartier, Chisinau, 2011; http://soros.md/files/publications/documents/Studiu%20Sociologic.pdf

<sup>271</sup> Bivol, Stela. Analysis of the national response to HIV/AIDS in the Republic of Moldova 2009. Chisinau, 2010; http://aids.md/aids/files/250/report-analysis-national-response-2010-ro.pdf

<sup>272</sup> Bivol, Stela. Scutelniciuc Otilia. Parkhomenko, Janna. \* Evaluation of Prevention of HIV Mother to Child Transmission Services in the Republic of Moldova. Report 2009. Chisinau 2010. https://www.unicef.org/evaldatabase/files/Moldova.2009\_008\_Evaluation\_of\_PMTCT\_ENG\_final\_draft\_for\_translation\_23\_02\_10.pdf

<sup>273</sup> Cace, Sorin. Cantarji, Vasile. Sali, Nicolae. Alla, Marin. Roma in the Republic of Moldova. UNDP, Chisinau, 2007; http://www.undp.md/publications/roma%20\_report/UNDP%20Romii%20in%20Republica%20Moldova%20(Chisinau, %202007).pdf

<sup>274</sup> UN Women, UNDP, OHCHR. Survey on Roma women's and girls' situation in the Republic of Moldova. Chisinau. 2014; http://www.un.md/publicdocget/130/

<sup>275</sup> World Health Organization. Barriers and factors facilitating access to the health services in the Republic of Moldova. Copenhagen. 2012.

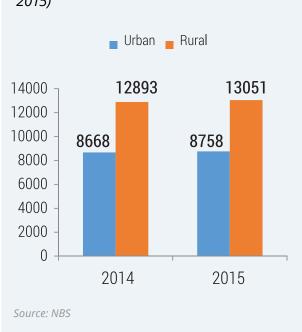
#### Inequalities related to population health

Besides a comprehensive analysis of the system's imperfections and inequalities created by the system, it is important to analyse the inequalities related to population health conditions, which is essential in the human development report.

From this perspective, a factor reflecting the quality of life, morbidity and disability is the population mortality rate, which continues to be high, without any significant fluctuations over the last 5 years (11.2 deaths per 1000 population). A higher rate is registered in rural area (13.05) as compared to urban population (8.75 per 1000 population)<sup>276</sup>.

Mortality of able-bodied persons prevails in the population mortality structure (450.2/100 th population), mainly among rural population (502.6/100 th population). It is rather alarming also the increasing figure for mortality at home of the able-bodied persons (251.2/100 th population in 2015 and 247.1/100 th population in 2014) with significant difference in data registered in urban area (145.4/100 th population) and rural area (293.4/100 th population)<sup>277</sup> as it is shown in the Diagram 28.

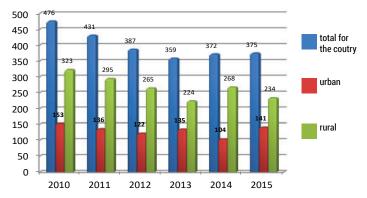
Diagram 28. Mortality rate per areas of residence (2014-2015) Urban Rural



Mother and child health. The chance to give birth to a healthy child and his/her survival during the first year of life is different in the Republic of Moldova as compared to EU states. due to complications during pregnancy and confinement, number of born dead are indicators of community development level, measured in achieving the Millennium Development Goals (MDG) and registered as high rates in our country.

Mortinatality (MDG 4) did not manifest decreasing trends over the last years (6.2/1.000 live and dead births), determined by inefficient provision of pre-hospital assistance, social factors, somatic pathologies, etc. The rate of dead children aged under one-year-old in 2015 accounted for 9.7/1.000 live births and does not reveal any essential change over the last 5 years<sup>278</sup> (Diagram 29).

Diagram 29. Dead children under 1 year old, by areas of residence



Source: NCHM

A difference is noted between the rural and urban area in relation to the rate of pregnant women registered for supervision up to 12 weeks of pregnancy (77% and 86.9% respectively)<sup>279</sup>.

Significant differences are obvious between the urban and rural areas in relation of incidence of children's malnutrition during the first year of life (22.6 for rural and 6.2 for urban area per 1.000 children of the respective age), as well as the incidence of malnutrition of children aged 0-4 years, 11 months 29 days old – 8.1 for rayons and 2.1 per 1.000 children of the respective age for municipalities<sup>280</sup>. This situation reduces the chances of the children born in rural area to get developed adequately and increases the risk of subsequent frequent illnesses over the life.

Some inequalities are manifested also in relation to exercising the right to reproduction for different social segments. Maternal mortality (MDG 5) in 2015 was 31.1 cases per 100.000 life born (Diagram 30), as the target of 13.3, which is much higher as compared to the EU countries (5.96 per 100.000 live births)<sup>281</sup>.

<sup>276</sup> National Bureau of Statistics. Population and demographic processes; http://www.statistica.md/

<sup>277</sup> Statistical yearbook of the Health System in Moldova. 2015; http://www.cnms.md/ro/rapoarte

<sup>279</sup> Ministry of Health of the Republic of Moldova. National Centre for Health Management. Preliminary indicators regarding the population health and the activity of the medical-sanitary institutions for 2014-2015. Chisinau, 2016; http://www.ms.gov.md/sites/default/files/indicatori\_preliminari\_in\_format\_prescurtat\_privind\_sanatatea\_populatiei\_si\_activitatea\_ims\_2014-2015.pdf

<sup>280</sup> Statistical Yearbook of Health System in Moldova in 2015, Evaluation of mother and child health; http://www.cnms.md/ro/rapoarte

<sup>281</sup> European Health for All Database. Country profile Moldova 2010, Copenhagen, WHO Regional Office for Europe; http://data.euro.who.int/hfadb

#### Diagram 30.

#### Maternal mortality rate, per 100 000 live births

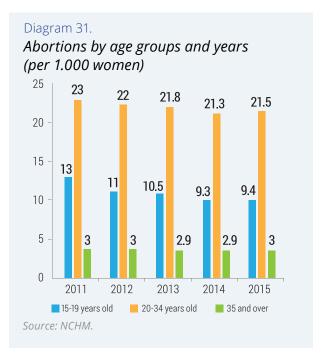


Source: NBS

A priority role is attributed to social factors: women's work in harmful conditions, excessive temperatures, big physical and psychological efforts, employment without possibility to benefit from sick leaves, and maternity leaves. Women's insufficient food intake determines a frequency of over 62% of anaemias in case of pregnant women. Over the last 10 years, 58% of the dead women were unemployed, and 18% were employees. Maternal deaths are also registered because of abortion (including criminal) complications. A number of 31.7 abortions are made per 100 live births. In 2015, a number of 95 abortions were made because of social reasons<sup>282</sup>. The presence of social abortions indicates an inequality of the possibilities of some segments of population to exercise their right to establishing and maintaining a family (Diagram 31). The rate of abortions has remained to be high and constant over the last years, which indicates a low cultural level of the population in the area of reproductive health, a lack of information and knowledge, as well as use of contraceptives, and serious reservations in the family planning system.

The problems encountered by the primary education system, described in the previous chapter, influence a lot the education level of the young generations in relation to healthy lifestyle, including reproductive health. The lack of teachers, information technologies in schools, the lack of continuous programs for health education in schools create significant inequalities in access to information about health for youth.

Unfairness is also established in case of reproductive health promotion for men. The reproductive health services for men are less promoted at the country level and are not identified as a separate area contracted by the NHIC (or these services are identified with urology) and thus are not so known and used in the population, especially from rural areas.



Communicable diseases. Morbidity provoked by infectious and parasitic infections is an indicator of population wellbeing. The high frequency of acute diarrheic diseases and parasitoses reveal the quality level of environment, water, and food products, as well as the efficiency of the monitoring system for all the aspects (Annex 8). In 2015 the morbidity of parasitoses accounted for 15.092 cases, which is 428.0 per 100.000 population. Statistics also show that the rural population gets sick more frequently with such infections as compared to the population from Chisinau municipality. Hence, the frequency of parasitoses per 100 performed tests in the municipality accounts for 0.9%, while in other localities of the country – 4.5%. At the same time, an unsatisfactory examination of children for helminths' invasion is registered at the country level<sup>283</sup>.

The society's poverty is reflected also by tuberculosis (TB) indicators. In 2015, there were identified 2.373 new cases of TB, meaning that on daily basis, about 6 persons were getting sick with TB in the country. A significant difference is noted between the figures of morbidity of active TB registered for the first time in rural and urban areas. Ample TB transmission among the population derives from the existing social-economic inequalities, such as poor social conditions of a part of the population, especially in the rural areas. The low quality of patients' and their families' life do not allow timely diagnostics, adequate food intake, and therapy completion, which lead to infection's progressing. TB is frequent among the vulnerable groups, the persons with HIV<sup>284</sup>. Moreover, an increase in number of new cases registered among immigrants was noted over the last years. Due to frequent change of their place

<sup>282</sup> Ministry of Health of the Republic of Moldova. National Centre for Health Management. Evaluation of mother and chold health; http://www.cnms.md/ro/rapoarte

<sup>283</sup> National Public Health Centre. Informative Bulletin regarding the epidemiological situation induced by parasitic infections in the Republic of Moldova in 2015; http://cnsp.md/wp-content/uploads/2015/02/Buletin-informativ-privind-situatia-epidemiologica-prin.pdf

<sup>284</sup> World Health Organization. Evaluation of the National TB Control Program 2011-2015 in the Republic of Moldova, WHO, 2013; http://www.ms.gov.md/sites/default/files/evaluarea\_programului\_national\_de\_control\_al\_tb\_2011-2015.pdf

82

of residence, many of them do not follow any anti-TB treatment. The number of deaths induced by TB in detention is 4 times higher than the average in the country (85.4/100000 detainees).

Identification and interpretation of inequalities in access to health is an important step for determining the solutions to prevent and to combat such situations in the short and the long-run. Social inequality and polarisation of access to services is manifested not only in the areas of health, education, and labor market, which were previously analysed, but also in access to utility services, especially access to qualitative drinking water, which is an indicator of popula-

tion health condition. Access to drinking water, sanitation services, and electricity is essential to show the population's quality of life and wellbeing level.

The drawbacks registered in these sectors of services, as well as their correlation with ensuring population's wellbeing, lead to emergence of social and economic inequalities. These inequalities are reflected in the context of reduced use of services among the poor population, as a result of the high costs for utilities, especially for rural households, as well as insufficient coverage with services as related to population and territory due to the lacking financial means.

#### ACCESS TO

#### PUBLIC UTILITY SERVICES

Public utilities claim to be fair for all the segments of the population, regardless of the income, sex, age, social status, etc. In spite of the fact that utilities represent a vital need in a modern society, a number of social groups have limited access to these services due to different reasons. These groups are identified as vulnerable consumers.

Vulnerable consumers are considered to be those persons who meet certain behavioural and social-demographic characteristics or refer to the personal material situation, as well as to the market and geographic environment. According to the legislation in force<sup>285</sup>, these persons are protected through social protection policies and benefit from special measures, including from suppliers. For instance, if the vulnerable consumers do not pay on time the invoices for consumed electricity, according to the legislation, the supplier may apply support mechanisms so as to avoid interruption of electricity supply<sup>286</sup>. The same thing is provided in the legislation for the cases of vulnerable consumers of natural gas<sup>287</sup>. In case of vulnerable consumers of the public services of water and sanitation supply, the law provides for compensations allocated by local public administration authorities<sup>288</sup>.

A multidimensional analysis was carried out in this respect within the European report regarding the vulnerability of consumers in the key markets in the European Union<sup>289</sup>, which points out the main criteria to identify the vulnerable consumers at the European

level. This should be taken as a lesson learnt and harnessed by the Republic of Moldova when implementing the Association Agreement signed with EU and adjusting the national legislation with the communitarian acquisition. Hence, a vulnerable consumer is considered to be the person who:

- has a high risk to face the negative market consequences;
- has limited capacity to maximize his/her own wellbeing;
- has difficulties in obtaining or assimilating information;
- is less able to buy, choose or have access to adequate products/services;
- is more sensitive to certain marketing practices.

The situation regarding the population access to public utility services of water, sanitation, energy, and digital services is analysed below. Based on the main objectives of this report and in line with the targets stated at the national level for achieving the SDGs, especially the Goal 10, we will point out those acute segments of the service systems, which may help us understanding certain trends in ensuring the quality of population wellbeing and life standards in the Republic of Moldova.

# Access to the public service of water and sanitation supply

Access to water is a critical element of economic growth and poverty reduction. As well, access to drinking water and sanitation is a fundamental pillar

for improving the living standards and wellbeing of the population. As part of the commitment of the Republic of Moldova in achieving the SDGs, Agenda 2030, es-

<sup>285</sup> Law No. 105 of 13.03.2003 on Protecton of Consumers.

<sup>286</sup> Law on Electricity No. 107 of 27.05.2016.

<sup>287</sup> Law No. 108 of 27.05.2016 on Natural Gas.

<sup>288</sup> Law No. 303 of 13.12.2013 on Public Service of Water and Sanitation Supply, art. 8.

European Commission. Consumer vulnerability across key markets in the European Union, Consumers, Health, Agriculture and Food Executive Agency, London Economics, VVA Consulting and Ipsos Mori consortium, January 2016; http://ec.europa.eu/consumer\_evidence/market\_studies/docs/vulnerable\_consumers\_approved\_27\_01\_2016\_en.pdf

pecially the Goal 6. Ensure availability and sustainable management of water and sanitation for all, is essential in providing access to an adequate fair sanitary and hygiene conditions for all, paying special attention to women's and girls' needs, and the needs of people in vulnerable situations.

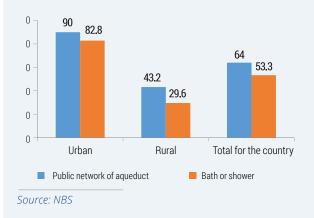
- 783 million people do not have access to clean and safe water at the global level
- 1 out of 9 people from the entire world has no access to safe and clean drinking water
- 443 million school days are lost every year because of water-related diseases
- In developing countries, 80% of diseases are related to poor water and sanitation conditions.
- 1 out of 3 persons or 2.4 billion have no improved sanitation installations
- Half of hospital beds in the whole world are taken by people suffering of water-related diseases
- Women and girls are responsible for collecting water, in 7 out of 10 households from 45 developing countries
- More than half of primary schools in developing countries have no access to water and sanitation. Without toilets, girls frequently drop out of schools at the puberty age.
- 84% of persons with no access to improved water supply live in rural areas, when they rely mainly on subsistence agriculture.

Source: Water data. Statistics of the water crisis. | The water project https://thewaterproject.org/.

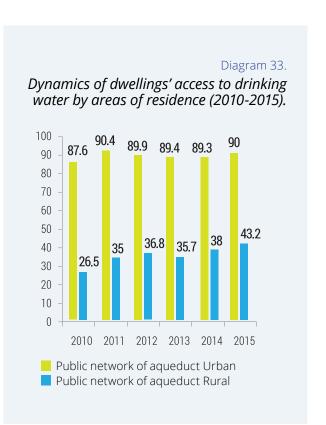
Even through many citizens obtained access to improved sources of drinking water over the last years, the decrease of the gap between urban and rural access to drinking water remains to be a challenge for the country. Only 64% of dwellings were connected to the public networks of aqueducts in 2015, and the urban-rural gap for access to drinking water is essential: 90% of connected dwellings in urban area as compared only to 43.2% in rural area (Diagram 32). Only 53.3% of the dwellings connect to water and have bath or shower as a sanitation supply, and the territorial gap is 82.8% urban (dwellings from cities and municipalities) and 29.6% rural (dwellings)<sup>290</sup>.

Diagram 32.

Dwellings' access to public networks of aqueducts, bath or shower, %, 2015



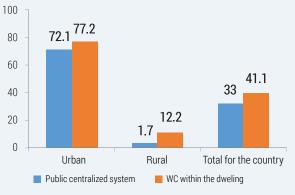
At the same time, the urban-rural gap for access to drinking water has decreased considerably over the last years (2010-2015), registering a drop by 2.73% in urban area and by 60.1% in rural area (Diagram 33).



In case of access to public sanitation systems, the urban-rural gap is even more significant<sup>291</sup> (Diagram 34): only 72.1% of urban dwellings and 1.7% of rural dwellings have access to public sanitation systems. As well, only 41.1% of dwellings at the country level have WCs in the dwelling, of which about 77.2% in urban area and 12.2% in rural area.

<sup>290</sup> National Bureau of Statistics. Social Statistics. Dwellings' endowment with utilities by areas of residence, 2006-2015; http://statbank.statistica.md

# Diagrama 34. Dwellings' access to public sanitation systems and WCs within the dwelling, %, 2015



In total, only 41% of localities in the Republic of Moldova (excluding the Transnistrian region) are connected to the water supply systems and only about 9% of localities are connected to sanitation systems<sup>292</sup>, these figures also include the localities where the respective systems do not function. The population from rural areas gets adjusted to these realities: more than half of rural households are supplied with water from wells, including about 30% with bath and shower. As well, about 40% have created their own sanitation system and 12% have WCs within the dwelling.

In this context, it should be noted that the country registers a high percentage of wells (over 80%) are polluted with different chemical compounds and nitrates, and water cannot be consumed from them. But because of the lack of alternatives and finance, the local population uses this water, including the households. The quality of drinking water distributed in the centralised aqueduct systems in the cities is also problematic. According to a study carried out in 45 localities of the country<sup>293</sup> with 96 samples of drinking water taken for tests, it was concluded that 75 samples were investigated for microbiological indicators, of which 42 samples (56%) are compliant and 33 samples (44%) do not comply with sanitary norms. Thus, high levels of sodium, chlorides, and ammonium were registered in drinking water (Taraclia town), a high percentage of sodium and nitrites (Causeni town), increased level of sodium, sulphates, ammonium, mineralization and iron (Comrat town), high level of sulphates (Vulcanesti town), increased level of sodium and ammonium (Anenii Noi town), including microbiological indicators not complying with hygiene standards (Vadul-lui-Voda town) etc.

In this context, systemic inequalities occur when consumers pay for drinking water supply service, and suppliers distribute the product without verifying rigorously the quality of water, which does not comply with standard indicators. All consumers are entitled to be informed

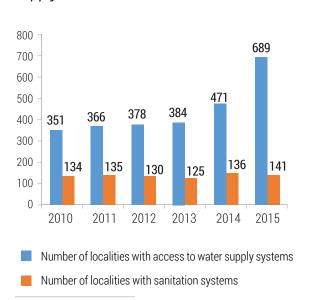
about the quality of the supplied products: especially article 9. Obligations of the Service Provider, stipulated in the Law No. 105 of 13.03.2003 on Consumers' Protection<sup>294</sup> (article 9), which obliges the provider "to supply only services which do not affect life, health, heredity and security of consumers or their economic interests; to ensure the observance of hygienic-sanitary conditions; and, respectively to be responsible for the damages caused by the service which is provided inadequately." Hence, the supply of contaminated water according to the performed laboratory tests implies a serious violation of consumer's right to information and also, provokes economic, physical and psychological damages, as the consumer is exposed to the risk of bacterial infections induced by different mineral or organic substances contained in the contaminated water. The final consumers include households and dwellings, schools and kindergartens, hospitals and commercial centres, food shops, etc. Practically, they are important strategic points that have an impact on quality of life and population health condition.

At the same time, it should be mentioned that local infrastructure projects are annually carried out in rural areas and small towns, which are meant to increase gradually the number of households connected to water and sanitation supply services, and their impact is manifested especially in the rural area (Diagram 35). Hence, according to the NBS data, the total length of the drinking water distribution networks increased from 8.509,9 km in 2010 to 12.756,5 km in 2015, which accounts for an increase of about 50%. In case of the sanitation supply systems, the increase was rather modest, about 7.5% (from 2.586,5 km in 2010 to 2.779,1 km in 2015). Nevertheless, from viewpoint of the number of served population, the access to drinking water, sanitation, and used water filtering services is mainly based on infrastructure built during the soviet times. The chronic deficit of resources allocated to this sector during the last quarter of century has led to gradual degradation of the respective infrastructure, and implicitly to a poor quality and availability of services, as well as to increased costs for respective services' maintenance. Thus, on the biggest part of the Republic of Moldova's territory, the water resources available at the local level are either insufficient, or of inadequate quality to be used as drinking water. The poor quality of water consumed in the rural area represents one of the factors affecting negatively public health (see section Access to health services). But it is important to mention that the majority of persons living in rural settlements relies on unprotected water sources. The poorest and most marginalised groups and persons are under the incidence of limited access to drinking water and centralised public systems, since too poor to afford themselves to get connected and subsequent maintenance. If the wells are polluted and water consumption from these wells is prohibited and protected by special authorities, the only opportunity in the rural area is water supply from informal intermediaries, whose services are rather costly for poor and marginalised persons.

<sup>292</sup> National Bureau of Statistics. Activity of the water and sanitation supply systems in 2015. Press release from 31.05.2016; http://www.statistica.md/newsview.php?l=ro&id=5223&idc=168

<sup>293</sup> East-European Foundation. Monitoring the quality of drinking water distributed in the centralised gater supply networks in the towns of the Republic of Moldova. Chisinau 2016; http://eef.md/media/files/fules/studiu\_calitatea\_apei\_potabile\_420671.pdf

Diagram 35. Localities' access to water and sanitation supply sources, 2010-2015



Source: NBS

Although the right to water is a fundamental human right (United Nations, 2010), about 60% of urban population and 40% of rural population of Moldova live without access to drinking water. Because most of the population of the country is concentrated in the rural area, the limited access to drinking water increases the risk of many infectious diseases. This risk factor increases in the socially vulnerable groups, such as women and girls, persons with disabilities, elderly persons, etc. Having no access to the sanitary and hygiene installations, women and girls are exposed not only to infections, but also to a lack of dignity and a higher risk of maternal mortality<sup>295</sup>. Many times, the lack of decent separate sanitary installations in school forces girls to abandon secondary schools at the puberty age 296. And the lack of early education represents a systemic inequality in girls' lives, having consequences on their later training, in their attempts to escape poverty and entering the labor force market.

The inadequate access to drinking water, sanitation and hygiene in school, especially in rural area, is a huge burden for the country. A study carried out by UNICEF reveals that over 2/3 of schools use aqueducts as sources for drinking water supply, and about 1/3 use wells, springs, or water transported in tanks, and 1 out of 5 schools do not observe the sanitary protection area. As well, 50% of schools use water sources which are not authorised from sanitary point of view for drinking purposes<sup>297</sup>. Many children learn the most important hygiene skills in school, and for many of them – this is ab-

solutely vital, if such skills cannot be acquired at home, because of inadequate conditions. The limited access to water and sanitation contributes to children's poor health condition.

Besides the need to acknowledge these drawbacks of the drinking water supply system at the national level, it is also necessary to undertake supported efforts so as to understand the barriers which stop the public and associative sectors to play a more efficient and equitable role in managing and distributing drinking water supply services, especially in rural area. Respectively, the poor quality of water consumed in total area limits not only the public health, especially that of women and children, but also the economic opportunities of the respective localities. In case of the missing drinking water, there are too few chances for economic activity, minim agriculture at substance levels, and fewer chances for small enterprises, which all lead to marginalization of rural population.

The improvement of the situation is possible only by mobilising investments in new infrastructures, which would allow population and economic units from the whole country (especially from the rural area) accessing water and sanitation supply services, as well as used water filtering services. According to the Strategy for Water and Sanitation Supply (2014-2028), the value of the respective investments is estimated to be over 2 billion euro<sup>298</sup>.

The majority of enterprises providing water and sanitation supply services is controlled by local authorities. In some localities (over 30), these services are organised as *Municipal Enterprises*, but even in the localities where the respective enterprises are organised as *Joint-Stock Companies*, it is actually the authorities from the respective locality which holds the control package in the respective enterprises. This aspect has a systemic nature and represents a significant inequality in relation to the approaches for enhancing the management of water and sanitation supply services' provision, especially at the local level.

As well, it is important to specify that there are still localities, where the respective service is presently provided directly by the local public authority, as well as localities where the service is provided by Water Consumers' Associations (WCA).

## Drawbacks of tariff-setting policy in the water and sanitation supply sector

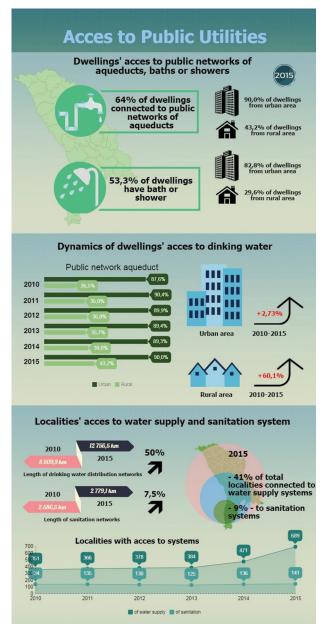
Until the second half of 2014, the tariffs for water and sanitation supply services were set by Local Council from the locality in which the service was provided. Because of the high sensitivity level of the topic related to increasing the tariffs, in many localities these

<sup>295</sup> Water Aid. Enhancing gender equality post: 2015. The role of water and sanitation.; http://www.wateraid.org/~/media/Publications/Post-2015/Enhancing-gender-equality-post: 2015-the-role-of-WASH.pdf?la=en

<sup>296</sup> UNICEF Summary Report. Quality of water, sanitation, and hygiene practices. Press Release from 10 March 2003; https://www.unicef.org/media\_7596.html

<sup>297</sup> UNICEF Moldova. Government of the Republic of Moldova. Summary Report. Quality of water, sanitation, and hygiene practices in Moldovan schools. Chisinau. 2009; https://www.unicef.org/moldova/ro/Raport\_sumar\_FINAL.pdf

<sup>298</sup> Government Decision No. 199 of 20.03.2014 approving the Strategy on Water and Sanitation Supply (2014 – 2028).



tariffs have not reached a level to cover integrally the costs. Hence, the service providers would end in poor financial situations with degraded key infrastructure. Moreover, many localities (except for Chisinau mun.) could not afford financing the necessary investments to improve the quality of water and provided service or to extend the service area and the number of consumers. Taking into account the deplorable situation in access to drinking water in some regions, resources were allocated from budgetary means, as well as those of the development partners to invest in new infrastructures. For instance, during 2008-2012, the means annually allocated for investments in the respective sector (from internal and external means) varied between 0.4% and 0.7% of the GDP, about 2/3 of these resources were allocated by foreign partners<sup>299</sup>. At the same time, the sustainability of these investments depends on the tariff-setting policy applied in relation to the operators of the newly-created infrastructure. Moreover, the funding of the respective investments from budgetary means was carried out through several tools, without any coordination among them. Hence, the investments made in the water and sanitation supply infrastructure were funded from the National Ecological Fund (NEF), National Regional Development Fund (NRDF), Social Investment Fund of Moldova (SIFM), as well as through direct transfers with special destination from the state budget to the local public authorities' budgets.

### The main sources for financing the water and sanitation supply services sector are:

- Tariffs paid by consumers for the respective services.
- Budgetary sources, mainly the National Ecological Fund (NEF), National Regional Development Fund (NRDF) and transfers with special destination from the state budget.
- Sources of foreign donors.

There is no common set of criteria/priorities, which would ensure that respective projects fit a common strategic framework or their compatibility in the regionalisation process. The NEF has no efficient mechanism for monitoring and evaluation projects.

Nevertheless, the lack of responsible tariff-setting policies at the level of local public authorities is the main cause for the gradual degradation of the drinking water and sanitation supply services and missing sustainable growth. It is namely the politicised mechanism for setting tariffs for water and sanitation supply services that lead to the financial asphyxiation of the sector and creation of inequalities among consumers.

Taking into account the commitments assumed by the Republic of Moldova, including the ones related to achieving the Millennium Development Goals (MDG) and the ones deriving from the Moldova-EU Association Agreement (AA), the international development partners were opened to allocate resources for making the necessary investments in the water and sanitation sector in the Republic of Moldova. At the same time, to ensure the sustainability of such investments, the allocation of these means was conditioned by the development and approval of the legislative and strategical framework for the water and sanitation supply sector. Hence two fundamental documents were developed and approved, entering into force in 2014: the Law No. 303 of 13.23.2013 on Public Service of Water and Sanitation Supply and the Strategy on Water and Sanitation Supply (2014-2028), which provide among other for giving up the paradigm of ensuring the localities with drinking water from local resources and switching to the paradigm of ensuring with drinking water from the two main rivers: Nistru and Prut. Respectively, the provision of drinking water and sanitation services was to be regionalised based on the existing enterprises. Thus, it is envisaged to have 3-5 enterprises at the country level to develop and to ensure the supply of the majority of localities with drinking water and sanitation services. At the same time, the Strategy recognises that it will not be possible to achieve the specific targets for the sustainable development goal related to water access and sanitation services for 65% of population by 2015.

The tariffs for water and sanitation supply services provide at the level of the region, rayon, municipality or town will be supervised by an independent regulator, ANRE. Thus, the respective water and sanitation service providers shall submit applications to the ANRE for endorsement of tariffs based on the Methodology for calculation of tariffs, also approvement from ANRE. Subsequently, within a period of 30 days, the ANRE shall issue an endorsement related to the submitted application, indicating the quantum of the tariffs necessary to be approved. If in a period of 60 days, the respective Local Councils do not approve the tariffs within the amount indicated in the ANRE endorsement, the enterprise will approach directly the regulator, which will approve these tariffs through a decision.

As a result of the development of the legislative and strategical framework for the sector, the beneficiaries in the Republic of Moldova could access the first means coming from the international financial institutions. For instance, in 2014 there was signed the contract for allocation of 30 million euro from EBRD, EIB and EU (Neighbourhood Investment Facility, NIF) for developing a regional system for water supply in the northern part of the country, based on Soroca-Balti aqueduct<sup>300</sup>. Also in 2014, there was a signed contract between the JSC "Apa-Canal Chisinau" and EBRD/EIB/ NIF on allocation of 65 million euro for modernizing the infrastructure of water supply, which is filtering in Chisinau. However, the majority of things related to this contract are currently stagnating, because of the delays in approving the secondary normative framework and deficiencies in enforcing the legal provisions.

In spite of the fact that the Law No. 303 of 13.12.2013 on the Public Service of Water and Sanitation Supply provides a period of 6 months for all the responsible institutions to adjust the normative acts to the provisions of the respective law, a series of mechanisms are not developed and/or not yet enforced. Thus, there are not mechanisms which would ensure the transformation of the existing enterprises of service supply (controlled by local public authorities) into regional enterprises. Moreover, there is no principle defined for regionalization of the service providers - based on the two rivers' districts or based on territorial-administrative units. As well, the switch to the paradigm of supplying localities from the water resources of the two main rivers implies the existence of a general plan at the national level (the so-called "master-plan"), which would provide details for water intake points and supply routes to localities. Currently, no such document is approved, and this fact together with all the above-mentioned causes is blocking the regionalisation process. At the same time, ANRE has not yet approved any tariff based on the provisions of the Law No. 303 of 13.12.2013 and of the new procedure for tariff approval, hence, discouraging the private investors and freezing the financing coming from the international financing institutions.

Another reason blocking the allocation of new means for water and sanitation sector is the macroeconomic and political instability followed the robbery in the banking system (see Macroeconomic situations as related to inequalities: recent developments). Some of the funding is conditioned by re-establishment of relations between the Republic of Moldova and the International Monetary Fund (IMF).

The only solution for improving the situation in the sector, reducing inequalities and recovering the delays in achieving the sustainable development goals, and particularly the targets for population access to drinking water and sanitation services is the *mobilization of investments to be made in the infrastructure for provision of the respective services.* 

## Electricity market pattern and its impact on inequalities

As compared to the services of water and sanitation supply, the access to electricity in the Republic of Moldova is ensured for almost 100% of the population. Nevertheless, it should be mentioned that the exacerbated level of population poverty, especially in rural areas, reveals a reduced consumption of energy, which represents energetic poverty. This is determined by the impossibility of some households to consume energy for lighting, heating of the dwelling during winter time, hot water supply in the dwelling, and different household activities which imply electricity use, due to the lack of money.

The energetic poverty is caused by three factors: (i) low level of population incomes, (ii) high and inefficient consumption of energy, and (iii) high price for consumed energy.<sup>301</sup>

The majority of tariffs to heating and electricity from the last years affects the budgets of poor households. As a result, more consumers become vulnerable to the energy tariff-setting policy.

The current electricity market pattern generates differences between the prices regulated for final consumers of electricity depending on the distribution network in the jurisdiction. When taken separately, this inequality could be considered a relative minor problem, but when cumulating it with other economic factors, we see that the existing pattern perpetuates and even contributes to increase economic inequality, instead of contributing to its reduction.

<sup>300</sup> Rosca, Olga. EBRD helps improve water supply in northern Moldova. 30 July 2014; http://www.ebrd.com/news/2014/-ebrd-helps-improve-water-supply-in-northern-moldova.html

<sup>301</sup> Negură, Călin. Stratan, Mihail. Arion, Valentin. Increasing energy efficiency — essential conditions for sustainable development. Summary of the presentation from the International Conference "Energetics of Moldova — 2016. Regional development aspects, Il edition, 29 September -01 October 2016, Chisinau, Republic of Moldova; http://www.ie.asm.md/assets/files/16A-12.pdf

### The electricity price paid by the consumer includes three major components:

- electricity price together with its supply service (sale), including contracting, billing, money collecting, etc.
- electricity transportation services;
- electricity distribution services.

In the structure of the price regulated for final consumers, the first two components are equivalent for all consumers. At the same time, the last component varies significantly from one distribution company (RED operator) to another, implicitly from one service region/zone to another. Hence, the distribution tariff for consumers connected to low-voltage networks (the majority of consumers, including household consumers) accounted until 2016: for the area served by Gas Natural Fenosa – 3.07 c\$/ kWh; for the area served by RED-Nord – 3.63 c\$/kWh; and for the area served by RED Nord-Vest - 4,13 c\$/ kWh. These differences are transposed also in the final regulated tariffs for electricity, and consumers from the northern part of the country pay 0.56 - 1.06 c\$/ kWh more as compared to consumers from the central and southern parts of the country (served by Gas Natural Fenosa). For instance, consumers from Congaz v., ATUG or Anenii-Noi town pay a tariff of about 9.7 c\$/kWh, while those from Trinca v., Edinet r., or from Donduseni town pay a final tariff of 10.8 c\$/kWh or by 11% more. At the same time, the allocation of the distribution areas among the companies does not depend on consumers; hence, the respective problem does not refer only to economic inequality, but also to social inequity.

The problem is actually wider than the different tariffs applied in different regions. The methodology for calculating the tariffs provides that the distribution tariff is calculated by dividing the total regulated revenue of the distribution network operator to the volume of distributed electricity. At its turn, the biggest part of the total regulated revenue of the distribution companies depends directly on the networks - the wider the networks are, the higher the costs related to their maintenance are, as well as wear and tear, energy losses, etc. On the other hand, energy consumption in a certain area/region depends more on the concentration of population and economic activities in the respective region. Hence, the distribution tariffs will be lower in case of companies serving areas with higher concentration of population and economic activities. For instance, the length of RED-Nord and RED-Nord-Vest networks differs insignificantly, while the volumes of distributed electricity differ essentially. First of all, due to the fact that the area served by RED-Nord is located in Balti mun., which represents the second most concentrated area with population and economic activities in the country, after Chisinau<sup>302</sup>. On the other hand, the energy costs represent one of the criteria (but by far not the most important!), making the respective area/region attractive for investors. In other words, when taking the decision regarding the specific localization of their business, investors take into consideration also the energy costs from the respective region. As a consequence, from the electricity costs' perspective, the areas with a lower concentration of economic activities become less attractive for new economic activities. Hence, the current pattern actually contributes to perpetuation and amplification of economic inequalities, as part of a vicious circle (Annex 9). As a result, the highest final tariff for electricity is applied to consumers in the service area of the distribution company RED-Nord-Vest, an area with mainly rural population, which is already disadvantaged from economic opportunities and population income viewpoints.

At the same time, the market pattern, as well as the methodology in force for calculating the tariffs is fully in line with the provisions of the European Directives and commitments assumed in front of the international partners. They have been drafted for the purpose of the legislation provisions, and namely: "performing regulatory activities in the energetics sector in conditions of accessibility, reliability, continuity, and transparency, for opening gradually the market of electricity and for ensuring reliable supply at minimum costs for electricity consumers". Hence, the objective and purpose of these documents refer to regulating the energy sector, instead of tackling the problem of economic inequalities. As well, the above-mentioned documents do not envisage solving the problem of "energetic poverty" (consumers with low capacity to pay for energy services, including electricity), respectively they do not provide for a separate tariff for persons vulnerable from economic point of view. This problem is tackled at the state level through the social assistance system namely by providing social assistance for the cold period of the year (ACPY)303 This amount accounted in 2015 for about 250 MDL and is provided to families whose incomes are lower than the minimum guaranteed monthly income increased by 1.6 times. Respectively, the guaranteed minimum monthly income in 2015 for ACPY accounted for 1224 MDL. As not all the deprived families submit such requests, respectively not all vulnerable consumers may be helped in real terms. About 90% of families benefiting from ACPY are those that have family members benefiting from pensions or other social benefits.

To change the situation and to break the above-described vicious cycle, the market pattern should be changed so as to eliminate the differentiation of tariffs between the service areas of RED operators. In this way, the electricity market pattern could be completed with one more market participant – a payments' processing company (PPC). Besides the currently setted tariffs, the ANRE would establish in the new market pattern, also the average tariffs for electricity distribution (by voltage levels), which would be applied on the entire territory of the Republic of Moldova. Based on the respective tariffs, the PPC would collect the payments for the distribution service, afterwards distributing them to the operators of the distribution systems depending on the individual distribution tariffs set for each of them (an eventual timeline is presented in Annex 10). This approach would allow, on one hand, for consumers from the Republic of Moldova to pay fair tariffs, and on the other hand, for ANRE to keep the tools for individual regulation of costs and fostering efficiency in relation to each of the distribution enterprises. Of course, the final prices for electricity do not represent the only or the most important factor, which generates an unbalanced development of the different regions in the Republic of Moldova. Nevertheless, the current pattern unintentionally contributes to perpetuating inequalities, and the costs for modifying this pattern would be insignificant as compared to the inequality impact.

#### ACCESS TO **DIGITAL SERVICES**

Republic of Moldova has advanced a lot in the area of implementing modern information technologies, although it is lagging behind in relation to the relevant indicators for complete digitization of the society. The contribution of the ICT sector to the GDP accounted in 2015 for 8%, and the penetration of the Internet services was 64%<sup>304</sup>. Half of the population – 1.946.111 citizens are Internet users<sup>305</sup>. Most of them are frequent Internet users, connecting to high speed Internet. According to the most recent data, the share of subscribers with access to fibre Internet was 55.6%, based on xDSL technologies – 37.1%, via coaxial cable – 6.9% and based on other technologies – 0.4%<sup>306</sup>.

Respectively, numerous services are available in electronic format: tax declarations, biometric passports, border control, digital map of the country, digital signature and other services as: e-Police certificate, and e-licencing, operating based on open standards and clouding.

This e-transformation follows long-term "Digital 2020" strategies, which set forth the priorities of the Government to support the development of the sector and information society in the country, holding 74 out of 155 place according to The ICT *Development Index* (2015)<sup>307</sup>. In spite of the relatively high speed and reduced costs, the level of Internet extension at the national level is much lower as compared to other countries in the EU or even CIS. Studies show a strong correlation between Internet connectivity at the national level and the number of FB users in the country as pre-indicators of public control over corruption<sup>308</sup>. Although these indicators do not operate in isolation from other factors (formal institutions of the state, existence of a vibrant civil society, and level of economic wellbeing), we do understand that these indicators have a direct influence on the corruption control and good governance patterns. As a result, these developments imply increased efforts to be undertaken by the governmental agents to meet the public expectations, who try to equip themselves to cope with by providing qualitative services.

But the advantages of the digital technologies are limited by the population age, literacy level, and accessibility level. This complex image of the digital world is shadowed by the fact that the benefits of these products do not influence equally all the people. Hence, the new e-Gov communication platforms are not equally accessible to everyone, excluding important segments of rural population, elderly population and people with physical (eyesight) disabilities, generating a new type of inequalities

### inequalities related to reduced or inexistent access to modern online communication platforms.

In 2012, the Republic of Moldova was among the first 20 countries in the world according to the Internet connection speed, and its programs for e-transformation, the "Open Government Data" initiative, electronic signature and other online services, ranking the country among the states with advanced technologies. The population communicates a lot on the social media networks. According to the e-Gov data<sup>309</sup>, over 250.000 citizens communicate daily on FB, and those using Odnoklassniki and VKontakte are twice more - about 460.000 Moldovans. Facebook is accessed more by women - 147 thousand or 55.4%. The number of men accessing this domain is 117 thousand or 44.6%. Moldovans are more mobile in communication and information. Hence, 1 out of 5 users access Facebook from the mobile phone or tablet. Besides, citizens communicate a lot from mobile devices, tablets, smartphones, and cloud computing, looking for more sophisticated and more complex services for their different needs.

Other problems refer to high security risks for the personal data of the citizens connected on social media, or those who get the data to use different unsecured services (cyber security). It is well known that authorities undertake efforts to protect the communication channels, infrastructure, private and confidential information about employees and public, but the individual citizens may be easily deprived of properties, bank accounts and other goods as a

<sup>304</sup> Ministry of Information Technology and Communications. Investment opportunities in the ICT sector in Moldova, presebted at Expo Milano 2015. 10/16/2015; http://www.mtic.gov.md/ro/news/oportunitatile-investitionale-sectorul-tic-din-moldova-prezentate-la-expo-milano-2015

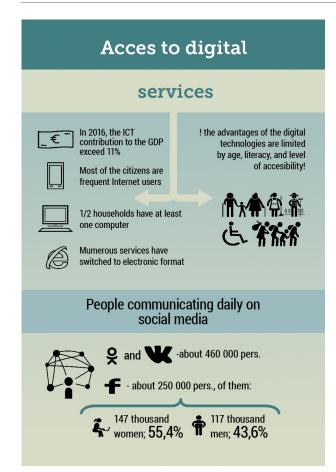
<sup>305</sup> The Internet world stats; http://www.internetworldstats.com/europa2.htm

<sup>306</sup> ANRCETI. Share of subscribers using access service to fixed high speed Internet de accounts for 53%. http://www.anrceti.md/news05092016

 $<sup>307 \</sup>quad \text{The ICT Development Index (ITU index) 2015; } \ \text{http://www.itu.int/net4/ITU-D/idi/2016/} \\$ 

<sup>308</sup> Levy, Brian. Working with the Grain: Integrating Governance and Growth in Development Strategies New York: Oxford University Press, 2014; https://workingwiththegrain.com/book-abstract/

<sup>309</sup> e-Governance Centre; http://www.egov.md/en



result of the increased phenomenon of capturing sensitive data, in the context of an excessive activation of hackers and use of pirated products among the population. It is admitted that authorities will educate the employees about the risks associated with the use of social media and modalities for mitigating these risks. In general, the usage of social media pages will be regulated by the current security rules, applied to the entire system of information technologies. Most frequently observed technologies are the ones for taking over personal data and penetration of unprotected social networks by phishing the authentication data, spoofing, and attacking the WEB applications, including of some public institutions. These risks contain important manipulation techniques and social engineering, which are very popular among the current policies with electoral ambitions.

The speed with which the new information technologies are developing in the modern world imposes the need of regular update of personal security protocols so as to cope with the new security threats. The security risks produce wide inequalities, and their effects should be acknowledged and counteracted in future.

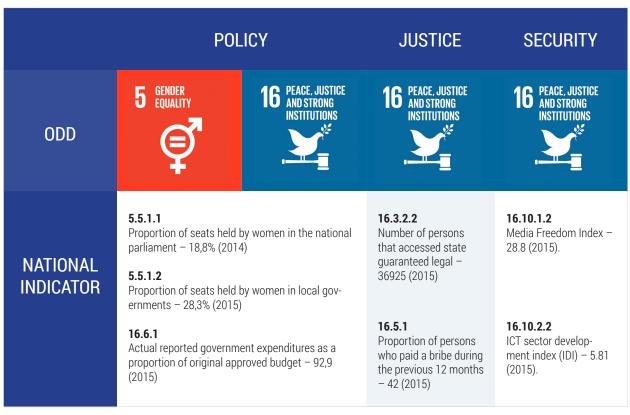
WHAT ARE THE CAUSES AND THE PATTERN OF POLITICAL INEQUALITIES IN THE REPUBLIC OF MOLDOVA?

HOW DO SOCIAL
INEQUALITIES GENERATE
POLITICAL
UNDER-REPRESENTATION?

HOW ARE **REGIONAL INEQUALITIES** PERCEIVED?

WHAT IS THE CORRELATION
BETWEEN POLITICAL INEQUALITIES AND
SOCIALLY VULNERABLE GROUPS?

WHAT DIMENSIONS **GENERATE INEQUALITIES** IN
HUMAN SECURITY **ASSURANCE**?



**Source:** updated data according to the report Nationalization of Indicators for Sustainable Development Goals, Results of consultations on adjusting the indicators for assessing and monitoring the 2030 Agenda for Sustainable Development to the context of the Republic of Moldova, Expert-grup/UNDP, with the support of UN Country Team, including UNFPA, UNICEF, ILO and UN Women

CHAPTER 4.

# HUMAN DEVELOPMENT BETWEEN POLITICAL INEQUALITIES AND GOOD GOVERNANCE

În cadrul ultimului capitol se face o analiză amplă a diapazonului inegalităților politice, care afectează calitatea democrației și perspectiva libertății de a trăi în demnitate, iar aceasta, la rândul său, are un impact esențial asupra dezvoltării umane.

The reduced participation of citizens in the decision-making process, but also the exclusion or marginalization of other categories and groups of persons based on some biases or tolerated institutional obstacles delegitimizes the state authorities, and the reduced level of transparency in relation to the decision-making mechanisms in the state, which support the inequalities and distort the

meaning of "public good" in the society.

All these factors are reflected in this chapter. The picture of political inequalities would not be full without analysing the dimensions of vertical and horizontal inequalities in ensuring human security, as a basic element of the country's sustainable development.

#### **CAUSES AND PATTERN OF**

#### POLITICAL INEQUALITIES IN THE REPUBLIC OF MOLDOVA

The paradox of human development is also explained by the existence of unequal distribution of powers in the society, which generates inequity, systemic discrimination, and conflicts, contrary to the politically set objectives to achieve more social cohesion and equity for all the citizens. Alongside the economic and social inequalities, and their derived outcomes, the analysis of political inequalities allows us to understand the real picture of discrepancies in the political system, and respectively the policies to be used for counteracting the phenomenon of uneven allocation of resources, privileges, public and political positions, in order to diminish the creation of underserved advantages for some groups at the expense of other groups. Hence, the investigation of inequalities may generate more systematic equity and wellbeing.

The political power and justice are interconnected in exploring inequality experiences in the society, whenever there is an exclusion from political participation of some social groups or persons, resulting from an unequal distribution of certain political and power opportunities, and an unequal access to justice, freedom and institutions<sup>310</sup>. An unequal justice imposes higher costs for those who are marginalised and prevents their inclusion. Political inequalities lead to break in human cohesion, creating systematic and complex forms of abandon, ignorance or intended bias of political rights, freedoms and needs of social progress for socially-vulnerable persons and groups.

Political inequality discriminates either through prejudice, stereotypes or stigma applied to some rejected persons or groups, or through multiple segregation, sometimes silent segregation, but frequently through explicit segregation<sup>311</sup>. The acceptance of these barriers of political representation for those who are rejected feeds the political phenomenon of institutionalisation of inequalities through a system of unequal distribution of power in the state. It can be ascertained that political power becomes the main tool for establishing and preserving some hierarchies of unfair political inequalities, which reproduce sophisticated networks for rejecting and getting away the vulnerable groups from the power exercise, imposing a system of additional fees for obtaining access to the vital services and goods for social groups and individuals. The analysis of political inequalities may describe a more realistic picture of power distribution in the state than the one deriving from the formal reading

of existing laws and regulations. The elimination of inequalities should follow the purpose of adopting more friendly rules for everyone, according to the UN concepts, rules, and fundamental conventions. Analysing the population opinions regarding the state power, it may be pointed out that certain social groups, such as youth and persons with higher levels of education, have more expectations regarding the governance quality and demand more from the Government, while the persons from the rural area and women are more neutral in expressing opinions<sup>312</sup>. At the same time, a number of opinions confirms the rather widespread idea, according to which the Republic of Moldova represents a state empowered with poor institutional memory, and with institutions and bureaucracy which are easily controlled through political means and mechanisms for rents' extraction, in which justice is strongly controlled by political groups, assigning themselves the right to interpret the laws according to the games of powers and interests. The successes achieved in the extended negotiations of the Association Agreement with the EU (2012-2013), although assigned the Republic of Moldova the image of a "success story", were actually overlapped with aggravating things, such as the frauds in the banking system, the political conflicts, and the instable economic situation.

Many foreign officials and politicians from the opposition have criticized the high level of corruption and block of some vital reforms for the development of the Republic of Moldova as a democratic state. In 2015, Thonbjorn Jagland, the Secretary General of the Council of Europe, published a devastating article in New York Times related to corruption in the Republic of Moldova<sup>313</sup>, using the notion of "captured state" and other less pleasant epithets. In July 2015, the EU Delegation informed officially the Government of the Republic of Moldova about the decision to suspend its annual financing, criticizing the lack of reforms and the gap between talks and facts<sup>314</sup>. In GRECO's opinion<sup>315</sup>, the most serious problems in the Republic of Moldova refer to the selective enforcement of anticorruption legislation and supporting integrity policies in public service, modest institutional capacities and the lack of autonomy of the anticorruption agencies. Many voices of the civil society mention that "authorities should demonstrate the mechanisms for state institutions' politicisation, accelerate the reform in the justice sector and public administration, ensure good governance resilience in managing the state's finances, increase competitiveness of exports from the Republic of Moldova, promote

<sup>312</sup> POB, IPP. April 2016; http://www.ipp.md/libview.php?l=ro&idc=156&id=773

<sup>313</sup> Jagland, Thorbjorn. NYT, Bring Moldova Back From the Brink, August 10, 2015, http://www.nytimes.com/2015/08/11/opinion/bring-moldova-back-from-the-brink.html?\_r=0

<sup>314</sup> Note: The EU financial support is conditioned by meeting some performance criteria specified in the policy matrix coordinated with EU. Until July 2015, EU has transferred to the budget and allocated for implementation of activities provided in the Justice Reform Strategy an amount of 28,2 million euro. The subsequent disbursements were frozen until the RM Government fulfils all the conditions from reforming the Prosecution Service and shows results in corruption eradication process.

<sup>315</sup> Council of Europe. Council of Europe calls on the Republic of Moldova to improve anti-corruption measures in respect of MPs, judges and prosecutors. Press release, Strasbourg, 5.07.2016; http://www.coe.int/t/dghl/monitoring/greco/news/News2016/News(20160705)Eval4\_Rep.of.Moldova\_en.asp

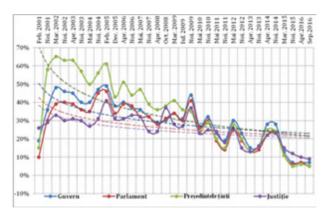
employment policies and decent living conditions for everyone, and combat corruption"<sup>316</sup>.

The critics have focused mainly on the lack of progress in investigating the disappearance from the banking system of the Republic of Moldova of the amount accounting for 13% of the GDP, hence, affecting the mediocre living standards of most of the country population, depreciation of Moldovan currency and the insolvency procedure for 3 major banks, through a stewardship attack from criminal transnational networks, with the tacit approval of some politicians. The bank fraud proved how vulnerable the financial-banking and political systems are, in conditions when important mechanisms of surveillance and safeguards have not reacted to signals and alerts, or just preferred to take no action. The frauds in the banking system have turned out, just like a litmus paper, clear evidence of corruptibility, cupidity, and systemic impunity, attesting deep drawbacks in the structures using justice for political purposes and dealing with the prevention of corruption and frauds, money laundry<sup>317</sup>. In the context of ample political tensions among the citizens concerned with the corruption level in the state and governing political parties, the citizens have acknowledged at once that after 2015-16 the pubic space became less friendly towards the free press and right of association, and the individual injustices became deeper<sup>318</sup>. In February 2016, the European Council criticised the politicisation of institutions, recommending the Moldovan authorities to solve this problem as soon as possible. Other recommendations included the need to accelerate the reforms, to implement the commitments of the Republic of Moldova under the Association Agreement, and to enhance the prudential mechanisms in the banking sector<sup>319</sup>. In October 2016, the Public Opinion Barometer (POB)<sup>320</sup> noted a recorded level of population dissatisfaction regarding the development vector of the Republic of Moldova, the lowest one in the last 16 years of sociological polls (Diagram 36).

The feeling of anxiety, protest, and a lack of trust breaks the classical pattern of political theory, according to which the citizen replaces the bad politicians by the good ones through free elections (Diagram 37). This is because many institutions involved in the political game in a captured state become vulnerable "targets" and may be relatively easy populated by rentier interests. In a state where the state institutions may be co-opted to influential economic groups, these structures of illicit power will try to harness the influence obtained over the state through a systematic exercise of

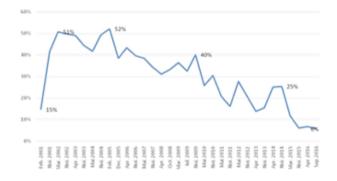
abuse of authority, sometimes violently, but most of the times through control over the distribution of public resources through coordinated networks of stakeholders (coalitions of networked politicians/entrepreneurs)<sup>321</sup>, exploiting the monopoly of state power for their own interests. In this "matrix" of power games, the competitive games and conflicts of the stakeholders use and abuse of such an unequal distribution of resources and group biases, resulting in a clear domination of one group over other groups.

# Diagram 36. History-based evaluation of population confidence for the main state institution in the Republic of Moldova



Source: Estimations based on correlated CBS Axa surveys, September 2016

# Diagram 37. Confidence for the RM Government (2001-2016)



Source: Estimations based on correlated CBS Axa surveys, September 2016.

- 316 EU-Moldova Civil Society Platform. Joint Declaration of the EU-Moldova Civil Society Platform (CSP), Brussels, May 1, 2016; http://www.csdialogue.eu/sites/default/files/joint\_declaration\_final.pdf
- 317 Call on the need to initiate an international investigation of the financial-banning and money laundry fraud in the Republic of Moldova, Transparency International. 09 August 2016; http://www.transparency.md/ro/noutati/declaratii/
- 318 World Bank Governance Indicators. Voice and Accountability; http://info.worldbank.org/governance/wgi/index.aspx#home; Bertelsmann Transformation Index (BTI) 2012, 2016. https://www.bti-project.org/en/home/ and Freedom Houng Freedom World Report; https://freedomhouse.org/report/freedom-world-2017; The Economist Intelligence Unit, Democracy Index 2016, http://www.eiu.com/public/topical\_report.aspx?campaignid=Peroporacy/index/2016
- 319 European Commission. Statement by Commissioner Johannes Hahn following the meeting with Andrei Galbur, Deputy Prime Minister, Minister of Foreign Affairs and European Integration of the Republic of Moldova.

  Brussels, 8 February 2016.
- 320 POB, IPP. October 2016; http://www.ipp.md/libview.php?l=ro&idc=156&id=804
- $321 \quad \text{Hale, Henry .E. Patronal Politics: Eurasian Regime Dynamics in Comparative Perspective, Cambridge: Cambridge University Press 2015.} \\$

Social inequalities produce political under-representation, defined via a system of formal and informal barriers, through group and individual attitudes and concerns of discriminatory treatment in relation to expressed social, economic, cultural or political needs. The evaluation of the National Program for Assuring Gender Equality revealed in 2015 that "insufficiency of resources limited the capacity of the ministry competent in this area (MLSPF) to ensure gender equality and to combat family violence"322. Previously, the UN Committee for Elimination of Discrimination expressed its concern regarding the "limited cooperation between the competent authorities of the Republic of Moldova for gender equality and the line ministries (...) frequent turnover of the personnel (...) [and] insufficient mainstreaming of gender within ministries at all the levels". The entry into force of the Law on Ensuring Equality<sup>323</sup> means a decisive step in combating discrimination and tackling some inequalities.

The Antidiscrimination Council has started functioning in 2014 with jurisdictional competences to examine the claims by discrimination criteria in an open hearing, hence marking an intense period for enhancing capacities in the non-discrimination area.

In 2015 there were 2 draft laws aiming to establish a binding quota for women's representation on the candidates' lists<sup>324</sup>, which led to the voting of one law (14 April 2016), including the obligation for at least 40% of the Government members to be women, having the same binding quota for the political parties during elections<sup>325</sup>. The new law prohibits sexist language and sexist images in mass media and advertising introduces paid paternity leave for fathers, extends the responsibility of local authorities regarding gender equality and sets forth a Group for Gender Equality Coordination at the central government level.

#### POLITICAL REPRESENTATION OF WOMEN

In the Republic of Moldova, women continue to be underrepresented in the political and public decision-making processes, as well as in foreign relations area. Without women's participation, all policies, decisions, and resources are reflected only from men's perspective, omitting the needs from the other half of population. A parity gender participation in decision-making contributes to diversified decisions reflecting the entire population of the country. Hence,

women's underrepresentation remains to be a priority problem (Diagram 38), including women from vulnerable groups in rural area, women with special skills<sup>326</sup>, ethnic minorities, especially Roma women<sup>327</sup>, in the political, public, entrepreneurial and foreign matter decision-making process. Moreover, the UN Committee for Economic, Social, and Cultural Rights mentions women as one of the vulnerable groups of the Republic of Moldova<sup>328</sup>.

Share of women and men active in the

structures of political parties

Diagram 38.

Gender distribution in political parties





Source: OMNIBUS CBS-AXA, December, 2015.

- 322 Ministry of Labour, Social Protection and Family. Report for assessing the implementation level of the National Program for Ensuring Gender Equality in 2010-2015, Chisinau 2015, p. 13; http://www.mmpsf.gov.md/sites/default/files/document/attachments/raport\_evaluare\_pnaeg\_2010-2015,pdf
- 323 Law No. 121 of 25.05.2012 on Ensuring Equality.
- 324 Note: RM Parliament, "Draft Law to amend and complete certain legislative acts (known so as Draft No. 180)": LDMP suggested a binding quota of 30% for women's representation, and DPM amendment provided for a quota of 50%; Law No. 71 of 14.04.2016 to amend and complete certain legislative acts.
- 325 Law No. 36 of 09.04.2015 to amend and complete certain legislative acts.
- 326 Note: Council of Europe. Recommendation CM / Rec (2012) 6 of the Committee of Ministers to member States on the protection and promotion of the rights of women and girls with disabilities. Adopted by the Committee of Ministers on 13 June 2012, at the 1145 meeting of the ministers' delegations); Articles 7,8 and 11 of CEDAW.
- 327 Concluding observations (2013)CEDAW/C/MDA/C0/4-5:"Introduce procedures to ensure the effective participation of Roma women and women with disabilities in elected offices and appointed bodies"
- $328 \quad \text{Cahn, Claude. Elements for special considerations: Moldova. JILDP. Vulnerable Groups; \ http://descentralizare.gov.md/public/publications/671268_md_april_2010_jild.pdf}$

The Council of Europe Recommendation regarding the balanced representation of women and men in the political and public decision-making process promotes measures (including positive discrimination measures) for facilitating a balanced participation of women and men in the political and public decision-making process at all the levels (Rec2003/3), as well as in all the processes of mediation, negotiation, delegation, and representation in the international organizations and fora (Rec2010/10).

In the Recommendation 1899 (2010) on increasing women's representation in politics through the electoral system, the Parliamentary Assembly of the Council of Europe encourages the member states to increase women's representation by introducing special temporary measures. The gender balance is not only a right guaranteed by the EU Charter of Fundamental Rights, in particular art. 21 and art. 23, but also has a special importance in the EU, as it is an essential condition for supporting all the rights and obligations deriving from international treaties and law.

Equality and elimination of all forms of discrimination against women and girls is also a commitment assumed by the UN countries. Based on the Sustainable Development Agenda<sup>329</sup>, especially Goal 5, Moldova intends to suppress all the harmful practices regarding discrimination and inequality by ensuring women's full and effective participation in decision-making, entrepreneurial and foreign relations processes<sup>330</sup>.

Nevertheless, the institutional framework for eliminating gender inequalities and empowering women is not favourable and sufficient, registering compliance gaps in relation to EU fundamental values. This deficit leads to superficial implementation of policies in the area. Moreover, the majority of sector strategies are adopted without taking into account the equality dimension, which represents a real concern related to the slow progress of the judiciary reform on harmonization of the national legislation<sup>331</sup> with the international documents of reference and the commitments assumed in the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and the Republic of Moldova, of the other part<sup>332</sup>. The biggest challenges in the area refer to the reduced level of responsibility of the public agencies/institutions for ensuring equality and capacities to understand and to formulate adequate policies by harnessing the gender dimension; a very weak mechanism for monitoring and holding accountable the public institution for exercising equality<sup>333</sup>. One of the considered measures is to develop and implement efficient and multi-faceted strategies envisaging specific and quantified objectives: "to create some mechanisms for regular monitoring and clear action plans, aiming to ensure equal opportunities and reduce inequality as results, including by elimination of discriminatory laws, policies, and practices and promoting corresponding legislation, practices, and actions in this respect"334.

It should be noted that women's representation rate in the legislative body of the Republic of Moldova is a little bit under the average rate as compared to other parliaments (Table 11)<sup>335</sup>. According to the data of the Inter-parliamentary Union (IPU), the average share of women in the national parliaments at the global level accounted for 22.9% in 2015; the average rate in Europe - 25.3%, and in the RM - 22%.

Table 11.

Gender composition of the main political positions in the Republic of Moldova Parliament

Source: Sarmite D. Bulte, P.C. Gender Audit in the RM Parliament: towards the development of a more gender-sensitive institution, UNDP.

Party	President	Deputy President	Man	Woman
DPM	Man	8	6	2
LDPM	Man	8	7	1
LP	Man	8	6	2
CPRM	Man	0	0	0
SPRM	Man	0	0	0

The women's representation indicator is lower in relation to the leadership of some political parties. In the Republic of Moldova, only 4 out of 44 parties are led by women-politicians, and 2 of them are new parties<sup>336</sup>.

As a rule, women take the peripheral positions on the electoral lists, with small chances to get to the eligible places. Women's share on the electoral lists does not exceed the rate of 20% in the Republic of Moldova<sup>337</sup>. Only 30.1% of the candidates during the elections in

- 329 The Sustainable Development Knowledge Platform. Transforming our world: the 2030 Agenda for Sustainable Development; https://sustainabledevelopment.un.org/post2015/transformingourworld
- $330 \quad \text{UNDP. Sustainable Development Goals; } \text{http://www.md.undp.org/content/moldova/ro/home/sustainable-development-goals/goal-5-gender-equality.html} \\$
- 331 Parliament Decision No. 146 of 09.07.2015 regarding the Legislative Program for fulfilling the transposition commitments assumed within the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and the Republic of Moldova, of the other part, for 2015–2016.
- 332 Ibidem.
- 333 Gender Equality Agenda. Proposals for the Governance Program in the area of gender equality for 2014-2018.
- 334  $\,$  SDG Goal 10, progress and performance indicator 10.3.
- 335 Bulte, Sarmite, D. Gender Audit in the RM Parliament: towards the development of a more gender-sensitive institution, UNDP, Chisinau, 28 October 2015, p. 16.
- 336 Note: PAS is led by Maia Sandu, Dreapta is led by Ana Guţu, PNL is led by Vitalia Pavlicenco and Ana Nicroa is the President of the Conservative Party. However, over the last 25 years, RM had women Prime Minister and Speakers of Parliament and Ministers in influential ministries, such as Ministry of Finance, Ministry of Family and Social Protection, and a former Minister of Foreign Affairs, N. Gherman, ran for elections in 2015-2016 for the position of UN Secretary General.
- 337 Bulte, Sarmite, D. Idem, p. 18. Some men MPs say that women miss the capacity to assume themselves the responsibility for leadership positions in the Parliament, that's why they were not appointed in such positions. As well, women MPs have limited access to political/coalition negotiations p. 49. Actually, they seldom discuss such aspects within fractions. Some women MPs revealed that they are just informed about the decisions that "we have adopted".

2014 were women (an increase as compared to 1998), and this is sub-optimal as compared to the statistics on women's share in the society (51.4%). It should be mentioned that gender inequalities are not expressed statistically only under the numerical aspect, but also from the attitude perspective, through opinions which confer women a subsidiary or secondary role in the formal structures of the society.

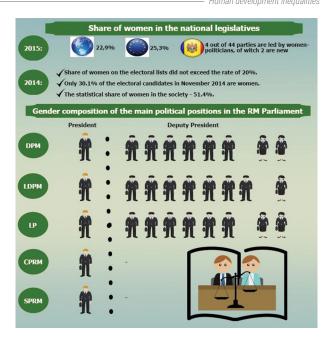
We also can talk about the existence of the "exist" phenomenon - rather popular in the society mainly led by men, which explains and effectively feeds a series of biases and parochial models, traditional authority structures, as well as canons existing at the level of the community institutions and church. Stereotypes are present everywhere, frequently exploited against obtaining real equality for women-politicians, who have to struggle against the resistance of old party elites, misogynistic elite and conservative parochial collectives – hence, justifying the conclusion of a study that the Republic of Moldova has a *structural inequality* regarding women's representation<sup>338</sup>, the equivalent of a salary by gender.

The Law on Political Parties does not contain provisions which would impose representation barriers for women<sup>339</sup>, but such barriers exist in the mechanisms for establishing the candidates' lists and for women's participation in the political life, in general.

A study carried out in 2015 <sup>340</sup> reveals that women-candidates were concentrated mainly in the second part of the party lists, the first part mainly advantaging men-candidates; hence, the first decile of places with real chances would count 11% men-candidates and only 5.9% women-candidates; the average position taken by a man-candidate is by 5-10 positions closer to the top of the list. During the last general elections in 2014, only two parties had women in the top of the list, although in general the share of women in the first 5 positions has increased significantly (from 5.3% in 1998 to 23.1% in 2014).

However, the monitoring exercises proved that not only the place in the list disadvantages women, but also the role they have in the electoral campaigns. Only 12.4% of the 170 participants in electoral debates organised in 2014 were women and only in 16 TV debates included at least one woman on the TV scene, whole men-candidates were always present in the debates followed by the public, this attributing women only 10% of the possibilities to get affirmed in the public debates<sup>341</sup>.

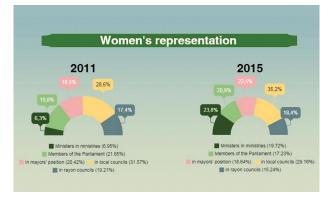
The need of fair representation of both sexes in taking political, public, and economic decisions is invoked based on the statistical reasoning regarding the share of sexes in the country, as well as the social reasoning regarding the specific needs of women and men, which are not sufficiently mirrored in the polices promoted



by the sex dominating the decision-making power.

The international experience relevant for women's promotion in equal positions with men proposes an introduction of temporary measures as gender quotas. Gender quotas represent an accelerate model of equal representation of both genders, as a fast track for achieving equal representation of women and men<sup>342</sup>. According to the International Institute for Democracy and Electoral Assistance (IDEA), "the quota for women implies the fact that women should represent a certain number of percent out of all members of a body, regardless of the fact if it is a list of women-candidates, a parliamentary assembly, a commission or a government. The quota system places the recruitment burden not on women as individuals, but on those who control the recruitment process. More specifically this means that countries may establish electoral gender quota, which ensures that there are at least 20, 30 or 40% of women in the parliament". In the EU states the quotas vary between 25% and 50%.

One of the Sustainable Development Coals – SDG 5, which provides for gender equality and women's and girls' em-



<sup>338</sup> Republic of Moldova, "National report on implementation of the Beijing Declaration, Platform for Action 1995 and results of the 23rd special session of the General Assembly (2000)", Chisinau: 2014 mentioned in Bulte, Sarmite, D. Idem.

<sup>339</sup> Law No. 294 of 21.12.2007 on Political parties in the Republic of Moldova

<sup>340</sup> Equal chances in the electoral process. Case study: local elections from 14 and 28 June 2015. Chisinau 2015, Women in Politics Program, Partnership for Development, with the support of UNDP, UN-Women and East-European Foundation; http://progen.md/files/7091\_sanse\_egale\_in\_procesul\_electoral.pdf.

<sup>341</sup> Ibidem, pp.26-27

<sup>342</sup> Dahlerup, Drude. Freidenvall, Lenita. Quotas as a 'Fast Track' to Equal Representation for Women. Why Scandinavia is no longer the model. pp. 28-29; https://equalvoice.ca/pdf/APSA5.pdf

powerment - aims as a target to ensure the full and efficient participation of women and equality of chances in leadership positions at all the decision-making levels in the political, economic and public life. In this context, it should be mentioned that the Millennium Development Goal, MDG 3 "Promotion of gender equality and women's empowerment" assumed by Moldova in 2012 is lagging behind. The Republic of Moldova envisaged for the electoral years 2014 and 2015 to achieve for women's representation in the decision-making process a share of 30% in the Parliament, 40% in the local councils, 25% in the rayon councils, including in mayor's position in 2015. The current situation shows an average representation of 18.5% women in the rayon councils, 20.6% women - mayors and only 21.8% women - MPs. The shares stagnate registering a light ascending trend<sup>343</sup> (Annex 11). At the same time, the area of diplomacy and foreign representation remains to be an area of men. In all those over 20 years of diplomacy, only 12 ladies held positions of Ambassadors of the Republic of Moldova.344

Because of the lagging behind in achieving the Millennium Development Goal assumed in 2012 for the electoral years 2014 and 2015, upon the insistence of the civil society and in cooperation with the international organizations, on 14 April 2016, the Parliament of the Republic of Moldova adopted the Law No. 71<sup>345</sup>, amending and completing 15 legislative acts. Amendments and completions were made to the Electoral Code, Audio-visual Code, Contravention Code, Labor Code, Law regarding the Government, Law regarding the Press, Law on Civil Protection, Law on Health Protection, Law on Penitentiary System, Law on Advertising, Law on Ensuring Equality of Chances between Women and Men, Law on Local Public Administration, Law on Status of Information and Security Officer, Law on Political Parties, and Law on State Labor Inspectorate. Hence, for the first time ever, the sexist language and advertising will be combated, the fathers of the new-born children will benefit from paternal leave for 14 calendar days, and paid from social insurance fund. But the triumph was registered in relation to respecting a minimum representation quota of 40% for both sexes when establishing the Government, as well when appointing the composition of the Audio-visual Coordinating Council, compilation of the lists for parliamentary and local elections, as well as for the leadership bodies of the political parties.

#### Gender proportionality in the electoral lists

The imperative criterion of *gender proportionality in the electoral lists* and sanctions for not observing the respective criterion were not accepted by the legislative body, hence, adopting only the part related to the representa-

tion quota on the candidates' lists for parliamentary and local elections, respecting the minimum representation quota of 40% for both sexes.<sup>346</sup> Without the respect from legal provisions related to gender proportional placement and sanctions, the introduction of representation quota is useless. *The introduction of the gender quota of 40% for the parliamentary elections, with the missing enforcement of a principle for positioning both genders on the candidates' lists would results in 27% of elected women.*"<sup>347</sup> Hence, based on other states' practice, the amendments and completions in the draft Law No. 180 of 15.05.2014 adopted during the plenary session of 14.04.2016, *will not contribute to an increasing the number of women – leaders at the local, regional, and national levels.* 

As political parties which like filters in women's promotion in politics, including that of minorities' representatives<sup>348</sup>, and as the power they hold to select and to appoint candidates, regardless of the type of the electoral system, it is necessary for the attempts to solve the problem of women's under-representation in the political and public decision-making process to focus on political parties and their concepts on strategies related to establishment of inclusive legislative assemblies<sup>349</sup>.

The National Strategy for Ensuring Gender Equality for 2016-2020<sup>350</sup> encourages the political parties to tackle women's empowerment and to increase women's participation, including women from disadvantaged groups, by setting rule on quotas and orders in the electoral lists for the parliamentary and local elections, and setting sanctions for not observing them. An additional incentive for political parties could be their conditioned financing deriving from the specific provisions on gender parity and their observance during the decision-making process and women's delegation in elective position also through appointments. The recommendations proposed by the Venice Commission and ODIHR/OSCE<sup>351</sup> on financing incentive measure for political parties so as to promote women in politics represent positive Pan-European practices.

The draft Law on Financing Political Parties was adopted on 19 March 2015. It provided the sources and conditions for financing parties and electoral campaigns. In this respect, a modality for stimulating women in politics could be the acceptance of amendments suggested by the civil society to art. 28., which pledges for the use of allocations from the state budget. Hence, "minim 30% of the budgetary allocations available for the political party will be used for promoting women's and youth's political participation. 352"

- 343 National Bureau of Statistics. Gender Statistics. Share of women in decision-making bodies, 2008-2015; http://statbank.statistica.md
- 344 Ziarul de Gardă. Women (not)appropriate to be ambassadors. No. 537 (1 October 2015); www.zdg.md/editia-print/politic/femeile-nepotrivite-pentru-a-fi-ambasadoare
- 345 Law No. 71 of 14.04.2016 amending and completing legislative acts
- 346 Electoral Code No. 1381 of 21.11.1997, art.41 para. (21) introduced by LP71 of 14.04.16, M0140-149/27.05.16 art. 291.
- 347 Law No. 71 of 14.04.2016.
- 348 OSCE. ODIHR. Bureau for Democratic Institutions and Human Rights. Republic of Moldova. Parliamentary elections of 30 November 2014. Mission for Elections' Observing OSCE/BIDDO.Final Report. Warsaw10 March 2015. Chapter XV, p. 6; http://www.osce.org/ro/odihr/elections/moldova/148271?download=true
- 349 Ibidem, Chapter XV, p. 14
- 350 Strategy on Ensuring Equality between Women and Men in the Republic of Moldova for 2016-2020; http://particip.gov.md/public/documente/139/ro\_3140\_anexa1.pdf
- 351 Council of Europe. CDL-AD(2013)002-e. Joint Opinion on Draft Legislation of the Republic of Moldova pertaining to financing political parties and election campaigns. Strasbourg, 11 March 2013. Opinion No. 696/2012. ODIHR Opinion-No.: POLIT-MOL/222/2013.
- 352 Law No. 36 of 09.04.2015 amending and completing certain legislative acts.

#### Traditional cultural barriers

Gender inequalities may be explained also by the traditional cultural barriers encountered by women and the society as a whole, such as: religious beliefs, predominantly masculine culture, stereotypes, difficulties in balancing family and professional lives, and insufficiency of financial resources. "In all the countries the cultural traditions and religious beliefs play a determinant role in concentrating women's activities only on household activities, excluding them from the social life"353. Hence, over 60% of respondents participating in a study on women's and men's participation in decision making process in the Republic of Moldova mention that gender matters a lot in making decisions<sup>354</sup>, <sup>1</sup>/<sub>3</sub> of them mention men as mainly positioned in decision-making roles. Another study shows that ¼ of respondents consider that women are less able to get leadership positions and nothing to do in politics<sup>355</sup>. Nevertheless, the Public Opinion Barometer carried out in April 2015<sup>356</sup> showed that women-politicians enjoy an increased level of trust expressed by the population – 30%, as compared to men-politicians - 23%. Nevertheless, the most frequent barriers encountered by women are the "household obligations" and the "stereotypes regarding women's role in the society", while the most frequent barrier encountered by men is the "insufficient support of the electorate"357.

If political parties are like to filter women's wishes to participate in the decision-making process, it should be recognized that other stakeholders also have a role as a relevant part of the democratic process in a wider meaning. The importance of media means and education for encouraging women to participate should be pointed out. It is important to monitor the media presence of women involved in the decision-making process so as to identify the influence of gender aspects and means of solutions, hence, to promote the efforts for eliminating the stereotypes and to encourage representation in positive images of women as leaders in all the aspects of life. The efforts undertaken by the trade-unions, private sector and nongovernmental organizations for fulfilling gender equality within organizations may be remarkable.

Based on certain studies in the area,<sup>358</sup> a barrier in women's economic independence is the "insufficient financing". Thus, the economical inequalities and redistribution of the monetary flow by gender stop women's path towards the public and political decision-making. And one of the most obvious causes of economic inequality is women's situation on the labor market, unremunerated domestic work and missing social infrastructure. About 60% of women from rural area and 58% of women from urban area are responsible for taking

care of dependent persons<sup>359</sup>. In the distribution by participation in economic activity of the persons with care-provision responsibilities, three out of five persons are inactive. At the same time, inactive persons prevail among the persons with responsibilities for their own children – 54%, as compared to employed persons - 41.9%. The positive trend among the persons with family responsibilities is established in relation to the intention to reorganize the professional life (see the labor market section). And 70% of the total number of persons who expressed their intention in relation to the professional activity are women. Only 3% of married women spend less than three hours for domestic work per week, and half of interviewed women spend about 13 hours or more per week for cleaning, cooking or taking care of children<sup>360</sup>. Thus, researchers pay attention to the fact the domestic tasks' distribution is further on placed on women's shoulders, and the family pattern registering a low evolution level over the time.

Reduction of gender inequalities and women's economic and financial empowerment to fully participate in the economic and political life in all the sectors and at all the levels is essential for sustainable development and population life standards' improvement<sup>361</sup>, building a competitive economy and a rule-of-law state.

- In line with the Joint Statement in 2011 on Advancing Women's Political Participation, with the occasion of the 66th session of UN General Assembly in New York, "women's political participation is fundamental to democracy and essential to the achievement of sustainable development and peace". As well, it is reaffirmed that "women's active participation on equal positions with men at all the decision-making levels is essential for achieving sustainable development, peace, and democracy".
- In line with the Law on International Treaties of the RM, the Parliament adopted the organic law for ratifying the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and the Republic of Moldova, of the other part, signed in Brussels on 27 June 2014. Hence, the Republic of Moldova "carries out its national legislation harmonization with the EU normative acts and international instruments to the present agreement" in art. 37, Chapter 4, Title IV, also in the area of "equality of chances, related to the improvement of gender equality and ensuring equality of chances between men and women, as well as combatting discrimination of any type" (art. 32, let. (f)).

<sup>353</sup> UN Committee on the Elimination of Discrimination Against Women (CEDAW), CEDAW General Recommendation No. 23: Political and Public Life, 1997, A/52/38; http://www.refworld.org/docid/453882a622.html

<sup>354</sup> Participation of women and men in the Republic of Moldova in the decision-making process. Report carried out by SBS-AXA based on opinion poll, Chisinau 2012.

<sup>355</sup> Malcoci, Ludmila. Barbăroșie, Arcadie. Phenomenon of discrimination in Moldova: population perceptions. Comparative study. IPP, Chisinau, 2015

<sup>356</sup> POB IPP April 2015

<sup>357</sup> Ballington, Julie. Equality in Politics: Equality in Politics: A Survey of Women and Men in Parliaments, Report and Documents No. 54, Inter-Parliamentary Union 2008.

<sup>358</sup> National Bureau of Statistics. Reconciling professional and family life: results of statistical survey, II quarter 2010. Synthesis. Chisinau 2010; http://www.statistica.md/public/files/publicatii\_electronice/Reconcilierea/Reconcilierea\_2010.pdf

<sup>359</sup> Ibidem

<sup>360</sup> Dragan, Flavia. Gender inequality: women further on spend more time in the kitchen than their husbands. România Liberă, 12 March 2012.

<sup>361</sup> UN Women. Summary Report: The Beijing Declaration and Platform for Action turns 20.;http://www.unwomen.org/en/digital-library/publications/2015/02/beijing-synthesis-report#sthash.e0CuaT29.dpuf

# POLITICAL INEQUALITIES GENERATED BY INTOLERANCE

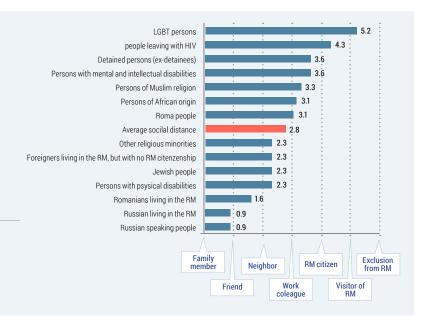
Democratic institutions establish the rules for carrying out the political process, guaranteeing formal rights for citizens' political participation. But not all these rights may be effectively exercised because of a number of causes. Hence, the evaluation of the political inequality level playing the role of a probe measuring the level of rejection, exclusion or ignoring certain groups or individuals in relation to whom the benefits of participation is sufficiently real or generous. Studies reveal a strong correlation between the GDP per capita and the level of tolerance/inclusion of vulnerable groups (immigrants, LGBT, ethnic minorities, religious and linguistic groups, persons with disabilities)<sup>362</sup>.

According to the Social Progress Index 2015<sup>363</sup>, the Republic of Moldova is characterised by a tolerance and inclusion index accounting for 41.65 points out of 100, and ranks for 119 place at the global level (155 states in total), hence, confirming the existence of a direct correlation between the mediocre level of economic development and average towards low tolerance among the citizens. Trying to test the hypotheses, the study measures scalar varieties of social distance (Social Distance Indicator), according to Bogardus formula<sup>364</sup>, estimated at 2.8 points in the Republic of Moldova. The value of the social acceptance at the level of work colleague means that more than half of respondents do not accept the biggest part of the vulnerable

groups as neighbours, friends or family members, and only 0.4% of the interviewed people accept as family members all those 14 indicated groups, while 1.0% manifests intolerance towards all those indicated.

The Republic of Moldova still registered discriminations against LGBT - in relation to whom the lowest level of tolerance was noted. Due to the biases, stigma and associated discrimination, the total number of the persons who are part of these communities is unknown<sup>365</sup>. The social attitudes towards the sexual minorities are overwhelmingly negative and the LGBT persons face prejudices in numerous life areas. Only 1% of respondents of a study carried out in 2014 by IPP have indicated that they would accept to have LGBT persons as their neighbours, friends, work colleagues or family members - a figure which is 0.3% lower than the one registered in 2010<sup>366</sup>. Only 19% of the population would admit to receive a person of African origin as their families and only 33% would accept such a person as a friend<sup>367</sup>. The Social Distance Indicator describes in a tabled format the level of tolerance or intolerance towards the persons with whom some citizens do not want to get associated, as a result of some bias, and the lack of trust or communication, by which mean in reality mechanisms of silent exclusion to some rejected groups and persons (Diagram 39).





Source: Equality Perceptions and Attitudes in the Republic of Moldova Study. Chisinau 2015. Council on the Prevention and Elimination of Discrimination and Ensuring Equality.

<sup>363</sup> Social Progress Index, 2015; http://www.socialprogressimperative.org/global-index/

<sup>364</sup> Bogardus, Emory, Stephen, Social Distance and its Origin, University of Southern California; https://brocku.ca/MeadProject/Bogardus/Bogardus\_1925b.html

<sup>365</sup> GENDERDOC-M, Report on homophobic & transphobic hate crimes and incidents in Moldova 2013, 2013. p. 9.

<sup>366</sup> Malcoci, Ludmila. Barbăroșie, Arcadie. Discrimination in Moldova: population perceptions. IPP, 2015, p. 24.

<sup>367</sup> Amnesty International. Towards equality: discrimination in Moldova, Amnesty International Publications, London, 2012, p. 6.

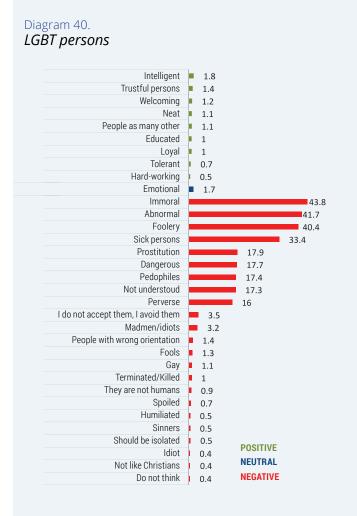
Since its establishment, the Antidiscrimination Council has examined a number of cases of using racist languages or hate speeches in the Republic of Moldova, including through the social communication platforms. There are cases when certain politicians have used racist languages and there is evidence that the racial bias is relatively spread among the population<sup>368</sup>. This explains some of the incidents provoked by biases and racial discriminations, manifested via incitement to violence or by refusing employment, or to provide dwelling to some "unwanted" persons<sup>369</sup>. This type of segregation is aggravated by the lack of some efficient means of redress or rapid judicial remedy for victims of discrimination and negative attitude from behalf of authorities. The smallest social distance refers to Russian-speaking persons (0.9 points) and Russian people living in the Republic of Moldova (0.9 points), meaning a maximum potential for plenary integration in the society, as friend, relative, or family member (Diagram 39).

The LGBT persons would be at the opposite accessibility pole, having maximum social rejection score with a social distance of 5.2 points, meaning that actually half of the respondents wish to exclude these persons from the country. Many respondents (69%) have very negative opinions about the LGBT persons, describing them as "immoral" and "perverse". A study focused on investigating public attitudes towards the minority groups in Moldova established that the LGBT persons face a phenomenon of multiple discrimination when getting employed on the labor market (18%), at the place of work (17%) and in different educational/ medical institutions (12%)<sup>370</sup> (Diagram 40). The population treats with hostility reactions and reservation to the application of the legislation on ensuring equality, which are fostered by populist politicians and church.

The second most rejected group from attitudes viewpoint include the HIV+ persons, which stigmatized by unacceptance, fear and attribution of degrading qualifying features (dangerous, aggressive, thieves, drug consumers or having disorderly sexual intercourses). In the Republic of Moldova, certain parties and churches frequently participate in actions against the categories protected by the legislation on ensuring equality. As the verbal attacks became a systematic practice, certain representatives of these trends can be regularly met in the courts. In spite of the aggravating stereotypes that the population applies to the LGBT representatives, the practice shows that this group including the HIV+ persons may catch the public attention, using their legal rights and authorities' protection. Even though the relations remain to be difficult as a result of the sexual prejudices, the independent studies show certain positive dynamics in their public recognition, overpassing the practice of the previous years, when local authorities just prohibited the right to public actions. In this context, we may ascertain that the Law No. 26-XVI of 22 February 2008 on Assemblies is a progressive and liberal law.

370 Equal Rights Trust. Promo Lex Association, Cited paper

### The persons with physical and mental disabilities are also among the rejected groups. Concerned with



Source: Equality Perceptions and Attitudes in the Republic of Moldova Study. Chisinau 2015. Council on the Prevention and Elimination of Discrimination and Ensuring Equality.

their own safety, the citizens try to avoid having such person around them, but they admit the need of compassion, pity, mixed with different stereotypes related to the deficiencies of the persons with physical and mental disabilities. Hence, although 63.6% of the total number of respondents consider that the children with disabilities should also be educated in ordinary classes, a rather high percentage (27.3% or over ¼ of the respondents) think that actually the "children with disabilities should be educated in separate schools"<sup>371</sup>. Besides, the legislation adopted in the area of social inclusion of persons with disabilities (Law No. 60 of

<sup>368</sup> Note: Ex-president of RM, VVornin has labelled in a racist way a protesting person on 18 February, 2012, and the President of Partidul Nostru, R.Usatâi, wanted to insult another politician, using the label of "gypsy" in 2013. 369 Ghilascu, Natalia. Moldovan companies more frequently use racist actions, February 7, 2015; http://discriminare.md/companiile-moldovenesti-recurg-tot-mai-des-la-actioni-rasiste/

<sup>371</sup> Council on the Prevention and Elimination of Discrimination and Ensuring Equality in Moldova and the Office of the UN High Commissioner for Human Rights (OHCHR). Equality Perceptions and Attitudes in the Republic of Moldova Study. Chisinau 2015

30.03.2012), transposing provisions from the UN Convention and setting forth social guarantees and services according to the international standards for these persons are not effectively applied. The attitude of the population is rather reserved towards certain groups, attributing them negative qualities or labels. The conclusions do not confirm the hypothesis that the persons who are more tolerant have an increased level of confidence in people, in general, but note that the experience of respondent's communication with the persons belonging to some minority groups shortens the social distance and makes them more tolerant. In other words, there is a strong correlation between the SDI and the given person's acquaintance through personal contacts or experiences. The data show that the respondents who have known representatives of certain minority groups register SDI values which are 6% lower in average as compared to the persons who have not had such an experience (SDI = 3.17). The intensification of relations reduces even more the social distance. From the level of knowing somebody "by appearance" (SDI - 2.91) to the level "friends/colleagues" (SDI - 1.99), an average decreasing by 25% is registered, and respectively from the level of "friends/ colleagues" (SDI - 1.99) to the level of "daily communication" (SDI = 1.37), the social distance decreases by 32%. The respondents who do not know representatives from minority groups attribute SDI values twice higher (57%) as compared to those who communicate with such persons in daily basis.

Corruption and hostile attitude towards "others" derive from a crisis of trust for state authority, public institutions, and community as a collective entity, maintaining at the same time the confidence for family members, church, and mass media. Surveys show on systematic basis a decrease level of confidence for political institutions (Government, Parliament, justice), limning some closed circles around a phenomenon, which we can define as a phenomenon of parochial individualism, meaning that the promoters of which do not consider discrimination of some persons or groups to be a big problem for them and for the quality of their living, contributing sometimes themselves to situations of affirming intolerance towards persons who are different form them, vulnerable or marginalised, through discriminatory actions or attitudes<sup>372</sup> (Annex 12).

Political inequalities are expressed, as it was mentioned at the beginning of the chapter, through unequal access to political resources, including by representation, participation, and effective protection or other types of assets distributed when establishing the power. From this perspective, the belonging to a disadvantaged minority group includes an additional cost for the individualand an affiliation fee that the person is forced to pay as a form of silent segregation. Individuals may maintain loyalty towards these groups, accepting to pay implicitly the cost of their decision, or may abandon and look for diverse strategies to mitigate

their status through different actions of compensation or mitigation. The most politically affected groups in this respect would be the persons with disabilities.

**Persons with disabilities.** These persons face multiple social and economic discriminations alongside a series of political inequalities, expressed through reduced means of participation in political life and limited access to justice. According to the data collected by NBS, the Republic of Moldova registers about 185.000 persons (5.2% of the total population) who are characterised by different forms of disability<sup>373</sup>. For comparison reasons, the population which may be attributed to this group is statistically wider than the entire population of the Autonomous Territorial Unit of Gagauzia and over half of the population from the Eastern rayons (Transnistria) of the Republic of Moldova. Nevertheless, this group is subject to an intense and categorical multiple segregation, as a result of the constraints induced by the physical, political, and social environment, generating a much more reduced participation than it could statistically exercise in other conditions, depriving from political representation and recognition on the political agenda. The persons belonging to this group most frequently encounter intensive physical and legal obstacles, social and political biases, which impede their integration in the country's social, economic, and political life, as well incompleted promises, because their civic and political interests are not defended through organised political means.

If accessibility is a key principle of the CRPD<sup>374</sup>, expressed via art. 9 of the Convention obliging the signatory states "to ensure to persons with disabilities access on an equal basis with others, to the physical environment, to transportation, to information and communications including information and communications technologies and systems, and to other facilities and services open or provided to the public both in urban and in rural areas". A political discrimination refers to the non-representation of this community in the public space. The inequality created by political non-presentation of the persons with disabilities creates a type of segregation of these persons in the decision-making process and exercise of the right to vote. Because of missing monitoring and sanctioning mechanisms, only a few public and private institutions was able to adjust themselves to the accessibility requirements for these persons, hence, in 2015 their situation remained with the same unsolved problems as in 2014. Although the Republic of Moldova has ratified the Convention on the Rights of Persons with Disabilities on 30 March 2007, the national score for improving urban infrastructure (access roads to buildings and pavements at intersections) and practical assurance of facilities for the exercise of their political rights are still far away from the UN recommendations. Besides the accessibility to transportation infrastructure or access roads to different institutions of social-administrative purposes, some other problems are revealed as well, such as over-tariffs for public services for the persons with visual or hearing disabilities, and limited accesses to information regarding the right to participation in political and public life<sup>375</sup>.

Segregation may also happen through actions or adopted laws, which restrain the legal capacity of the persons with disabilities even in relation to civil and political rights. The voice of the persons with disabilities is constantly less heard during the debates related to health and dwelling policies, exercise of sexual and reproductive rights, rights of private and family life. Although the international law (CRPD) provisions request the states to eliminate the guardianship systems, replacing with other systems which would be more friendly to the persons with disabilities in the Republic of Moldova. Adults, men and women with mental or intellectual deficiencies continue to be deprived of their legal capacity, which is guaranteed by article 12 of the CRPD<sup>376</sup>. According to this article, the right to legal capacity is applied to all the persons, including the persons with disabilities, regardless of the type or severity of the disability (point 3). Also art. 13 guarantee the access to justice for the persons with disabilities, but still encounter difficulties to act through judicial procedures<sup>377</sup>.

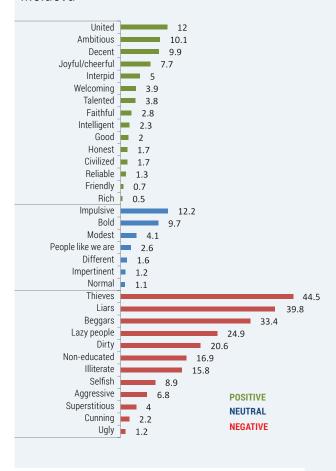
Even though art. 19 of the CRPD, ratified by the Republic of Moldova in 2010, guarantees independent life and community integration for persons with disabilities, in the current system of social protection organization, the guardians are those who usually have the power to decide in relation to the persons with disabilities, preferring to keep them in closed residential institutions (psycho-neurological boarding institutions) against their will, which is the equivalent to the detention and the deprivation of freedom without any sentences for these persons. Hence, these persons remain to be without elementary rights of defence in the absence of elementary judiciary supervision. There are cases of violence and abuses against the persons with disabilities, committed by the personnel in the medical-social institutions.

A study carried out in 2011 reveals that only 29.7% of the 807 respondents considered that the persons with disabilities have the same rights, equal to any other citizens, and 11.8% considered that they have to be separated from others in special schools or residential care institutions<sup>378</sup>. Although certain progress is registered thanks for the creative activism of the associations representing the interests of the persons with disabilities, and the efforts undertaken by civil society and UN Country Office in the RM, a report from 2015 identifies some problems related to the reform of the guardianship system over persons with mental health disorders and persons with intellectual disabilities, including their right to participate in elections<sup>379</sup>.

#### Vulnerable ethnic groups (Roma)

The situation of Roma people in the Republic of Moldova describes a problem of social inclusion and limited and difficult political participation, which has all the elements of a segregation based on some cultural stigmas. The negative social attitudes and stereotypes related to Roma people persist through comments, aggressive speech and other actions, which serve as cases for investigation of the Council on the Prevention and Elimination of Discrimination and Ensuring Equality (CPEDEE)<sup>380</sup>. Many Roma people could not obtain ID documents even though they accord with the requirements, what excludes them automatically

Diagram 41
Attitude segregation of Roma in Republic of Moldova



Source: Equality Perceptions and Attitudes in the Republic of Moldova Study. Chisinau 2015. Council on the Prevention and Elimination of Discrimination and Ensuring Equality.

<sup>375</sup> Note: Taxi services called by the persons with special mobility needs, housework services and other services are usually much more expensive for these persons in the Association of Independent Press (AIP). Taxi companies violate the rights of the persons in wheel chairs, Active. Magazine against discrimination. Nr.11; http://www.api.md/upload/files/ACTIV-11(65)-antidiscr-ro-web.pdf

<sup>376</sup> CBPD Law No. 166/09.07.2010.

<sup>377</sup> Committee for Rights of Persons with Disabilities. General Comment No. 1. Article 12: Equal recognition in front of the law, UN Doc, CRPD/C/GC/1, 2014, para. 12. mentioned in UNPRPD. The rights of the persons with mental and intellectual disorders in the Republic of Moldova. AN evaluation of the main aspects of the national legal and policy framework from the CRPD perspective. Chisinau 2015, p. 17.

<sup>378</sup> Centre for Legal Assistance for Persons with Disabilities. Barriers for social inclusion of persons with disabilities in the Republic of Moldova. Sociological Study. Chisinau 2011; http://pdf.usaid.gov/pdf\_docs/PA00J422.pdf 379 UNPRPD. Cited Paper. Chisinau 2015.

<sup>380</sup> Note: In 2014, CPEDEE acted ex-officio in relation to a comment made by R.U., leader of "Partidul Nostru", who has described another politician as a "dirty and stinky gypsy" and a "terminated gypsy" that it has qualified as examples of discrimination, concluding that he promotes "racism, homophobia, xenophobia, antisemitism (...), which impede (...) ethnic, linquistic, national and social pluralism"

from the electoral process, and also from accessing some their deserving services from the state. Especially, Roma women and girls are frequently excluded from the public education system: about 45% of them have no speciality (as compared to only 2% of women from other ethnicities), just like 33% of Roma men. Only 52% of Roma girls are enrolled in the primary education system, as compared to 84% of girls of other ethnicities and 55% Roma boys. This difference increases at the stage of secondary education, where only 14% of Roma girls are enrolled as compared to 78% of girls of other ethnicities and 17% Roma boys. The obvious reasons for this phenomenon refer to the seasonal works, and the Roma children are imposed to undertake, early marriages, abject poverty, a lack of stable residence or different taboos practiced in this community, referred to in the CDESC reports (Diagram 41)<sup>381</sup>.

The phenomenon of ethnic isolation of Roma people feeds the stigmatization from others, which implies costs when getting employed on the labor market. According to the data of the National Employment Agency, in 2015 only 70 out of 1.100 Roma registered as unemployed were employed<sup>382</sup>; other studies show an unemployment rate of 90% among the Roma<sup>383</sup>. Although they participate occasionally in elections, the Roma do not have a credible agenda of change, even though they want it. In 2010, certain leaders from the associative sector created their first political party, which accumulated 0.14% votes in the parliamentary elections; however, afterwards they have not participated in elections anymore. Although an Action Plan for redressing this type of injustices towards Roma has adopted (2007-2010, 2011-2015), the RM Government has not succeed to achieve the targets of these policies, because of a constant problem of insufficient allocations of resources and reduced implementations. Hence, the Government established the aim to introduce community mediators to facilitate Roma people's access to public services, but because of the lack of resources, only 15 community mediators were recruited through this mechanism till 2013<sup>384</sup>. Just like in case of other politically set directions, the Government has imposed the local authorities to pay for these policies from their local budgets, and in conditions of budgetary austerity policies, but the authorities had some other priorities to tackle. A new Action Plan (2016-2020) was approved on 20 April 2016<sup>385</sup>, but the defects identified at the evaluation stage have not settled. Hence, we can say that there is no effective state policy in relation to Roma, and the lack of precise data served as a reason of concern for the UN Committee for Elimination of All Forms of Racial Discrimination in the situation of the Republic of Moldova<sup>386</sup>.

Except for several localities, the Roma are territorially dispersed, suffering as a result of their exposure to poverty, illiteracy and practically absent from the political competition process. Inequalities are recurrent because their support is not of vital importance for the agenda of political stakeholders, the Roma groups are caught in a vicious circle: ethnicity-based unemployment as a result of rejection, illiteracy as a result of quasi-total poverty<sup>387</sup> and limited access to minimum services provided by the state (medical, social), hence, restricting their fundamental and inalienable rights<sup>388</sup>. Considering the tasks for achieving the Sustainable Development Goals and the Republic of Moldova's aspirations of European integration, it is important to establish strong links between the Roma's inclusion and their participation in the country's political and public life.

**Linguistic inequalities.** Art. 16 of the Constitution of the Republic of Moldova enshrines the principle of "equality of all citizens before the law, regardless of the race, nationality, ethnic origin, language, religion, sex, opinion, political affiliation, property or social origin". And because the national minorities account for 22% of the total number of population of the Republic of Moldova, the official policy regarding the groups of citizens of other ethnicity or other native languages is translated by the obligation of the state to create as favourable as possible conditions for integration and accommodation of national, linguistic, and ethnic-cultural groups in the political space of the country through a number of internal legal tools and international obligations, laws, decisions, and state policies in the area of public education, development of national cultures and regional languages, excluding any type of discrimination based on national or other types of criteria.

The structure of the central government includes a central administrative authority – the Bureau of Interethnic Relations (BIR)<sup>389</sup> – which promotes the state policy in the area of interethnic relations, functioning of the spoken languages and supporting Moldovan diaspora. The Bureau maintains a Coordinating Council of the ethno-cultural organizations,<sup>390</sup> as a public consultative body of the representative associations for the national minorities active in the Republic of Moldova. A House of Nationalities (HN) is under the BIR subordination and serves as a national platform of all the republican ethno-cultural organizations. The Parliament has a Standing Committee for Human Rights and Interethnic Relations, which is responsible of all the legislation related to human rights, national minorities' problems, cults, and citizenship, ensuring the legal regulations in the area of migration, ensuring equal chances for women and men, protection of external communities, victims of political repressions

<sup>381</sup> UN Committee on Elimination of All Forms of Racial Discrimination, 10th and 11th periodical reports: R. Moldova, Document UN CERD/C/MDA/10-11, 2 March 2016.

<sup>382</sup> NEA. Activity Report for 2015. Chisinau. p. 16; http://anofm.md/page/rapoarte1

<sup>383</sup> Cantarji, Vasile. Vremiş, Maria. Toartă, Viorica. Vladicescu, Natalia. Cited paper UNICEF, 2013. p. 36.

<sup>384</sup> UN Committee for Elimination of Discrimination against Women, Final observations: RM, UN Doc. CEDAW/C/MDA/CO/4-5, 29 October 2013, par. 35 in Equal Rights Trust. Promo Lex Association. From talks to acts. Combatting discrimination and inequality in Moldova. Country Reports Series: 7. London, June 2016. p. 46.

<sup>385</sup> Government Decision No. 734 of 09.06.2016 approving the Action Plan for supporting Roma population in the Republic of Moldova for 2016-2020.

<sup>386</sup> UN Committee for Elimination of All Forms of Racial Discrimination, Final observations: RM, UN Doc. CERD/C/MDA/CO/8-9, 6 April 2011, par. 8. in Equal Rights Trust Promo Lex Association. Cited paper p. 42.

<sup>387</sup> Joint Report to the UN Committee for Economic, Social, and Cultural Rights regarding Moldova, UN Doc. E/C.12/MDA/2, 2011, p. 7. un Equal Rights Trust. Promo-LEX Association. Cited paper p. 45.

<sup>388</sup> Note: Roma do not benefit from equal access to medical assistance because of lack of financial resources, lack of health insurance and inaccessibility of the necessary factors for obtaining it. Almost one quarter of the Roma households are not insured in the compulsory health insurance system

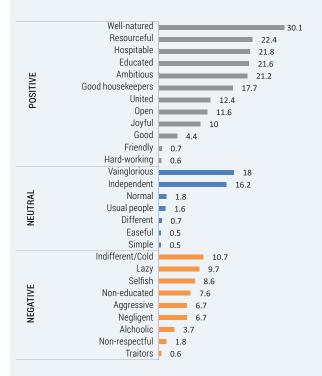
<sup>389</sup> Official Page of the Bureau of Interethnic Relations; http://www.bri.gov.md/

<sup>390</sup> Established through art. 25, p. 3 of the Law on the rights of persons belonging to national minorities and legal status of their organizations", No. 382-XV of 19 July 2001.

es which assess critically the progress registered for integrating national minorities in the Republic of Moldova's social life. However, 14% of respondents felt themselves discriminated in 2015 in the Republic of Moldova based on linguistic criteria, and CPEDEE reported cased of discrimination based on language or public information<sup>391</sup>. The independent reporters established that too few cases existed in the Republic of Moldova when the courts could hear and trial cases of inequality in a manner compliant with the international standards<sup>392</sup>. Although this refers to on-going litigations, until presently there is no right to submit a petition directly to the Constitutional Court, individuals and NGOs have to rely on the notifications from courts and other state bodies to contest the constitutionality of some legislative acts, and the state does not provide lawyers with knowledge and experience in the area of legislation on discrimination. The National Audio-visual Council issue broadcasting licenses also to other local TV and Radio stations, which represent national minorities from different regions, which frequently interpret rather selectively the provisions of the Code<sup>393</sup>. Based on the few centralised resources, the Government ensures the translation into Russian language of laws, Parliament decisions, President decrees, Government decisions and orders, CC acts, Court of Accounts' acts, published in the Official Gazette, in Romanian and Russian languages. The society of the Republic of Moldova continues to be divided from linguistic point of view, as a result of the poor progress in mastering the state language and preserving a centrifuge habitus among the leaders of the minority groups. The media space also is to be blamed, as it is not only dominated by programs with content exclusively in Russian language, but also the discrimination of national minorities by merging them in the category of "Russian language speakers". Only 20% of the pupils belonging to national minorities study in their native language, hence, the majority of them (Ukrainians, Bulgarians, Roma, Gagauzians) accept Russian language to a larger extent than knowing their native languages or the official languages, entering the labor market after graduation with a handicap. Unfortunately, the Republic of Moldova has not adopt yet a state policy in relation to learning and using the official language all over in the country, and especially, in the environment of the national groups, existing entire regions in which bilingual approach is understood exclusively in the meaning of preserving the dominant role of Russian language and rejecting the official language of the state (Diagram 42)394.

and refugees. Nevertheless, there are sufficient voic-

Diagram 42
Attitudes to Russian-speaking population



Source: Equality Perceptions and Attitudes in the Republic of Moldova Study. Chisinau 2015. CPEDEE.

The current educational system in which the state official language is taught only 2-3 times per week, while the preschool up to university education is exclusive in Russian, which is actually irrational. Besides the wasted costs related to distribution of expenses per capita in education (10.000 – 14.000 lei per pupil annually), there is also some distancing between the ethnic groups and the majority population, increasing the pressure and social distances. While more than half of respondents (52.1%) of a study on social distance considered<sup>395</sup> that the Russian speakers living in Moldova care about the country, over one third of the interviewed people (34.2%) stated that they are not patriots, thus, reflecting attitudes of political rejection in relation to the state whose constitutional citizens are.

According to art. 7 of the Law on the rights of persons' belonging to national minorities and the legal

<sup>391</sup> Decision of the CPEDEE No.009/2013, 2 December 2013.

<sup>392</sup> Equal Rights Trust. Promo Lex Association. Cited paper p. 331.

<sup>393</sup> Note: In the Republic of Moldova Radio and TV stations are broadcasted from Russia, Belarus, Ukraine, Bulgaria, Israel. The Bureau of Interethnic Relations promotes state activities and policies through public TV, civil society and LPA in the area of promoting the spirit of tolerance, ethnic and linguistic diversities, equality of citizens without any difference of national or religious origin.

<sup>394</sup> Note: According to the status of the ATUG the language of communication - oral or written - on the territory of Gagauz Yeri may be Moldovan, Gagauzian or Russian languages.

<sup>395</sup> Equality Perceptions and Attitudes in the Republic of Moldova Study. Chisinau 2015. Council on the Prevention and Elimination of Discrimination and Ensuring Equality.

status of their organisations, the persons' belonging to national minorities are entitled to the free use of maternal language, in writing and oral, to have access to information in the respective language, to distribute and to exchange information. The People's Advocate has reported about some obstacles for the exercise of the rights of the Russian speakers, hence, sometimes even the courts from the country violate the right of national minorities to access to justice<sup>396</sup>. Cases were registered when certain courts rejected the judicial entries and complaints submitted in Russian language, invoking the provisions of art. 24(2) of the Code, which may be qualified as "discrimination on linguistic criterion in access to justice".

Certain studies reveal as well another type of discrimination, caused by non-practicing of the official language in localities mainly populated by national minorities, hence, creating situations which are reflected like in a mirror in relation to the titular group<sup>397</sup>. According to para. (3), art. 8 of the Law, the territories in which the persons belonging to a national minority represent a considerable part of the

population, and the acts of the local public administration authorities are published in the language of the respective minority if necessary, and at the same time in Moldovan and Russian languages. As well, according to art. 10 of the Law, the names of localities, streets, institutions and public venues are indicated in Moldovan and Russian, and the localities which were granted special autonomous status - also in other official languages set by separate laws<sup>398</sup>. Because the issue of the official language is politicised, some activists of some ethnic groups from Moldova stated that "Russian should be recognised as a state language, based on the fact that national minorities speak more in Russian, and the language of interethnic communication actually means a status of official lan*guage*<sup>399</sup>. Nevertheless, if most of the representatives of the titular group communicate fluently or relatively freely in Russian, a huge part of the national groups cannot communicate in the same way in the official language, which creates barriers for integration. The national policy of the Republic of Moldova should ensure an adequate use for the official language in the national minorities' localities and environment<sup>400</sup>.

<sup>396</sup> Note: 2.6% of the total number of decisions issued by CPEDEE in 2015 regarding the cases of discrimination in access to justice on language ground in Equal Rights Trust. Promo Lex Association. Cited paper. p. 10.

<sup>397</sup> Adevărul. Irina Vlah recognises in Russian language that Gagauzians do not know Romanian, www. adevarul.md, 1 April 2015.

<sup>398</sup> Note: Constitutional Court Judgement No. 28 of 30.05.2002 for constitutionality review of some provisions of the Law No.100-XV of 26 April 2001 on Civil Status Acts and the Law No. 382-XV of 19 July 2001 on the rights of the persons belonging to national minorities and legal status of their organizations. Russian speakers have advantages on the media market of RIM, having access to a wide diversity of TV and Radio stations in Russian.

<sup>399</sup> Regnum.ru.10.09.2007; http://regnum.ru/news/polit/882693.html

#### POLITICAL POLARIZATION - A GENERATOR OF INEQUALITIES

The Republic of Moldova is frequently perceived as a strongly divided society – as the reason based on the linguistic-identity confrontations<sup>401</sup>, as well as a high political mobilization, that has generated over the last two decades of intense polarization related to cultural and foreign orientation subjects: East versus West, Soviet identity versus European identity.

In April 2016, 41.3% of respondents would have voted "for the Republic of Moldova's joining the European Union" as compared to 41.2%, who would have voted against<sup>402</sup>. The geopolitical duality between the European integration vector (public support - 35.6%) and joining the Euro-Asiatic Union (EAU supported by almost 46%) feeds the wide debates in the society and the major optional faults among the concurrent political groups. Nevertheless, the Republic of Moldova remains to be a rather pluralist society, in which the population has never had preferred a single hegemon power, and politicians have not been able to establish despotic structures or to win the power by applying violence over the 25 years of independency since the collapse of the USSR (1991), avoiding, thus, interethnic confrontation situations.

The extreme polarization of the political field actually generates a certain type of electoral activism motivated by certain topics which mobilize certain groups of citizens based on their geo-cultural and geopolitical preferences. It should be noted that nevertheless there is a positive factor – the absence of some ethnocratic parties, in the way in which such parties manifest themselves in societies which are highly divided from ethnic or racial viewpoint. The current absolutely proportional electoral system in the Republic of Moldova provides obvious advantages to political parties, which secure for themselves access to generous financial resources, hindering in this the way of the "new comers" (new parties, created as democratic alternatives for the non-popular existing ones). At the same time, the polarization effect makes it more solid the temptation to use the ethnic (geopolitical) vote and reduces the possibility of conscious voting based on rational-logical context of the best political alternatives. Below, we will present several elements of this system.

#### Inequalities of the electoral system

Citizens' participation in elections traditionally achieves high rates in the Republic of Moldova, confirming the higher interest for parliamentary elections and lower interest for local elections. Nevertheless, numerous discrepancies appear, when we compare the electoral participation rate (%) between the social affluent and marginalised groups. Absenteeism (%) of young voters or the voters who could not exercise their right to vote is either because the polling stations were located at a long distance away, or people had no one to vote for. The highest voting rate in the national electoral process was registered in 1994 (79.31%), and the lowest one - during the elections in 2016 (50.95%), registering an average of over 60%. The interest for politics is high in the majority of the national surveys carried out in the Republic of Moldova through the "voting intentions", although the CEC statistics shows a rationalising dynamics of the number of electoral candidates: from 74 in 1994 (6 blocks, 8 parties and 60 independent candidates) to 19 political parties, 1 electoral block and 4 independent candidates in the parliamentary elections in November 2014<sup>403</sup>. If in 1994 a number of 4 blocks have participated, in 1998 - 5 blocks appeared, and in the elections from 2001 -5, in March 2005 – 2, and in 2009/2010 no electoral blocks were established (Annex 13).

The role of political parties is the dominant element in the electoral process, due to the fact that no independent candidate succeeded to pass the electoral threshold until now. The biggest number of independent candidates (60) was registered in 1998, followed by 20 independent candidates in 1994; in 2009 – 0, and in 2010 - 19 independent candidates. And the unequal distribution of resources (financial, media, administrative) together with the threshold of 2% envisaged in the Electoral Code for the independent candidates, creates deep inequalities in the representation of the non-party voting options. The proportional system applied to one single electoral constituency generates multiple inequalities of political representation. A number of 3 out of 7 parliamentary elections led to majority party to be the ruling party, and in the rest of cases the political power belonged to governing coalitions.

The electoral (proportional) system has not provided for the distribution of some national quota in the state power bodies. It should be mentioned, however, that there are discussions regarding the representation of national minorities in the state power bodies, referring to the current representation of the legislative body, as well as of the executive power. Prohibition of discrimination and guarantee of the national minorities' rights do not exclude the possibility for the state to impose the mastering of the state language by its citizens, whish is an inherent and necessary condition for efficient fulfilment of public positions.

The existing electoral system in the Republic of Moldova creates at the current moment clear disproportions of political representation: on one hand, the high electoral

<sup>401</sup> Prina, Federica. Linguistic Divisions and the Language Charter - The Case of Moldova. ECMI WORKING PAPER Nr. 64 March 2013.

<sup>402</sup> POB. IPP. April 2016.

threshold leaves outside the legislative body numerous underrepresented political groups<sup>404</sup>, and on the other hand the parties prefer to select the candidates for the electoral campaigns in one single electoral constituency, creating a phenomenon of over-representation for the citizens who are residents in the capital city, and at the same time an obvious discrimination between the elites and candidates from provinces. This system distorts the responsibility link between the elected people and voters, and, thus, the citizens either accept the order imposed by the leaders of the parties running in the elections, or decide not to participate.

Some parties have proposed as an alternative a mixed electoral system<sup>405</sup>, which would ensure a better representation at the regional level, enhancing the link with the voters, but which also implies some risks, as some experts mention<sup>406</sup>. The critics note that the uninominal vote would advantage in reality the "sacks with money", persons who attract massive undeclared financing and who could win the elections through actions of corruption, serving the interests of some oligarchies known in the Republic of Moldova<sup>407</sup>.

Another inequality refers to the advantaging the big political parties and blocking the small parties of niche or the independent candidates. This inequality does not ensure the personalised link between the voters and elected officials, which could be fulfilled only through uninominal or mixed voting, or based on elections on party lists by applying the preferential voting and the process of selection and appointment of candidates, which contribute to rapid distancing between the political class and population. At the same time, the current system of selecting the MPs from the closed party lists in a proportional system in one single electoral constituency impedes a fair representation of voting preferences, because of blocking the electoral options on a previously hierarchy stablished by the leadership of some political parties. Through the places on the party lists, the leaders reproduce comfortable loyalty around them, which creates problems of internal legitimacy and vague messages in the campaign.

The system creates representation inequalities, eliminating the option of alternative (towards parties) candidates, and not offering the possibility to vote "against everyone", another form of manifesting the protest. A lack of trust for parties and their official leaders is manifested also by the high rate of undecided citizens on the eve of elections (citizens who are not sure for whom and for what to vote), which varies between 20% and 40% in

the electoral years<sup>408</sup>. This form of *disfranchisement* dominated the political agenda over the last electoral years. Thus, 26.8% of respondents do not know for whom they would vote in elections (POB, April 2016), correlated with 7.2% who do not want to participate and 17.9% – the best score for any candidates<sup>409</sup>.

The candidates are selected by parties, but they end up on the voting lists as a result of the popularity of the leaders of these parties, used electoral technologies, instead necessarily of the quality of the candidates on these party lists. The party leaders are most of the times also financers of the parties, which gives them the possibility to have effective control over the campaign ideas and tactics, hence, establishing systems of political monopoly and monopoly over political options searched by potential voters. The parties have admitted very rarely preliminary elections (primaries) on the eve of some crucial types of elections, thus, the lists turned to be some transactions made at the high level and instead as a result of rational choices. The resources allocated for the party needs bring on the lists of many persons without integrity or relevant professional qualifications, provoking the dissatisfaction and despair of the electorate.

Another important aspect refers to the risks occurring in the register of voters officially registered and used as basis for validation of elections, distribution of ballots by constituencies. Some publications and political stakeholders have contested vehemently the existing differences between the CEC data from the Voters' Register (3,237 ml) and the data of the General Register of Population, kept by the Government (Ministry of Information Technologies), which counts only 2,854 million of voters registered on the lists of the electoral districts in the country<sup>410</sup>, which actually leads to some doubts regarding the correctness of the elections. Although admitting that there are deficiencies within the electoral system, the officials support that these problems cannot distort the general picture of the electoral process and the deficiencies occur randomly rather deliberately<sup>411</sup>. At the same time, some Moldovan citizens should travel the big distances so as to be able to vote when they are abroad, reducing a lot the number of people who would like to participate in the elections<sup>412</sup>.

The relatively low level of participation is also explained by other factors, such as the expiration of the IDs, a lack of electoral information, and a lack of options to vote electronically or to vote from distance (Diagram 43).

<sup>404</sup> Note: In 2001, 28% of the votes were distributed according to the d"Hondt method, as a result of the electoral threshold of 6%.

<sup>405</sup> Boṭan Igor. A new electoral system for Moldova. E-democracy. 26 October 2001; http://www.e-democracy.md/monitoring/politics/comments/20011026/

 $<sup>406 \</sup>quad Litra, Leonid. \ Effects of the change of the electoral system in the Republic of Moldova. Policy Brief No. 10, April 2012. \ IDIS Viitorul. FES; http://www.viitorul.org/public/publications/3784/ro/Policy%20Brief10.pdf$ 

<sup>407</sup> Note: As an example can be also the last elections in TAUG (2010-2014), in which, although DP did not obtain any mandate during elections, after elections the DP has created a political majority, taking over the leadership I all the relevant committees of this regional authority.

<sup>408</sup> POB. IPP. April 2016.

<sup>409</sup> Ibidem.

<sup>410</sup> State Register of Population; http://www.registru.md/ro/registru-rsp

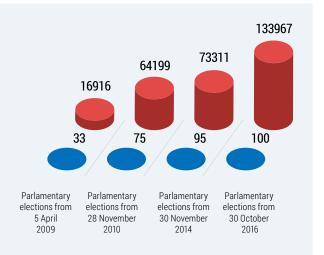
<sup>411</sup> Europa Liberă. Vladimir Cebotari: there are situations when the register of voters and that of population would not reflect fully the correctness of the lists of alive or dead persons. 20 September 2016; http://www.europalibera.org/a/28001798.html

<sup>412</sup> Liubec, Igor. The Government will open 100 polling stations abroad during the presidential elections. Portal deschide.md of 26.09.2016.

# Diagram 43 Participation in voting abroad for RM elections

- The number of polling stations
- Total number of voters





The interest to participate in elections is directly proportional to the confidence rate for the political parties. And the protest vote explains the fact the voters do not vote because they are not motivated from the political point of view, and such objective conditions as more acute discrepancies between the urban and rural areas, ruralisation of cities and economic growth, excessively based on the role of remittances in the economy, making a lot of citizens to contempt the political process.

The interest for politics is determined also by other circumstance-based factors, such as the *relative rate of political connectivity*: distance for the citizen to the polling station, which usually is opened within the mayoralty premises, access to practicable roads, quality of the dialogue between politicians and electorate, as well as persistence of other "real" problems of the citizens as compared to those announced by politicians.

The lack of adequate road infrastructure and modern transportation services influence negatively the freedom of the poor people to participate more efficiently in the local self-administration bodies, especially if they live in localities tacked to other locality in which the mayoralty is placed. If the average distance to the closest medical point is 20 km, by comparison we can state that other services are equally determined by the type of locality. The rural residents, inhabitants of poor and small villages have the most modest chances to choose better jobs, thus, limiting the individual choices and excluding also good of the first need for families and individuals (drinking water, energy) unequally distributed and at prohibitive prices.

## Inequalities generated by financing of parties by oligarchs

In the Republic of Moldova, the hypothesis supporting

the system of public financing of the political parties is the fact that in this way the parties obtaining financing from the state will be more transparent, more rigorous in the requested reports for the received legal financing and would contribute to repress the practices of illegal financing from obscure sources<sup>413</sup>. Theoretically, the public financing should enhance the responsibility for money circulating in the parties' system, for the link with the voters and to eliminate the possible control of the "sacks with money" over the political parties, which the politicians used to collecting money from membership fees, individual donations and financing ensured from the state resources. Donations may be received from legal entities and individuals (art. 26, para. (1) - para. (5) of the Law No. 294 on Political Parties), as actually the main source for financing the parties. In 2014, for 7 out of 18 political parties, the donations from individuals accounted for 100% of the financing, and only 22 of 43 parties in the country have collected resources deriving from the membership fees<sup>414</sup>.

At the same time, the thresholds introduced via the Law No. 294 may represent also the amount of 200 monthly average salaries in economy from a natural person during one budgetary year and about 400 monthly average salaries from legal entities, which actually compromise the purpose of introducing them in the electoral legislation of the country. The Parliament of the Republic of Moldova has introduced a limit for the annual revenue of a political party from the membership fees and donations, that cannot exceed the equivalent of 0.3% from the revenues provided in the state budget for the current year. Taking into account the level of about 30 billion lei of the annual revenues in the state budget of the Republic of Moldova for 2015, the threshold for the membership fees and donations is established to be about 90 million lei annually for every political party. This generous limit together with the high threshold for donors has resulted in a situation described by Yves Leterme, Secretary General of International IDEA, as "a deeply concerning trend of money in politics, which cover the voices of ordinary citizens"<sup>415</sup>.

According to political parties' annual financial reports, in 2014, for the 7 out of those 18 political parties which submitted financial reports, the donations from individuals accounted, as mentioned above, for 100% of financing, while for the other 2 – 90%. Art. 27, para. (1) of the Law No. 294 on Political Parties stipulates that the amount of money meant for financing political parties should not exceed 0.2% of the state budget revenues. If the average level of the annual revenues to the state budget of the Republic of Moldova accounts for 30 billion MDL, the ceiling of the amount which may be meant for financing the political parties may reach 40 million MDL. Respectively in a period of 4 years, which would correspond to a regular cycle, the political parties would benefit from allocations for about 160 million MDL.

On 9 April 2015, the Parliament adopted amendments to the Law No. 294, Electoral Code, Criminal Code and Contravention Code, changing the model of exclusively private financing with a mixed system, in which private financing is completed with public funds. The provisions which regulate public allocations were to be applicable to the eligible parties since 1 January 2016. A recent analysis established that only 22 out of 43 political parties have raised membership fees over the last period of time. In 2014 the parties' main revenue source was private financing and not the contribution from their individual members<sup>416</sup>.

The application of the current system of financing the political parties generates serious conflicts of legality and inequalities. According to the Promo-LEX estimations, the cumulative financing of the political parties from the Republic of Moldova has accounted during 2012–2015 for about 267 million MDL. Most of political parties from the Republic of Moldova have problems with traceability of their own financing sources. By 15 March 2016, only one single party had its financial statements and requisites placed on its official website, the rest mentioned that access to these data shall be provided upon a request. The unsatisfactory reporting of political parties is caused by the irregular and inadequate collecting of membership fees, at the territorial level and central level, as well as a lack of necessary human and financial resources in this respect.

Supporting a political party implies a lot of resources, determining the clear advantages for the parties, which are created or served for the interests of the very rich people. Knowing the sporadic manner of control over the political parties' financing and the impact of informal networks, many of these parties avoid attracting the territorial subsidiary networks, recruiting adepts

mainly from the inhabitants of big cities, hence, creating double political inequality as compared to rural population (over half of the entire population of the country).

## Inequalities related to the parties' system

The Republic of Moldova is a pluralist society with a wide diversity of parties and concurrent ideologies in the political system. Nevertheless, the big majority of the parties is built around a leader or financially affluent groups and less based on the classical doctrine, which implies the practicing of an authoritarian style with a few elements of internal democracy. This situation actually explains the frequency of internal defections over the last years in these parties and their instability in governing coalition. A part of the guilt is attributed to the current proportional majority electoral system, which provides clear advantages to national parties as compared to independent candidates, as a result of the privileged access to financing and concentration of capital on mass-media market. In the Republic of Moldova, the key principle of the system of public financing to the political parties is that the state supports not to allow the political groups to rely on public funds, weakening, thus, the link between the parties and their voters, which has allowed certain stakeholders to be able to purchase parties as they wish, since the practice of parties' trade is a good business to make money, using different access points and impeding the appearance of new persons in politics. The current system of recruiting party leader constraints the range of political options and offers, creating unrepresented electoral segments. About 49.8% of respondents state that there is no party, civic or political group that would represent their interests<sup>417</sup>. It should be also noted that according to the POB, about 30% of respondents support the idea of installing stricter order, up to the point of dissolving the parliament and the head of the state to use all the state power, about 25% would accept the censorship of press, 22.1% would suspend the democratic elections, 22% would prohibit protests, and 20% would prohibit opposition parties.

#### Inequalities in registration of political parties

The selective application of laws leads to creating some systems of monopoly and deprivation of political rights, as the case with registration of some parties. The only authority responsible for registration of political parties in the Republic of Moldova is the Ministry of Justice, responsible for enforcing the legislation on political parties (art. 8, Chapter III), Regulation on registration of parties and other related laws<sup>418</sup>.

The legislation on political parties envisages 5000 signatures, but less than 150 in every administrative-territorial unit, collected from at least ½ of all the rayons

<sup>415</sup> International Institute for Democracy and Electoral Assistance. Funding of political parties and election campaign. A Handbook of political finance. p. IV. Stockholm, 2014.

<sup>416</sup> Promo-Lex. Op. Cit. Chisinau 2016. According to authors, the share of private donations for political parties increased from 55% to 75% in 2014 (electoral year).

<sup>417</sup> POB, IPP. April 2016

<sup>418</sup> Law on Political Parties in RM (No.837-XIII of 17.04.2007), published in the Official Gazette of RM (No.42-44/119 of 29.02.2008)

of the Republic of Moldova<sup>419</sup>, reflecting, thus, the preference of the Government for excessive control.

Collecting of signatures when registering a party implies, actually, the existence of a structure, team, and resources, hence suggesting that this party already exists before being legalised. In reality, these conditions inhibit the new initiatives and induce advantages for the groups which are already connected to the old business and administration structures. Some actors have reacted to the restrictions for the registration of a political party by using some older political parties, which are inactive but not erased from the Public Register of the Ministry of Justice, thus creating a sort of "secondary market" of political parties and establishing practices which are contrary to the representative democracy.

## Inequalities in registration of regional parties

Freedom of association is guaranteed by constitutional norms and important international conventions as mechanisms for protection against discrimination. Although the right to association in any form, as provided in the legislation, includes also the right of the citizens "to establish, lead and support regional parties", it is almost impossible in the Republic of Moldova to register a new political party, which would represent the population of a region. Although the legislation does not prohibit explicitly of this type of parties, the procedure of registering some parties upon the initiative of some distinct groups at the regional level imposes some conditions, which cancel initiative presentation at the moment of registering some support groups also from other administrative-territorial units, standardizing thus the conditions to be met by the central and regional parties. Since 1998, the legislation on political parties has imposed the obligation to have territorial representation in at least half of the total number of administrative-territorial units of the II level (11 counties at that time, 32 rayons at the current moment). Art. 8, para. (1), p. d) of the Law on Political Parties imposes the condition that on the data the registration request is submitted, the party members should be domiciled in at least half of the administrative-territorial units of the second level in the country (50% of the 32 existing rayons), but not less than 120 members in each of them. This provision may be treated as a political inequality by those who would like to get associated politically at the regional level or to see their parties with a regional agenda at the national level. Hence, the legislation is prohibitive for those 18 national groups registered in the country, of which at least 3 have local majorities in certain zones.

Although they have not had an important role over the last decades<sup>420</sup>, attempts to create regional parties have been undertaken a number of times. Taking into account the conclusions of the Venice Commission, expressed on the Code of Good Practices in the area of political parties, according to which the "state" authorities should not limit the right to establish political parties at the national, regional or local levels", the Republic of Moldova should examine this subject as part of the reform of the political system of representation. The establishment of a political party, even based on ethnical or racial criteria, cannot be prohibited (according to art. 3 (7) of the European Convention of Human Rights), to the extent in which a group of such kind does not act in a way which would justify the enforcement of exceptions mentioned in art. 11.2 of the Convention and would use violent methods against statehood. The regional parties are not encouraged by electoral legislation from the majority of European states either, especially in the countries which are mentioned "national" and "unitary". The Law on persons belonging to national minorities of the Republic of Moldova guarantees based on art. 18 and in the spirit of the international law the right to get associated in any form provided by the Law on Public Associations. The same article stipulates that no organization of minorities can "monopolize" the representation of interests of the minorities which they are a part of.

Framework Convention on Protection of National Minorities provides for the freedom of association in art. 7. The Oslo Recommendations from February 1998 also refer to the right of association, showing that "all the persons, including those belonging to national minorities, are entitled to establish and to lead their own nongovernmental organizations, associations, and institutions. These organizations may use the language or the languages that they prefer. The state shall not discriminate in the disadvantage of these organizations based on language, and shall not limit in an unjustified way the right of these organizations to look for financing sources from the state budget, international sources or private sector".

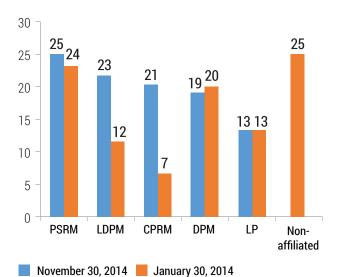
#### Political party as for of political inequality

A problem of unequal representation of political preferences refers to the phenomenon of political party switching. It can happen at any level at which political elections take place. Local authorities may be allured to get associated with some ruling parties, whenever are exposed to the influences dictated by inter-budgetary transfers and the dependency of small localities based on allocation of money from the central budget. At the central level, the Members of Parliament may change their affiliation when they may negotiate the votes as an exchange for certain financial incentives or for other nature (political corruption). According to the Constitution of the Republic of Moldova (art. 68), the Members of the Parliament are in the service of the people, and any imperative mandates are deemed null and void. In this way, the MPs cannot be retained, arrested, searched, except for the cases of offences proved by the competent bodies, or sent to the court after raising the immunity of the MP with the vote of the majority of other MPs. The citizens cannot withdraw the MPs they have voted for, and the parties cannot discipline the party members to resist the temptations (incentives), even when there is reasonable suspicion regarding the way in which they have left a parliamentary party after elections.

The approval of the electoral lists is a powerful instrument for creating some internal loyalties within the political party in relation to the formal leader of the party, and these hierarchies are totally upon the discretion of the financers of the political parties.

The money dependency for the campaign and the suspended access to public financing (before 2016) have increased migration among the parliamentary parties. Hence, it may be noted that about 30% of the Members of the RM Parliament have changed their party affiliation in between 2014-2015<sup>421</sup> (feeding the suspicions that they were bought by certain financial groups). Migration among the parliamentary parties has changed significantly the map of the results obtained during the last parliamentary elections in 2014.

The practice shows that the unbalanced control mechanisms of a majority government, which acts on behalf of a "winning coalition" may create a feeling of omnipotence in case of the decision-makers, making them reject the idea of some real consultations for the public, which makes more acute certain inequalities of representation or will increase them as a result of political bluster conduct. An example in this respect would be the draft law on capital amnesty from December 2016, which was criticised by the civil society and the free press for the delict of serving the interests of some rentier groups and not the real interests<sup>422</sup>. Whenever there is no correlation among policies and public preferences, structured on groups of interests, revenues, and other characteristics, it may be noted that the inequality indicator is the most affected by a lack of dialogue or searching of enemies, and triggering of protests. The political party switching is solidly manifested in the RM Parliament, as well as at other sub-national levels (local/regional), as a result of the mechanisms for attracting and anchoring some stakeholders through specific "fostering" mechanisms, such as transfers (Diagram 44).



Seats obtained in the elections from 29 November 2014 and the composition of the Republic of Moldova Parliament in 2016

Source: CEC

The policy of inter-budgetary transfers and capital investments based on political clientele represent some instruments frequently used for creating new loyalties and maintaining political clientele. The independent studies mention that the state assistance and transfers depended a lot on the discretionary nature of the political will of the governing majority (2010-2014), continuing the policy existing in 2005-2008, when the non-Communist mayors received 2.2 times smaller transfers than the Communist mayors<sup>423</sup>. In this way, CPRM was distributing about 75% of the total of budgetary transfers to a number

of only 35% of mayoralties which were controlled through their affiliation to this party. The same logics functioned between 2010 and 2014, when AIE1 and AIE2 invoked the logics of compensating the under-investments during the CPRM period, so as to allocate more capital investments to the local authorities controlled by the ruling political parties. In this context, the political inequalities derive from the practice of substantial modification of the draft budgets developed by the government through reallocation dictated by the vote of the political majority in the Parliament of the Republic of Moldova (Table 12).

<sup>421</sup> Data were taken from the web site of the RM Parliament. See: Parliamentary factions. Unaffiliated MPs; http://parlament.md/StructuraParlamentului/Fractiuniparlamentare/tabid/83/language/ro-RO/Default.aspx

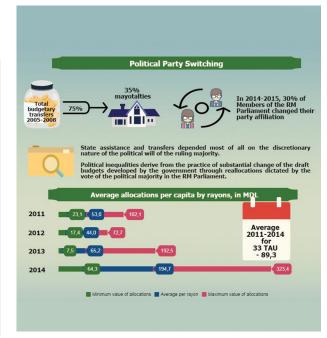
<sup>422</sup> Legal Resources Centre from Moldova (LRCM). Public Appeal: the adoption of the law on the liberalisation of capital and financial incentive undermines anti-corruption efforts and discourages honest taxpayers and state servants, 12 December, 2016.

<sup>423</sup> Berbeca, Veaceslav. Distribution of allocations for capital investments based on the criteria of political affiliation. Policy Brief January 2015. IDIS "Viitorul". FES, p.9-17

Table 12

Average allocations per capita by rayons in 2011-2014 in lei

Anul	Number TAU	Average of alloca- tions per rayon	Minimum value of alloca- tions	Maximum value of alloca- tions
Allocations / capita 2011	33	53.0	23.1	102.1
Allocations / capita 2012	33	44.0	17.4	72.7
Allocations / capita 2013	33	65.2	7.5	192.5
Allocations / capita 2014	33	194.7	64.3	323.4
Average 2011	33	89.3		



Source: FES.

The political inequalities derive also from the practice of making capital investments over the last years. The studies clearly show an acute lack of some strict rules for regulating the policy for distribution of financial resources for the investment projects in the localities of the Republic of Moldova. Thus, the political decision-makers, when taking decisions, have neglected in many cases of the public interest, prioritizing the party interests, which means that the beneficiaries of the financial resources were established, first of all, depending on the political colour of the local powers. This type of political inequalities attracts the local politicians to change their party affiliation, waiting for some rewards deriving from "patron-client" relation, that the central gov-

ernment maintains even when it adopts progressive legislation, such as the Law on Local Public Finance<sup>424</sup>.

At the central level, the Members of Parliament may change their political affiliation when certain politicians and groups get in conflict with the leader of their party or when they may negotiate the votes in exchange of some financial and other types of incentives (political corruption). And the contestation of any party leader's authority usually leads to the failures (the phenomenon of party's "founding parents"), lacking the model and the traditions of party's internal democracy, which would conciliate the existing differences.

## **INEQUALITIES REGARDING**

## **ACCESS TO JUSTICE AND IMPUNITY**

**Access to justice** is a basic principle of the rule of law state, contributing to prevent and remedy the cases of violation of citizens' rights and freedoms. In the international law<sup>425</sup> the access to justice is applied for the discrimination victims to be able to obtain free access to justice, without being impeded by procedures or unjustified costs. The access to justice in the Republic of Moldova is restricted by objective and subjective factors. Courts may be affected by overloading with cases or the lack of adequate premises, reduced financing of the management costs, duration of trials or other regulations, which may create frustrations and barriers in justice enforcement. Art. 6, para. (1) of the Contravention Code, providing that the persons who have committed offences are equal in front of the law and public authorities and liable regardless of their race and other criteria.

The Contravention Code does not provide for committing offences based on biases towards a race or other characteristic as an aggravating circumstance. Art. 16 of the Constitution protects the right to equality, but it applies only to Moldovan citizens and refers only to equality among certain protected groups, enumerated in a fixed list, hence, the constitutional protection does not meet the necessary requirements. The Law on Ensuring Equality prohibits discrimination based on a wide range of criteria and establishes a regulatory body, which is responsible for examining and satisfying the claims of discrimination - Council on the Prevention and Elimination of Discrimination and Ensuring Equality (CPEDEE). The activity of the Council ensures the enforcement of laws on equality in a fair and effective way, and the liquidation of existing drawbacks in useful time. As an example of the need for this

<sup>424</sup> Note: Law on Local Public Finance, adopted on 1 November 2013 sets forth the direct budgetary relations between the centre and the mayoralties, and the formula of money transfer calculated according the number of population, as well as the extension of the financial autonomy of the local public authorities.

<sup>425</sup> Convention for the Protection of Human Rights and Fundamental Freedoms, C.E.T.S. No. 005, 1950, art. 6; International Covenant on Civil and Political Rights, Res. A.G. 2200A (XXI), 1996 in Equal Rights Trust. Promo-LEX Association, Cited paper . p. 328.

Council is the fact that the discrimination victims in the Republic of Moldova frequently are faced with restricted access to justice mainly based on several types of structural inequalities (IP): (1) selective enforcement of law as a result of political clientele and extra-judiciary control; (2) unequal access to legal remedies, either as a result of prohibitive costs to a lawyer's services, or of formal obstacles as a result of identity differences (religious, sexual, linguistic); (3) limited independency of justice and cumbersome process of applying free justice. Of course, CPEDEE does not have the authority to impose penalties and sanctions against those whom it considers to have committed a discrimination or inequality act, but it only issues recommendations for recovery of rights, trying to reconcile the petitioners and notifies the Prosecutor's Office.

Justice enforcement by the courts if regulated by the Code of Civil Procedure. Article 33 of the Code provides that the courts are competent to judge all the civil cases in which individuals, companies and public authorities are involved, including the cases in which certain persons or groups are restricted in their rights. To represent the affected persons, the NGOs should prove that they are registered in the State Register of Public Associations and empowered by the victim (or victims)426. The courts may trial offences related to discrimination also according to the Criminal Code of the Republic of Moldova<sup>427</sup>, which may include: torture, inhuman or degrading treatment based on a discrimination form (art. 166, para. (3)), sexual harassment for discrimination purpose (art. 173), and violation of citizens' quality in rights (art. 176, para. (1)).

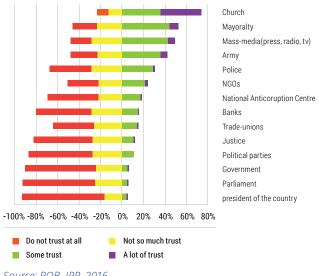
Nevertheless, the non-standardised nature of the case-law and the inconsistencies in the judicial system have led to the phenomenon in which the citizens use more and more external remedies (ECHR) than national courts. During 1997-2011, about 34% of ECHR convictions in relation to the Republic of Moldova were due to the violation of art. 6 of the Convention regarding the right to a fair trial, the rest referring to non-enforcement of court judgements<sup>428</sup>. It is essential for the judges to contribute effectively to recovery of trust for the national justice system through an unimpaired conduct, random distribution of cases, settlement of cases with celerity, and enforcement of standardised case-law, in which any corruption acts are excluded. According to the ECHR Report from 28 January 2016, there were 1223 applications submitted against the state as of 31 December 2015, which was on the 11th place according to the number of submitted applications, imposed to pay considerable amounts as damages (Diagram 45).

In 2015, the ECHR pronounced 19 decisions based on some applications admitted against the Republic of Moldova, as compared to 24 decisions pronounced in 2014. According to the statistics announced by the ECHR, Moldova is on the 3<sup>rd</sup> place with an indicator of 2.84 applications per 10.000 inhabitants; when correlating the number of applications allocated to a judiciary body with the population of the country, this indicator increases as compared to 2014 (3.11).

#### Access to information

According to the Open Government index 2015, developed by World Justice Project, Moldova is on the 46<sup>th</sup> places out of 102 countries in relation to "governance accessibility", with a score of 0.55<sup>429</sup>. Sociological measurements indicate a serious decline of the level of confidence in justice and central institutions of the state (Parliament, Government, President), as more serious in case of the political parties and police. The most affected areas of interaction between the authorities and citizens are the ones in which the decision-makers may use discretionary the public resources for their personal purposes (Diagram 46).

Diagram 46 How much confidence do you have in ...?



Source: POB, IPP, 2016.

Diagram 45 Volume of damages paid by the RM as a result of the final and irrevocable decisions of the ECHR 2015 211.734 Eur 2014 217.482 Eur 2013 315.363 Eur 2012 842.856 Eur 2011 **371.258** Eur Source: Agora.

<sup>426</sup> Law No. 121 of 25.05.2012 o Ensuring Equality, art. 20.

<sup>427</sup> Criminal Code of the Republic of Moldova. No. 985 of 18.04.2002.

<sup>428</sup> Centre of Legal Resources from Moldova. Enforcement of ECHR decisions by the Republic of Moldova,

<sup>429</sup> WJP Open Government Index 2015; www.worldjusticeproject.org/open-government-index

Human develonment inequalities

The governance quality is affected also by the perception of the citizens regarding justice, rule of law and state authorities at any moment of the political process. Only 44% of the population of the Republic of Moldova knows that they have the right to request and to obtain information of public interest from the state authorities and also that there are laws, which oblige the authorities to perform activities in a transparent, open way and in the public interest. Form this viewpoint, the information of citizens is a monitoring tool for the governance, increasing the vigilance and the voice of the citizen in the process of taking decisions of public interest, contributing to the efficiency of authorities, building a real rule of law state, and avoiding corruption and political clientelism. Art. 34 of the Constitution (right to information) and art. 39 (right to administration) guarantee the right to participate in the administration of public matters directly or through representatives.

A recent study<sup>430</sup> reveals that the information most protected from the wide public would be the local budgets, recruitments for administrative positions, code of conduct and ethics, and social services provided to the population. According to this study, the sites of 87% localities do not inform in advance about the agenda of debates in the local councils, the sites of 45% localities do not publis the LPA decisions, and the sites of 90% LPA do not display information about properties they manage. The selection of personnel happens randomly, and the importance of contest-bases employment is decreased by the low salaries and a lack of attractiveness. Only 18% of LPA publish on their sites about the information about initiating or finishing some technical assistance projects, implemented on their territories<sup>431</sup>.

#### **Endemic corruption**

The legal system existing in the Republic of Moldova ensures a moderate level of political rights and freedoms for the citizens through a process characteristic for an emerging democracy, which aims to emulate democratic norms and practices under the resilience of some old structures and rules. Hence, it is noted that the simple replication of some elements of liberal democracy (constitution, free elections, parties, civil society etc.) does not replace the internal effort of getting adjusted to the new historical circumstances, and to complete the transition towards modernization.

The Nations in Transit Report ranks the Republic of Moldova on the 18th place out of 29 for the Democracy Score, which is 2 positions higher than in 2009; and on the 2 place among the Eastern Partnership countries<sup>432</sup>. In 2015, the Corruption Perception Indicator (CPI) of TI placed the Republic of Moldova on the 103 place out of 168 states, with a significant decline as compared to 2012<sup>433</sup>. The CPI is calculated on a scale from 0 to 100, where "0" means total corruption, and "100" – a total lack of corruption; the CPI is estimated based on 12 data sources. Since 2014 the Republic of Moldova score decreased by 2 positions, as a result of the risks to seize the power in the state, corruption and dysfunctional institutions of public supervision and control. According to the IRI survey from May 2016, about 83% of respondents mention that the country direction is wrong, as compared to only 11%, who supports the opposite<sup>434</sup>. A survey carried out by TI Moldova reveals that 66% of respondents considered in 2013 that 66% of governmental officials are corrupted. 435 The endemic corruption and corruption suspicions create anti-social behaviours through self-creative prophecy.

The organized criminal groups exploit the fragility of public authorities so as to obtain private benefits and access to political power. In spite of the anticorruption rhetoric, the progress in eradicating this phenomenon was widely superficial, and corruption in the public system was rather vital in different segments of the social life. The inertia of the institutions responsible for the fight against corruption, as well as the scandal in the banking sector (2013-2015), has influenced negatively the level of confidence for governance and justice (Annex 14).

The absence of a modern public service at the level of central administration has a negative impact on the efficiency of the decision-making process, law enforcement, and economic growth level. The lack of trust for justice sector discourages investments, increases frictions between the business and the state, and as a result, these factors make deeper the economic and social polarizations, economic and political inequalities, reducing the most important function of the state – to contribute to the wellbeing of the population. In spite of a vocal anticorruption rhetoric, the progress is superficial, and corruption from public system has achieved an endemic extension<sup>436</sup>. The failures of the governance only consolidate the level of unfair competition between the affluent groups and citizens. These groups may obtain extended rents as a result of taking advantage of their situation of monopoly and of the fragile institutions of the rule of law state, establishing a specific model of "immoral patrimonialism" (F. Fukuyama), described by the model of "extractive institutions" (Daron Acmemoglu/James Robinson) or by the concept of "limited access order" (LAO, by Douglass C. North)437.

Political instability together with a lack of will has sabotaged the implementation path of the Republic of

<sup>430</sup> IDIS "Viitorul". INEKO. Monitoring report. Open Local Government for active and informed citizens, Chisinau, 2016.

<sup>432</sup> Nations in Transit 2015; https://freedomhouse.org/report/nations-transit/2015/moldova

<sup>433</sup> Note: BTI (Transformation Index), Economist Intelligence Unit (Country Risk Ratings), Freedom House (Nations in Transit), Global Insight (Country Risk Ratings), IMD World (Competitiveness Yearbook), Political Risk Services (International Country Risk Guide), World Bank (Country Policy and Institutional Assessment), World Justice Project (Rule of Law Index)

<sup>434</sup> Ališauskienė, Rasa. Public Opinion Survey Residents of Moldova. September 2016. Centre for Insights in Public Surveys.

<sup>435</sup> Transparency International. National System of Integrity Moldova 2014; http://www.transparency.md/Docs/SNI-2014.pdf

<sup>436</sup> Schuster, Ilse. Merjan, Serghei. Report for assessing corruption risks in the area of public procurements of the RM. UNDP and NAC. February2016.

<sup>437</sup> Apud: Acemoglu, Daron. Robinson, James. Why Nations Fail: The Origins of Power, Prosperity, and Poverty. New York: Crown, 2012; North, Douglass, C. Wallis, John Joseph. Weingast, Barry R., Violence and Social Orders: A Conceptual Framework for Interpreting Recorded Human History New York: Cambridge University Press, 2009; Fukuyama, Francis. Political Order and Political Decay: From the Industrial Revolution to the Globalization of Democracy. New York: Farrar, Straus and Giroux, 2014

Moldova – EU Association Agreement (signed on 27 July 2014, ratified by all the EU member states and entered into force on 1 July 2016). The Republic of Moldova officials acknowledge that the progress is modest and the poor management is due to some systemic factors: modest level of salaries, reduced motivation of state officials, appointments based on political criteria, inefficient and politicised judicial system, etc. According to the authors of the study regarding the integrity system by systemic problems<sup>396</sup>, all these are manifested through institutional fragmentation, short limitation period, a lack of a mechanism for confiscation of property which does not comply with the incomes received by officials, inefficient coordination among institutions, deficient structure of the NIC and NAC, exposure of the NAC to political influence and deficient allocation of budgetary resources. Inertia of the institutions responsible to fight corruption and the scandal from the banking sector have influenced negatively the perception regarding the quality of governance, the perception of the public and of the foreign partners, who have strongly been affected. In general, the opposition parties have accused the ruling parties or coalition of exploitation of the administrative and state resources during the electoral campaigns, hence, contributing to a reduced level of confidence and cooperation between the power and opposition.

The total value of the bribes paid by the business and citizens in 2015 was calculated to be about 381 million MDL, as compared to 392 million MDL in 2014<sup>439</sup>. Most of the bribes were paid (unofficially) within medical institutions – almost 1/3 of the total bribes, in police and educational institutions – about 1/10 of the total bribe. Although the tolerance to corruption has decreased as compared to the measurements registered in the previous years, the wish to oppose resistance to bribes through collaboration with the state authorities remained to be rather low, notes TI Moldova. The TI experts suggest measuring some additional indicators in this respect, which would identify the corruption risks, such as "level of coverage of the subsistence minimum vs. the average remuneration in any area", noting, thus, that the monthly average salary in the health sector covers only 2.7 times the subsistence minimum. Hence, the obtained indicator varies from 0.3 in health protection and police to 1.1 in fiscal services, which actually means that the tax inspectors, although remunerated better than the employees from health protection area, are more tempted to accept bribes, which vary from 7.2 th MDL in health protection area to 159.9 th MDL in courts<sup>440</sup>. Other relevant indicators would be: indicator of average bribe related to the average remuneration in the area or probability to be caught in flagrant, from the result of the number of investigated officials reporting.

A variability of the respective indicator may be noted between the health sector (0.03%) and the judicial sector (2.14%), which suggests that only the increase in salaries could not help essentially to preventing corruption, without consolidation of other considerable drawbacks, such as: instability of public positions, superficial evaluations and politicization of the public service, which compromise the mechanism of meritocratic selections in the public system. In spite of the numerous scandals reported by the investigation media, the sanctions applied to those who are involved in big-resonance, corruption acts are very rare, and the level of political impunity is very big. Corruption suspicions usually are fed by the independent press investigations in the context of missing concluding results from the National Integrity Commission (NIC), which has neither sufficient powers nor sufficient autonomy<sup>441</sup>. The institutions responsible for preventing and combating corruption - NAC, Prosecutor's Office, has demonstrated, unfortunately, limited capacities and a close anchoring with the interests of those who hold the power. This opinion is also supported by the development partners of the Republic of Moldova<sup>442</sup>, who admit that the social, political and economic progress of the country is directly blocked by corruption.

The highest corruption risks are identified in the area of public procurements, and namely in the sector of pharmaceutical products and medical equipment, road construction and reparation works. The most inclined to corruption is local authorities together with the state enterprises, controlled by political clientele<sup>443</sup>. The entry into force of the Associating Agreement with EU based on the DCFTA offers the Republic of Moldova multiple opportunities, which may be exploited if the authorities would commit themselves to accelerate the sustainable increase, harnessing of human capital, creation of an attractive business environment for Foreign Direct Investments (FDI) and an inclusive model of social solidarity<sup>444</sup>. In this context, it should be noted that 60% of all the employees registered in the Republic of Moldova are employed in the public sector, which exceeds by 2.7 times the average indicators of 20% of OCDE and shows a rather powerful role of the state in social economy, which actually does not provide any results<sup>445</sup>. Most of the enterprises under the government control are inefficient and represent a sinecure for the officials who participate in different Administrative Boards.

As a rule, the participation in the Administrative Boards of the big state enterprises is a financial privilege offered to a bureaucrat and not a responsibility allocated to its representatives to ensure a higher efficiency of the corporate administration. Because the state enterprises are not subject to the legislation on control

<sup>438</sup> Gamurari, Ludmila. Ghinea, Cristian. 10 problems of the system of public integrity in the RM and how they can be solved through the legislation under public debates. CRPE Policy Memo No. 60, April 2015

<sup>439</sup> Transparency International. Sociological Survey in the Republic of Moldova: businessmen's and households' own perceptions and experiences. Chisinau, 2015.

<sup>440</sup> Ibidem, p. 45.

<sup>441</sup> GRECO. 4th Evaluation Round. Corruption prevention in respect of members of Parliament, judges and prosecutors. GrecoEval4Rep(2016)6. Adopted by GRECO at its 72th Plenary Meeting (Strasbourg, 27 June – 1 July 2016).

<sup>442</sup> European Commission. Implementation of the European Neighbourhood Policy in the Republic of Moldova. Progress in 2014 and recommendations for actions. Brussels, 25.3.2015. SWD(2015) 69 final.

<sup>443</sup> Schuster, Ilse. Merjan, Serghei. Cited paper p. 32.

<sup>444</sup> World Bank. Briefing Book From Development Partners of Moldova. January, 2015.

<sup>445</sup> OECD (2015), Government at a Glance 2015, OECD Publishing, Paris

of public procurements, this legislative gap provides numerous possibilities for corrupt managers. In this way, about 300 of state enterprises are left outside any form of public supervision, aspoorly managed and totally open for corruption. The establishment of the Administrative Boards based on the principles of political loyalty and clientelism raises the problem of the state policy regarding the standards for managing public property, in the absence of a professional group of public managers, a lack of transparency regarding the assets of the state and the use of laws by the irresponsible bureaucracy. The correlation of the high corruption rate and the over-dimensioning of the state in certain sectors of the national economy creates the trend of generating some abuses, which lead to appearance of inequalities<sup>446</sup>. Thus, only 32 out of 112 joint stock companies in which the state has shares have registered profits in 2014, and the losses for 36 of them accounted for 468 million MDL (or 253 million MDL over the registered profit). Schemes for arranging and defrauding contracts, acceptance of abuses and conflicts of interests, occurred over the last years, generate new political inequalities, a lacking public

fraudulent management of public properties maintains massive political inequalities between those who rule and those who are ruled.

Generally speaking, the Republic of Moldova has a huge basis of laws and normative acts which should ensure decision-making transparency<sup>447</sup>. However, many of these laws are adopted formally, applied partially and sometimes ambiguously. The governmental failures from the recent years have been rigidly penalized by the population. Surveys reflect a critical perception about the country's development vector (POB, IMAS, CBS Axa, 2015), indicating the corruption as the main factor inducing these failures. There is a direct correlation among the low level of confidence for the state, mass media, NGOs, trade unions and the low incomes<sup>448</sup>. The rate of participation in elections is higher in the localities with lower social-economic revenues (areas of social deprivation). On the other hand, it may be noted that the poorer persons tend to avoid participation in different forms of protest against the state, as a result of their level of vulnerability and dependency on social assistance<sup>449</sup>.

#### **REGIONAL INEQUALITIES**

Economic and social development in the Republic of Moldova is not uniform, creating numerous inequalities in revenues, access to services, and employment from region to region. Only 10-15% of the mayoralties of the first level has sufficient revenues to cover their own expenditures, hence, the vast majority remains to be strongly dependent on the transfers from the central government, which usually is influenced by political decisions and never transparent and reasoned enough<sup>450</sup>.

control, transparency and political accountability. The

Because of missing local engines for economic growth, the rural area has focused on remittances and export of labor force, both as emergency solutions, which are not sustainable in the mid-term for economic growth and maintanence development misbalance (Diagram 47). The widest association of local governments – the Congress of Local Authorities from Moldova (CALM) has requested a number of times from the foreign partners to decrease the budgetary support and the programs managed by the government in favour of some special programs with direct access to local authorities<sup>451</sup>. The associations of local governments from the Republic of Moldova criticize the modality in which the decentralization strategy is enforced, pointing out the gaps in adop-

tion of the new Law on Local Finance and the lack of a specialised structure at the level of the central government, which would have sufficient authority, instruments and resources to guide the decentralisation reform. The poor have reduced access to the main services (utilities: cold and hot water, sewerage, centralised supply of gas, and sanitation facilities), and the local communities where the poor live are not able to ensure evenly the respective service due to a lack of revenues.

The limited access to the elementary services for a modern life increases the emigration rate and extends the *rural-urban inequalities* alongside the so-called "deprived rural areas". The modest financial resources and the reduced size of the localities affect the quality of the services provided at the local level by the local authorities. Today, almost 28% of all the administrative-territorial units of the country has less than 1.500 inhabitants. About 237 mayoralties of the 898 existing in the country do not meet the threshold fixed in the legislation, and 86% of them have less than 5.000 inhabitants, hence, a governmental intervention is needed for the administrative-territorial reorganization of the country.

<sup>446</sup> Ioniță, Veaceslav. Enterprises managed by the state and their role in the national economy. IDIS "Viitorul". Policy Brief. No. 6, July, 2016.

<sup>447</sup> Note: Law No. 982 of 11.05.2000 on Access to Information; Law No. 239 of 13.11.2008 on Transparency in the decision-making process, as well as other normative acts regulating transparency in activity and provision of information of public interest as Law No. 190 of 19.07.1994 on Petitioning; Law No. 131 of 03.07.2015 on Public Procurements, Law No. 16 of 15.02.2008 on Conflict of Interests, etc.).

<sup>448</sup> Bertelsmann Stiftung's Transformation Index (BTI). 2016. Moldova Country Report; http://www.bti-project.org.

<sup>449</sup> POB, IPP, April 2016, pp. 55-56.

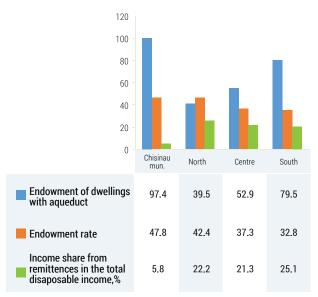
<sup>450</sup> Law No. 68 of 05.04.2012 approving the National Decentralization Strategy and Action Plan for implementation of the National Decentralization Strategy for 2012–2018. Published: 13.07.2012 in the Official Gazette No.

<sup>451</sup> See: CALM. Declarations; http://calm.md/lib.php?l=ro&idc=5&t=/Documente/Declaratiile-CALM&

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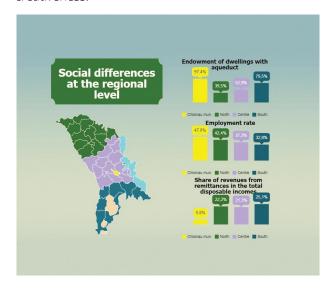
Diagram 47

## Social differences at the regional level in the RM



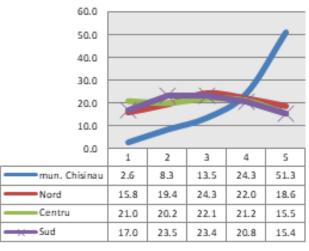
Sursa: BNS

Although they are autonomous, the first and second levels of the local governance are fragmented, without resources and capacities to provide qualitative services at the local level. Besides, the political inequalities emerge at the regional level as a result of the phenomenon of national parties' domination, which protect the interests and preferred candidates, regardless of the voters' preferences expressed at the local level, rewarding afterwards the local party structures via preferential transfers from the public budget, if they succeed to accede to governance. This "model" of budgetary rewards as an exchange for the political loyalty to create ample mechanisms of political clientelism, which functions through multiplication of inequalities. Frequently, the administration of the sub-national level (II) and the Ministry of Finance impose rigid ceilings for expenditures even when there are accumulations from local budgets, maintaining, thus, tools for a limiting local autonomy and sanctioning the local governments, even when their decisions are protected by local autonomy extension. The fear for repression inhibits, at its turn, local initiative and creativeness.



Many of the LPA actions are restricted by the lack of some elementary competences to impose the respect of public order or to fix administrative fines for different violations. The practice of direct negotiations with the central government still continues in relation to delimitation between their own budget and the different functions attributed to local authorities, frequently outside the legal framework, hence, cultivating a certain type of "being a parasite" at the expense of the local governments, penalizing initiatives and depriving the LPA with merits from the necessary resources for their autonomy and from motivations to look for and to preserve new sources of taxation (Diagram 48).

Diagrama 48
Dotarea locuințelor cu apeduct
(acces la apă potabilă)



Sursa: BNS

In conditions in which over 40% of the poor population lives in rural area, hence, making poverty a largely rural phenomenon (19% of extremely poor people in villages as compared to 5% in cities). Inequality reflects an unequal distribution of access to social wellbeing, respectively to the instruments of the state to increase life standards. The extreme poverty rate accounts in Moldova for 2.50\$ per day, which was applied to a segment of 6% in 2012, as compared to a mediocre medium class (consumption of over 10\$ per day), estimated at 11.7% of population (Annex 15).

The low revenues make the current conditions of the individuals to be rather vulnerable, increasing the risks to be affected in case of climate disasters. Today, only 2% of agricultural farms are insured in the country against climate risks, thus, the most vulnerable farms are usually poor and totally unprepared for seasonal climate crises. At the same time, about 1/3 of the total number of farms depends on seasonal fluctuations, 99% of them consumes, as a rule, all the produced subsistence products without generating any other incomes or reserving for the next year<sup>452</sup>.

<sup>452</sup> Möllers, Judith. Herzfeld, Thomas. Piras, Simone. Wolz, Axel. World Bank Group. Structural Transformation of Small Farms in Moldova: Implications for Poverty Reduction and Shared Prosperity. World Bank Washington, Dc. 2016.

The lack of real opportunities to get employed in non-agricultural sectors and concentration of economic development in big cities deepens the rural-urban discrepancy and caps the diversification of local economy, absorbing the youth from the rural area through migration and internal mobility.

The regions of the country are 4-4.5 times more underdeveloped than Chisinau municipality. At the regional level, the GDP per capita adjusted to PPP, except for Chisinau, is very small: Chisinau municipality (4.219 USD, 94-95 position in the world top), DR North (3.151 USD, 149-150 position), ATU Gagauzia (2.890 USD, 154-155 position), DR South (2.768 USD, 157-158 position), and DR Centre (2.587 USD, 158-159 position)<sup>453</sup>.

The mayors ask for a review of the current system of distribution of public funds for financing investment projects, which is not transparent in use and abusive in its political purpose<sup>454</sup>. The Republic of Moldova could create a better mobilization of its local resources, if decentralization becomes a political priority. But the political negotiations and the model of the "winning coalition"455 have seduced the central authorities to take over the control over the distribution of resources through governmental transfers and grants. A number of foreign technical assistance projects were implemented (Twinning, TAIEX, SIGMA<sup>456</sup>) contributing to the development of the general policy framework for regional development and urban development. Nevertheless, these projects were implemented mainly from the perspective of the assistance provided to the central government, with a marginal participation of local stakeholders and LPA.

#### INEQUALITIES IN

#### **HUMAN SECURITY MATTERS**

Human development cannot be carried out without ensuring human security<sup>457</sup>. The link between these two concepts is determined by the fact that human development refers to extending human freedom, and human security implies protection of human vital freedoms against threats<sup>458</sup>. Based on the challenges of the current security environment, the concept of human security is not neglected in assessing the security condition of the Republic of Moldova from a number of perspectives<sup>459</sup>, even if its complex nature.

First of all, we cannot neglect some connections between development and security, at the national and global levels:

- immediate impact of security/insecurity over the wellbeing and ways/options of the development, regardless of the fact if we talk about an individual or a state;
- the way in which insecurity affects development and economic growth of the state – instrumental role of security;
- developmental ways of a state also affect security/security condition – instrumental role of development<sup>460</sup>.

Secondly, more correlations are pointed out between human security and national security (Annex 16). Besides protecting human fundamental freedoms and the persons against the serious or systemic threats, human security also refers to creating some political, social, environmental, economic, military and cultural systems, which provide people the basic elements which are necessary for survival, live-hood and dignity. At the current moment, the assurance of the *national* security does not imply only the military power. Having a comprehensive approach of the security concept, the National Security Concept (NSC) of the Republic of Moldova from 2008 mentions that: "national security of the Republic of Moldova is carried out through adequate measures of political, economic, democratic, social, legal, educational, administrative, and military nature [...] in line with the legislation in force and the provisions of the international law"461. As a result, the insecurity sources from human and national perspective may be the same, but the implications have different nature, hence, the security referents are different (Annex 17).

In this context, the processes and institutions responsible for *good governance* become fundamental for human security<sup>462</sup>, which also serves as source for complementarity between national security and human security, explained through contractualism theory. Due to the human security paradigm, the states

- 453 Chiriac, Liubomir. Relaunch of regional development between Chisinau and Tiraspol", IDIS "Viitorul", Chisinau, December, 2016.
- 454 Decentralization: the way towards modernization of the Republic of Moldova", international conference (2016; Chisinau). International conference materials, 17-18 December, 2015.
- 455 Note: Theory of selectorate, developed by Bruce Bueno de Mesquita in The Logic of Political Survival (2005) explains the differences between the groups participating in the distribution of power, divided in nominal selectorate, real selectorate and victorious coalitions.
- 456 More here: https://ec.europa.eu/neighbourhood-enlargement/neighbourhood/neighbourhood-wide/twinning-taiex-and-sigma\_en
- 457 UNDP. National Human Development Report. Chisinau 1998. Moldova, p. 15..
- 458 Enicov, Vadim. Individual security as an element of national security. Law and Life, Feb. 2015, p. 15; p. 18-22.
- 459 Note: Formula of security condition: S security condition: A threat; R capacity to respond. See: Uleia, Mircea-Bogdan. Determining through calculation the security condition. Bulletin of the National Defence University "Carol I", 04:265-275; http://www.ceool.com/search/article-detail?id=209746
- 460 Stewart, Frances. Development and Security. Working Paper 3. CRISE: Centre for Research on Inequality, Human Security and Ethnicity, University of Oxford.
- 461 Law No. 112 of 22.05.2008 approving the National Security Concept of the Republic of Moldova
- 462 Răducu, Cătălina-Daniela. Ștefanachi, Bogdan. Human Security. Modern challenges. Bucharest: Pro Universitaria, 2015, p. 26

are obliged to focus on citizens – the source of their "legitimacy"<sup>463</sup>. "National security is not only the security of the state, but also the security of society and citizens of the Republic of Moldova, on the territory of the country, but also abroad"<sup>464</sup>. The state acquires new types of responsibilities, including in the area of security, the good governance and democracy prioritize the security of the individual/citizen.

Respectively the three complementary dimensions of human security<sup>465</sup> empower the state with certain responsibilities to ensure individuals' security at the national level:

#### 1) THE MINIMALIST APPROACH TO HUMAN SECURITY

- freedom from fear referring to freedom from generalised threats related to the rights, safety and life of people, ensuring people's protection against violent conflicts, associated with poverty, the lack of state support capacities and other forms of social-economic and political inequity; this dimension provides the Republic of Moldova with the responsibility to protect its population responsibility to protect R2P (including the population on the left side of the River Nistru territorial integrity of the Republic of Moldova is enshrined in the Constitution) from the perspective of the principle of states' sovereignty<sup>466</sup>;
- 2) THE HOLISTIC APPROACH OF HUMAN SECURITY
   freedom from wants refers to human needs,
  which affect more people than the violent conflicts and perceives the settlement of these sources of insecurity focused on development<sup>467</sup> (for
  instance, the exercise of the right to adequate
  life standards, which depends on a series of other
  economic, social, and cultural rights, the right to
  work, the right to education and the right to social
  security);
- THE DIMENSION OF FREEDOM TO LIVE IN DIGNITY<sup>468</sup>

   advocates for the need to promote the rules of law and democracy, and it is essential in assessing the security condition in the Republic of Moldova, as it refers to civil and political rights of the individuals<sup>469</sup>.

Besides these three components, when there are risks in the area of environmental security, the agenda of human security also includes the fourth compo-

nent - freedom from hazard impact<sup>470</sup>. In this context we talk about the environmental challenges (such as natural disasters, accidents, conflicts, etc.) which have direct impact on human security. The disaster risk profile of the Republic of Moldova is dominated by the climate hazard with economic impact determined by floods, droughts, landslides, and extreme meteorological phenomena (such as heat waves, torrential rains, etc.). Moldova suffers, in average, from four five severe droughts in every ten years, which have increased in intensity and frequency. Besides, there are also other insecurity sources: the areas most exposed to the risk of floods are the ones around the internal small rivers, as well as around the trans-border Nistru and Prut Rivers. Located in the seismic zone of the Carpathian Mountains, Moldova is regularly faced with earthquakes with epicentres mainly in Romania. The adverse impact of climate changes is intensified by the low share of forests (10.7%), protected areas (4.7%) and wet zones (2.8%), and aggravated by the non-sustainable management of land and agricultural practices, etc.471.

Thirdly, the vulnerabilities of the national security system of the Republic of Moldova may diminish the capacity to ensure human security, generating inequalities in security matters, as a result the external threats are much more difficult to be counteracted (Annex 18). When facing the risks of increased *insecurity*, the responsibility of the state is to ensure the *national security*, as to provide the individuals with skills to cope with the threats. The NSC of the Republic of Moldova identifies a number of risks and threats related to the national security of the country<sup>472</sup>, where the "frozen conflict"<sup>473</sup> is placed on the first position. At the same time, the existence of an unsettled conflict on the territory of the Republic of Moldova may be qualified as a condition of vulnerability of the national security, as well as a source of insecurity from the human perspective. The impossibility to control the secessionist territory limits the capacity of the state to ensure in an equal manner the human security of all citizens of the Republic of Moldova in situations of some trans-border or asymmetric threats.

Hence, both concepts – *national security* and *human security* – are huge areas with many elements. Any negligence of vulnerabilities and risks from these sectors may lead to securitization<sup>474</sup> of certain challenges or threats (which contribute to misinformation of the population regarding the real status of the problems related to national security and human security).

- 463 Taylor, Owen. Human Security Conflict, Critic and Consensus: Colloquium Remarks and Proposal for a Threshold-Based Definition. Security Dialogue, 2004, SAGE Publications, Vol. 35(3): pp. 373-387., p. 377-377.
- 464 Law No. 112 of 22.05.2008.
- 465 Note: According to the Declaration from Lysoen in Norway on 20 May 1999, freedom from fear and freedom from wants and equal opportunities were assessed to the be the fundamental elements of human security.
- 466 Note: Principle of sovereignty as responsibility has a trivalent meaning: 1) involves the fact that the state authorities are responsible for the functions of protecting citizens' safety and life, and well-being: 2) the principle declares the responsibility of national authorities before their own citizens and international community (rules adopted by UN); 3) implies the responsibility of the state for its actions and for lack of actions, when this would be necessary for protection of individuals. See: lancu, Andreea. The Responsibility to Protect. A Juast War Theory Based Analysis. In Practical Application of Science, Volume II, Issue 3 (5) (2014, pp. 341-348.
- 467 Neag, Mihai Marcel. Economic, political, and military implications on human security at the post-conflict stage. Sibiu: Publishing House of Academy of Terrestrial Forces "N. Bălcescu", 2011, p. 12.
- 468 United Nations General Assembly A/59/2005/Add.3. In larger freedom: towards development, security and human rights for all. Report of the Secretary-General. Fifty-ninth session Agenda items 45 and 55.
- 469 Note: In 2005, the report of the UN Secretary General refers to the "freedom to live in dignity" an adjustment of the "freedom to act on one's own account " (2003), dimensions which advocate for the need to promote the rule of law and democracy in United Nations General Assembly A/59/2005/Add.3; Ogata, Sadako. Sen, Amartya. Human Security Now: Protecting and Empowering People, Commission on Human Security, New York, 2003.
- 470 Note: Hazard = f (risk x exposure (to risk) x vulnerability x response). See: Brauch, Hans. Threats, Challenges, Vulnerabilities and Risks in Environmental and Human Security. Studies of the University. Research, Counsel, Education. Publication Series of UNU-EHS No. 1/2005. Bonn. p. 56.
- 471 World Bank. Briefing Book From Development Partners of Moldova. January 2015.
- 472 Transnistrian conflict. The risks for emergence of inter-ethnic tensions. Threatening international terrorism. Economic threats. Social threats. Threats in IT area. Threats deriving from human activity. Technogenic factors and natural calamities. Threats of organised crime and corruption.
- 573 Note: The term is used also for other geographic regions, but most frequently in relation to the post-Soviet space (Nagomo-Karabakh, Transnistria, Abkhazia and South Ossetia and Eats of Ukraine). The existence of a conflict, even of "frozen" nature on one hand, is a source with impact on policies for ensuring national security, and on the other hand it is considered among the toughest challenges for the regional and international security. These are conflicts which are artificially escalated and "frozen" none of them was fully settled. Such states as Azerbaijan, Georgia, Ukraine and Moldova, on whose territory secessionist segments exist, become more vulnerable for the involvement of external factors. They are also sources of transnational threats with impacts on human security.
- 474 Note: Securitisation is perceived as an external form of politicization or as building an event as a "political problem", which would allow using extraordinary means in the name of security. The challenges and threats may be "covered" by the political stakeholders with a political-ideological power, which would be exaggerate or minimise the real level according to the momentum political game. In these situations the risk of securitisation of threats appears.

Based on this rationale, we will assess the main forms of human insecurity<sup>475</sup> from the perspective of its complementary dimensions, which (1) generate inequalities in ensuring human security and (2) determine the vector for development and assurance of national security.

Political insecurity. Political security means that people live in a society which observes human fundamental rights<sup>476</sup>. In general, it is considered that when human rights are observed<sup>477</sup>, respectively human security is ensured at an advanced level. When ensuring political security from human security perspective, the main responsibility is assumed by political institutions to ensure the social order. Based on this rationale, the main sources of political insecurity of the individual is: (1) a lack of consolidated democracy, (2) an increase of corruption phenomenon, and (3) a lack of trust for state institutions.

The correlation between the *quality of democracy* and *human security*<sup>478</sup> may be considered to be an indicator in assessing a country's security status. The rule of law, alongside national economy, military security, population dynamics, transparency of public institutions, and accessibility of public services and dynamics of civil society is variable which composes the causal chain of the relations among the democracy quality, level of development and human security<sup>479</sup>. According to the analysis provided by *The Economist Group*, the Republic of Moldova is part of the group of *defective democracies* (Annex 19)<sup>480</sup>.

The Democracy Score for 2015 accounted to 4.86 according to Freedom House (on a scale from 1 to 7, where 1 represents the biggest democratic progress and 7 – the lowest), the regime qualified as transition governance or hybrid regime. The reduced indicator of democracy in Moldova is determined by the frauds in the banking system, growing corruption, and huge influence of businessmen in politics and governance process, including the problem of not controlling the territory from the left side of the River Nistru, where political rights registered in 2015 a score of 10 out of 40, and the civil ones – 14 out of 60, according to Freedom House. Numerous studies have demonstrated that corruption implications already affected systemic vulnerability of people by violence, disasters, poverty and inequality<sup>481</sup>.

The increasing phenomenon of corruption in the Republic of Moldova erodes the existing institutional framework and the democratic order with implications affect-

ing the state capacity to ensure human security which redistributes the power and concentrates the decision in the hands of the "rich" and not in the hands of the "poor"<sup>482</sup>. As a result, we can talk about limited opportunities in social-economic development of communities, as well as the *limited access to justice* for citizens.

The mentioned phenomena (the lack of consolidated democracy and an increase of corruption phenomenon) point out once again the fact that internal factors have a special importance in ensuring national security, as well as human security. These factors refer to the nature and the quality of political institutions, which should increase the security level at the individual and national levels. At the national level, these factors are mirrored in the Republic of Moldova through the *lack of trust in state institutions*, hence, determining the perception of the insecurity status as an indicator of instability.

When evaluating inequalities, the freedom to live in dignity is an important indicator especially from the perspective of ensuring human rights. Personal insecurity from this perspective implies the existence of violence in any forms<sup>483</sup> and evaluated the level of freedom of expression and mass-media freedom. In the context of ensuring state security, the individual security refers to the obligation of observing human rights and freedoms. According to art. 7 of the Law on State Security<sup>484</sup>, the observance and protection of human rights and freedoms represent one of the main responsibilities of the state, which states that the security cannot violate human legitimate freedoms.

The individual insecurity source in the situation of the Republic of Moldova is determined also by democracy score, but especially the existence of a "frozen conflict". As the Moldovan authorities cannot exercise the control over the secessionist regions, which affects the situation of human rights and fundamental freedoms in the region (for instance, access to justice, freedom of movement, and freedom of expression). Although for the first time a distinct compartment dedicated to promoting and ensuring human rights in the uncontrolled region was included in the National Plan in the area of human rights for 2011-2014, nevertheless there are limits in the process of negotiations, when discussing the situation regarding the assurance of human rights on the left side of the River Nistru (currently none of the 10 working groups created in Chisinau and Tiraspol for the purpose of implementing together specific projects in the social-economic, humanitarian, and security areas, deals with human rights problems<sup>485</sup>). The so-called

<sup>475</sup> Note: Human Development Report 1994 provides a complex approach to HS, according to the wide definition, human security is correlated with seven dimensions with corresponding types of threats: economic security, food security, sanitary security, personal security, community security, political security.

<sup>476</sup> UNDP. Human Development Report 1994. New York: Oxford University Press, 1994, pp. 32-33.

<sup>477</sup> Note: Article 3 of the Universal Declaration of Human Rights (1948) states that "everyone has the right to life, liberty and security of person".

<sup>478</sup> Grecu, Silviu Petru. Democracy and human security in the East-European States p. 129-150. in Răducu, Cătălina-Daniela. Ștefanachi, Bogdan. op. cit. Bucharest:. Pro Universitaria, 2015; Large, Judith. Sisk, Timothy D. Democracy, Conflict and Human Security: Pursuing Peace in the 21st Century, Handbook Series. Stockholm. International Institute for Democracy and Electoral Assistance 2006.

<sup>479</sup> Grecu, Silviu Petru. Ibidem, p. 147.

 $<sup>480 \</sup>quad \text{Democracy Index 2015 Democracy in an age of anxiety; http://www.yabiladi.com/img/content/EIU-Democracy-Index-2015.pdf} \\$ 

<sup>181</sup> Tavanti, Marco. Stachowicz-Stanusch's, Agata. Sustainable Solutions for Human Security and Anti-Corruption: Integrating Theories and Practices. International Journal of Sustainable Human Security (IJSHS), Vol. 1 (December) 2013: 1-17.

<sup>482</sup> See in the report the second on inequality of revenues and poverty rate.

<sup>483</sup> Campos, Inga Cristina. The promotion of Human Security in EU External Policy. Reykjavík, Island 2014, p. 19.

<sup>484</sup> Law No. 618 of 31.10.1995 on State Security

<sup>485</sup> Bureau for Reintegration. Working Groups. http://www.gov.md/ro/advanced-page-type/grupurile-de-lucru

"Constitutions of the PMR" contains explicit commitments regarding human rights, even authorities have promised unilaterally to observe more international treaties on human rights<sup>486</sup>. Nevertheless, the empowered institutions do not serve the purpose of ensuring/ protecting human rights, but rather the purpose of regime stability and survival<sup>487</sup>. Especially this situation refers to the judicial system, which usually executes the political will rather than justice.

In this context, the assessment of the level of human security assurance from the perspective of *freedom to live in dignity* in the Republic of Moldova has certain limits determined by a number of factors.

First of all, the situation regarding the observance of human fundamental freedoms is difficult to be monitored on the secessionist territory. For instance, since April 2015, the access for the members of the "Promo-LEX" Association in the Transnistrian region is prohibited, when the security structures from the left side of the River Nistru have accused the organization of "destabilization of the situation in the region" 488. At the same time, any local initiative to promote human freedoms is under Tiraspol leadership control. In June 2015, local administration prohibited the Public Association "Apriori" from Tiraspol to organize events in the context of the Free Press Week. This is an example referring to hindering the freedom to expression<sup>489</sup>. In 2015 the administration from Tiraspol continued to limit without any notices or explanations to the access to the region for different categories of persons, such as employees of the police from the security zone, public officials and servants, defenders of human rights, and journalists. These restrictions have implications on the development of human and professional contacts between both sides of the River Nistru. According to the Report regarding Press in the Republic of Moldova, in 2015 only one media channel on the rights side of the River Nistru ("Canal regional" which also includes mass-media form the left side "Dnestr TV" and "Lik TV") talks about the life in the region<sup>490</sup>.

Secondly, there are no efficient mechanisms for human rights' protection, respectively those who violate the rights are not held responsible, as a fact determined also by the failure of the Government to observe its international commitments in the area outside of its control. Hence, placing the responsibility for all these inefficiencies on the difficult process of political negotiations, the authorities have neglected to suggest solutions which would solve individual cases or serious phenomena of violation to human fundamental freedoms and rights. As a result, people living in the uncontrolled region of the Republic of Moldova most of the time are lacking the possibility to defend their

rights and fundamental freedoms. This is also determined by the fact that no stakeholders and relevant solutions are identified for defending human rights in the Transnistrian region<sup>491</sup>.

In any foreseen situation regarding the capacity of the state to ensure the protection of human rights and freedoms, the most important element of the mission is not only the *enabling*, but also the authorities' wish to administrate and to apply justice *de facto*. The *de jure* situation of the authorities from the Republic of Moldova is contrary: even though they wish to provide justice in the Transnistrian region, they have no possibility to do it (Table 15).

Table15

The situation on freedom

FREEDOM situation, 2015	REPUBLIC of MOLOVA	REPUBLICA MOLOVA (uncontrolled region)
STATE	Partial Free	Not Free
LEVEL OF FREEDOM	3	6
CIVIL FREEDOMS	3	6
POLITICAL RIGHTS	3	6
FREEDOM OF PRESS SCORE	56	intensification of control over mass-media <sup>492</sup>
Scoring Key (1 = the bets,	7 = the worst)	

Source: Freedom House<sup>493</sup>.

According to the table regarding the situation of freedom of expression in the Republic of Moldova, it can be noted that if we add the indicator of RM/PMR, we get the indicator *not free* for the freedom of expression. In this case, getting closer the institutions and standards from both sides of the River Nistru may be fulfilled through human security. Human security provides tools for eliminating censorship in press, abusive treatment of political opinion in the secessionist region, demilitarization, decriminalization, etc., - elements which are avoided to be discussed even by mediators.

<sup>486</sup> Note: International Covenant on Civil and Political Rights(1966); International Covenant on Economic, Social, and Cultural Rights (1966); Convention on the Rights of the Child (1989).

<sup>487</sup> Racz, Andras. The frozen conflicts of the EU's Eastern neighbourhood and their impact on the respect of human rights. European Parliament Directorate-General for External Policies Policy Department. April2016, p. 17.

<sup>488</sup> Zubco, Alexandru. Report. Observing human rights in the Transnistrian Region of the Republic of Moldova. Retrospective 2015. Promo-LEX Association. Chisinau, 2016, p. 3.

<sup>489</sup> Note: According to the Universal Declaration of Human Rights "Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers (art.19).

<sup>490</sup> Centre for Independent Journalism. Report on situation of the Press in the Republic of Moldova in 2015. Chisinau 2016.

<sup>491</sup> Ibidem

<sup>492</sup> Note: implications were induced also by the fact that 2015 was an electoral year

<sup>493</sup> Freedom House. Nations in Transit 2015. Moldova.

Community insecurity is based on ensuring societal and cultural security and refers to protection of minority groups, issues related to multiculturalism, as well as social exclusion. The Equality Perceptions and Attitudes in the Republic of Moldova Study points out a very limited degree of population trust at inter-human level. This reality is overlapped with the correlation between tolerance and living standard, manifested through the trend of the less well-to-do population to express less tolerance towards other persons. Moreover, the discrimination of some groups of persons is not perceived as a stringent problem of the country. At the same time, the Republic of Moldova is faced with missing mechanism to ensure the protection of persons in difficulty as a result of the conflict from the *left side of the River Nistru.* 

## Internally displaced persons

As a result of the military conflict in 1992, the category of internally displaced persons emerged. This category should benefit from state protection. The legislation of the Republic of Moldova does not provide any integrated definition of internally displaced persons and no mechanisms for their protection. The National Strategy on Migration and Asylum 2011-2020<sup>494</sup> acknowledges in very general terms that actually the military conflict from the Transnistrian region has generated the displacement of a part of population from this region, and after the end of the conflict, according to the same document, the problem of the internally displaced persons was largely solved by the Moldovan authorities. Currently, there are cases when the persons need to leave the Transnistrian region as a result of the serious violations of human rights, direct threats for people's life and health security as a result of the illegal actions of the force structures from the Transnistrian region and the unequal treatment towards others<sup>495</sup>. In this context, it is necessary to develop in the Republic of Moldova a legal framework to protect the internally displaced persons by developing a law on internal displacement<sup>496</sup>.

Hence, political insecurity, personal insectary and community insecurity feed the inequalities in ensuring human security on both sides of the River Nistru (Note: the lack of data regarding the situation in the region which is not controlled by the Government from Chisinau narrows the area of inequalities' assessment). These inequalities may be tackled from vertical and horizontal perspectives.

## Inequalities in ensuring human security

The existence of the unsettled conflict contributes

to unequal distribution of revenues, access to health services, education and nutrition (for instance the problem of food insecurity on the left side of the River Nistru) – as *vertical inequalities*. This type of inequalities represents vulnerabilities with impact on the human capital at the individual level. This chapter can also include the *observance of human rights and freedoms*, especially access to justice (the special weight granted to this issue by the official authorities from Chisinau and secessionist territory, public opinion regarding this topic, etc.).

On the other hand, human insecurity factors point out in the Republic of Moldova horizontal inequalities<sup>497</sup>, which on one hand are ignored by the authorities from Chisinau, and on the other hand, are determined by the lack of control over this territory. For instance, the citizens of the Republic of Moldova residing on the right side of the River Nistru have limitations in crossing towards the localities from the left side of the River Nistru due to a number of reasons. Thus, the secessionist authorities delimit the citizens of the Republic of Moldova in groups: on one hand citizens who live in the secessionist region and enjoy certain rights, and on the other hand - the rest who do not enjoy the same rights and have certain restrictions (there are cases of limited access of journalists in the region or when on 1 March 2015 "the leadership of Tiraspol" has introduced the compulsory procurement of a Transnistrian auto insurance policy for all the vehicles registered "abroad", a decision affecting the freedom of circulation of the Republic of Moldova citizens).

Horizontal inequalities have a specific nature in the Republic of Moldova, as these are not minority groups, which would be afraid of persecution from the Chisinau Government, a fact which would provoke violence. This is actually the possibility for the conflict to re-escalate because of the effects of the eventual "dilemma of security"498. Hence, the horizontal inequalities in many times are correlated with the risk for the conflict to re-escalate, especially when analysing them from the perspective of political development of the country. In this context, we can talk about the situation in which the Republic of Moldova will tend more towards integration in the European Union, but the Transnistrian region<sup>499</sup> will continue rejecting this vector. As a result, there will be unequal distribution of opportunities for the Republic of Moldova citizens. The inequality of opportunities will be manifested in a number of sectors - freedom of expression and association, right to circulation and education, etc.

**The educational dimension** in this framework refers to horizontal inequalities. The Republic of Moldova offers the young persons from the left side of the River

<sup>494</sup> Government Decision approving the National Strategy on Migration and Asylum (2011-2020) No. 655 of 08.09.2011.

<sup>495</sup> See: Racz, Andras. cited paper and Hammarberg, Thomas. Report on Human Rights in the Transnistrian Region of the Republic of Moldova, UN. 14 February 2013.

<sup>496</sup> Promo-LEX. Role of national authorities I ensuring protection of internally displaced persons. Informative Bulletin No.104/VIII, August 2015.

<sup>497</sup> Note: Refers to the groups which may have different nature (distributed by social, ethnical, racial, gender principles, even regional, etc.).

<sup>498</sup> Note: In the traditional approach to security, the increased security of a certain stakeholder means, many times, the decreased security of another stakeholder. Hence, when ensuring national security the Republic of Moldova will promote certain development policies, including the ones related to human security, the "leadership from Tiraspol" may perceive this fact as an element of decreasing the security of its regime. For instance, the Government of the Republic of Moldova approved on 4 September 2013, the Regulation on Mobile Teams of the Border Police for migration and trans-border crime control on the River Nistru (Government Decision no. 752 of 20.09.2013 approving the Regulation on Mobile Teams of Border Police and completing the Government Decision No. 357 of 13 May 2009), but the Tiraspol authorities have assessed this activity as having the aim to "induce tensions in the conflict area and to undermine the efficient mechanisms of collaboration..."

<sup>499</sup> Note: The region known under the name of Moldovan Nistrean Republic (RMN) or Pridnestrovskaia Moldavskaya Respublika (PMR)

Nistru the possibility to study in the universities in the country, moreover, taken into account that the notion of European Credit Transfer and Accumulation System has been introduced. The educational systems at the higher education level are different on both sides of the River Nistru, hence it is difficult to ensure internal academic mobility, not even mentioning the international one. Moreover, taking into account that there are still discussions regarding the problem of recognition of eventual educational diplomas issued by the "leadership from Tiraspol"500. These peculiarities of the educational systems create social inequalities among the young graduates in relation to recognition of diplomas and eventual access to a decent job. The lack of opportunities to access such services has a negative impact on the income structure of the households from which these young people come. These inequalities are determined also by the political speech regarding the process of European integration, which is promoted differently by the authorities from Chisinau and Tiraspol, especially in the context of the escalation of the situation in Ukraine.

Nevertheless, we cannot neglect the fact that the deepening of relations between the Republic of Moldova and European Union would have direct implications on the development of a system for ensuring human security. Because the experience of the European Union member states contributes to a better management of regional political or economic crises, and commercial activities, meant to contribute to an increase in the economic productivity and to a "security umbrella" for the state-nation and its citizens<sup>501</sup>. However, the mechanisms of the Republic of Moldova's collaboration with the European Union from the perspective of the rule of law development, economic growth and increase of individual wellbeing are not sufficiently promoted in the vulnerable regions. For instance, the data of the Human Development Report 2015 provides indicators regarding the level of ensuring human security in the Republic of Moldova; of the four groups of human development level, the Republic of Moldova is placed in the third group – medium human development (107 position after Botswana; as compared to Ukraine – 81 position and Russia – 50 position in group II). Additionally, the insecurity sources pointed out in this compartment determine the existence of some limited capacities in ensuring human security in the Republic of Moldova, which need a deep analysis of the context of the relation between development, wellbeing, and security.

So the role of the international community, such as United Nations and European Union, should not be neglected in building the capacities of the state to fulfil the obligation according to the responsibility to protect. In this respect, a very good example is the Support to Confidence Building Measures Programme funded by EU and implemented by UNDP Moldova, which aims to reduce the prejudices, to increase the level of confidence on both sides of the River Nistru, and to improve people's life quality. Another eloquent example is the EU Border Assistance Mission to Moldova and Ukraine (EUBAM) (launched in 2005), which promotes border control, Customs practices and commercial rules in line with EU standards and meets the needs of both partner countries (including on the Transnistrian border segment). Although the mandate of the mission has no explicit elements related to human rights, the Mission is authorised to assist local authorities in combating illegal migration and trafficking in human beings, hence, contributing indirectly to improving some aspects of the situation related to human rights<sup>502</sup>.

Based on the above mentioned and analysed, it may be concluded that in the area of ensuring security at the national level, the Republic of Moldova has an eminent need to establish the development vector, as well as to maintain the achievement. Citizens are also not determined in choosing the ways for ensuring national security, which serves as basis for another factor to determine the relation between security and development – security policy vector, referring to country's development scenarios. It is not by chance supported that the human security concept has emerged from the need to "humanise" the strategic strategies, to develop applied research and to build a tool to assess the societies through their citizens who are part of the respective community<sup>503</sup>. It may be also added that the success of this assessment depends on the number of examined variables, such as social, economic and political inequalities, and their relation with building and ensuring human and national security.

<sup>501</sup> Grecu, Silviu Petru. Cited paper p. 148.

<sup>502</sup> See UNDP Moldova. EU Border Assistance Mission in Moldova and Ukraine; http://www.md.undp.org/content/dam/moldova/docs/Project%20Documents/undp\_md\_eubam\_Phase9.pdf

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## **ANNEXES**

Annex 1. Poverty Rate, 2010-2015

	Absolute Poverty Rate, %						Extr	eme Pov	erty Ra	te, %		
	2010	2011	2012	2013	2014	2015	2010	2011	2012	2013	2014	2015
Total population including:	21,9	17.5	16.6	12.7	11.4	9.6	1.4	0.9	0.6	0.3	0.1	0.2
urban area	10.4	7.4	8.2	4.6	5.0	3.1	0.4	0.2	0.2	-	0.1	-
big cities	7.3	4.2	4.3	1.0	2.2	1.0	0.4	0.0	0.2	-	-	-
small towns	14.2	11.3	13.0	9.1	8.4	5.7	0.3	0.4	0.2	-	0.1	-
rural area	30.3	25.0	22.8	18.8	16.4	14.5	2.1	1.4	0.8	0.4	0.1	0.3

Source: NBS

Annex 2. Gender salary disparity by economic activities, 2014

Economic activities, total	12,4
Agriculture, silviculture and fishing	9,5
Industry, total	18,3
Extractive industry	14,7
Processing industry	12,7
Production and supply of electricity, heating, gas, hot water, and air conditioning	6,8
Distribution of water; sanitation, waste management, decontamination activities	7,1
Constructions	9,5
Retail sale and wholesale; maintenance and reparation of vehicles and motorcycles	8,9
Transport and storage	1,5
Boarding activities and public meals	8,6
Information and communication	23,0
Financial and insurance activities	27,6
Real estate transactions	9,9
Professional, scientific, and technical activities	6,9
Administrative services and support services activities	20,8
Public administration and defence; compulsory social insurance	10,8
Education	7,7
Health and social assistance	10,9
Art, recreation and resource activities	15,1
Other activities, services	5,7

Source: NBS

Annex 3. Employed population by level of training in the country (2005-2015)

		Higher education	Professional secondary	Vocational secondary	Lyceum general secondary	Gymnasium
2005	th persons	223.8	194.3	331.2	294.9	235
2000	in %	17.49	5.91	25.9	23.05	18.37
2010	th persons	262.8	180.2	236.8	277.2	178.1
2010	in %	23.16	15.88	20.86	24.42	15.69
2015	th persons	294	170.6	268.1	239.1	224.8
2013	in %	24.57	14.26	22.41	19.98	18.78

Source: NBS

Annex 4. Female population of fertile age, employed or looking for a job abroad, thousand persons

ALL COUNTRIES			MEN, years old	WOM 25-34 ye		WOMEN, 35-44 years old	
TRAINING LEVEL	AREAS	2010	2015	2010	2015	2010	2015
HIGHER EDUCATION	URBAN RURAL	1,3 1,9	1,2 0,8	4,5 2,7	4,3 5,2	1,4 0,9	1 1,4
PROFESSIONAL SECONDARY	URBAN RURAL	0,4 0,7	0,9 1,8	1,1 1,7	0,7	2,9 3,8	0,9 2,4
VOCATIONAL SECONDARY	URBAN RURAL	2,4	0,6 1,9	1,4 3,6	1,8 2,5	2,1 4,9	1,8 4,8
LYCEUM, GENERAL SECONDARY	URBAN RURAL	0,7 3,9	1 2,6	1,9 5,9	2,5 6,8	1,2 7	1,7 5,5
GYMNASIUM	URBAN RURAL	0,8 5,9	0,3 4,7	1,4 7,7	1,1	1 3,3	1,3 6
PRIMARY OR WITHOUT SCHOOL	URBAN RURAL	 0,1		0	 0,1		

Source: NBS

Annex 5. Number of pharmaceutical enterprises depending on administrative-territorial units, for 2013-2015

ADMINISTRATIVE-TERRITORIAL UNIT	2013	2014	2015	
RDD "North"	693	587	603	
Balti mun.	79	87	94	
Briceni	59	56	55	
	29	30	31	
Donduşeni Drochia	63	44	31 41	
	62	58	50	
Fălești	73			
Florești		63	65	
Glodeni	33	14	31	
Ocniţa Bânaya	46	43	36	
Râşcani	49	30	34	
Sângerei	55	43	39	
Soroca	73	67	74	
RDD Chisinau mun.	513	526	589	
RDD "Centre"	601	551	578	
Anenii Noi	42	45	44	
Călărași	55	53	49	
Criuleni	43	35	35	
Dubăsari	12	13	14	
Hânceşti	60	60	54	
Ialoveni	32	35	44	
Nisporeni	33	35	36	
Orhei	86	83	81	
Rezina	40	39	40	
Strășeni	43	36	32	
Şoldăneşti	37	35	36	
Teleneşti	41	42	38	
Ungheni	77	40	75	
RDD "South"	312	289	275	
Basarabeasca	18	16	17	
Cahul	58	52	41	
Cantemir	46	47	41	
Căușeni	42	43	46	
Cimişlia	44	48	40	
Leova	36	32	31	
Ştefan-Vodă	34	34	38	
Taraclia	34	17	24	
RDD "ATU Gagauzia"	72	74	92	
Comrat	32	37	48	
Ceadîr-Lunga	31	25	28	
√ulcăneşti	9	12	16	
Total for municipalities	591	613	683	
Total for rayons	1600	1501	1548	
Republican institutions	17	20	20	
Total for MH	2201	2050	2231	
Other ministries	9	9	9	
Total for the country	2210	2059	2240	
rotarior the country	2210	2009	2240	

Source: AMMD

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Annex 6. Number of inhabitants per a pharmacy + subsidiary in the administrative-territorial units (by localities)

ADMINISTRATIVE-TERRITORIAL UNIT	NUMBER OF INHABITANTS PER COMMUNI PHARMACY + SUBSIDIA		
		2014	2015
RDD mun. Chişinău		1749	1625
RDD "Nord"		3478	3105
mun. Bălți		2080	1794
Briceni		2958	2803
Donduşeni		5463	3895
Drochia		3052	2820
Edineţ		2632	2603
Fălești		5746	6535
Florești		4225	3806
Glodeni		6715	5422
Ocniţa		2743	2453
Râşcani		4295	3234
Sângerei		6170	4388
Soroca		4171	4351
RDD "Sud"		5009	4003
Basarabeasca		4098	2850
Cahul		4797	4154
Cantemir		8895	5632
Căușeni		6088	4524
Cimişlia		5525	5005
Leova		5321	4402
Ştefan-Vodă		4439	3705
Taraclia		2934	2292
RDD "Centru"		4820	4386
Anenii Noi		3627	3475
Călărași		4360	3888
Criuleni		4913	4090
Dubăsari		7039	7063
Hâncești		3565	3338
laloveni		5593	5960
Nisporeni		9442	6558
Orhei		4822	4309
Rezina		5690	4233
Strășeni		4847	4394
Şoldăneşti		5305	4193
Teleneşti		7310	6600
Ungheni		4192	4188
RDD "ATU Găgăuzia"		2453	2346
Comrat		2150	2063
Ceadîr-Lunga		2889	2943
Vulcănești		2448	2075
Total pe municipii		1794	1649
Total pe raioane		4289	3823
Total pe republică		3123	2804

	2011	2012	2013	2014	2015
Share of insured persons in the total population (%)	80,6	82,1	83,2	85,0	85,6
Number of individuals who insure themselves individually	52 699	51 780	59 183	48 925	48 307
Revenues of the compulsory health insurance funds (mil. MDL)	3 636,6	3 870,0	4 161,0	4 637,7	5 062,9
Share of transfers from the state budget for the categories of persons insured by the Government in the revenues of the compulsory health insurance finds (%)	54,5	52,8	51,3	46,9	42,0
Expenditures of the compulsory health insurance funds (mil. MDL)	3 615,7	3 951,2	4 226,1	4 679,5	5 152,5
Share of expenditures of the compulsory health insurance finds in the GDP (%)	4,4	4,5	4,2	4,2	4,3
Share of expenditures of the compulsory health insurance funds in the public health protection budget (%)	84,9	83,2	81,5	79,4	79,8
Amount of the compulsory health insurance premium in percentage share (%)	7	7	7	8	9
Amount of the compulsory health insurance premium in fixed amount (MDL)	2 772,0	2 982,0	3 318,0	4 056,0	4 056,0
Number of medical and pharmaceutical institutions	428	517	590	673	690
Number of paid compensated prescriptions	3212 714	3 481 225	3 120 779	3 476 901	3 678 614
Expenditures for compensated medicines (mil. MDL)	153,5	166,2	163,5	205,9	279,7
Average cost of one prescription (MDL)	68,6	73,0	75,6	83,1	106,4
Average compensated amount for one prescription	47,8	47,8	52,4	59,2	78,9

Source: NHIC

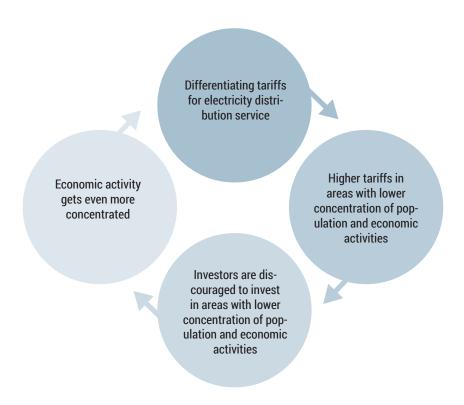
Annex 8. Morbidity of population due to infectious diseases per 100000 inhabitants

	2010	2011	2012	2013	2014	2015
	Total Urban Rural	Total Urban Rural	Total Urban Rural	Total Urban Rural	Total Urban Rural	Total Urban Rural
Salmonella infection	<b>35</b> 43 29	31,7 43,5 23,2	33,6 43,9 26,2	32,9 43,6 25,0	53,0 60,0 44	36,0 48 29,9
Intestinal infectious	<b>465,5</b> 603,6 367,3	518,5 695,3 392,1	522,7 679,7 409,7	448,0 481,2 423,8	488,1 624,9 387,6	463,9 619,0 349,5
Viral hepatitis	<b>6,0</b> 9,5 3,6	4,9 6,1 4,0	4,6 7,5 2,4	6,7 8,6 5,3	17,6 21,3 15,0	11,0 8,0 12,7

Source: NBS

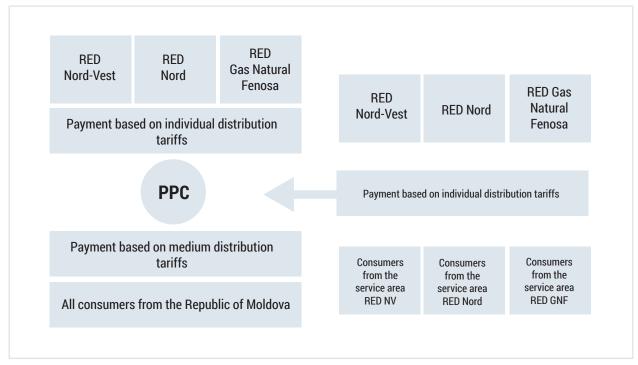
Annex 9.

Perpetuation of inequality through differentiated tariffs for the electricity distribution service



Source: Figure developed by authors

Annex 10.
Changing the electricity market model



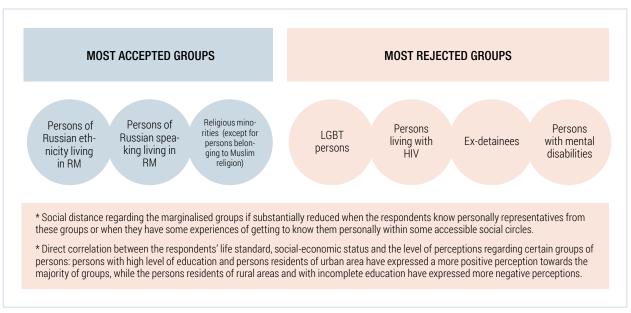
Source: Figure developed by authors

Annex 11. Share of women in decision-making bodies by indicators and years

	2008	2009	2010	2011	2012	2013	2014	2015
Share of women – ministers in ministries	29,4	33,3	6,3	6,3	18,7	25,0	25,0	23,8
Share of women – Members of Parliament	20,8	24,8	25,7	19,8	19,8	19,8	18,8	20,8
Share of women – mayors				18,5				22,5
Share of women in local councils				28,6				35,2
Share of women in rayon and municipal councils				17,4				18,4

Source: MFAEI

Annex 12. Accepted and rejected groups in the Republic of Moldova



Source: Figure developed by authors

Annex 13.

Vote preferences in case of elections (dynamics over 2005-2015);

If elections for the RM President are organised next Sunday, how would you vote?

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
he best (party), %	47%	34%	23%	27%	36%	30%	27%	28%	33%	24%	16%
An independent candidate, %	*	1%	0,3%	*	0%	5%	0%	1%	0%	1%	3%
No party or independent candidate, %	4%	15%	10%	11%	7%	5%	5%	8%	10%	11%	7%
NK/NR, %	20%	33%	42%	31%	26%	22%	24%	19%	27%	26%	24%

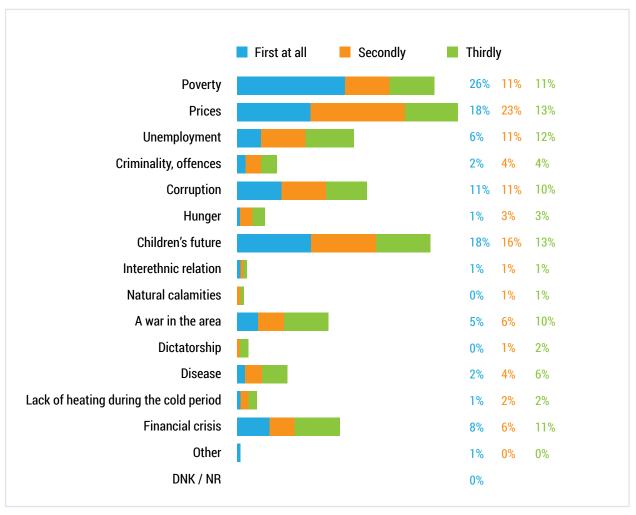
Source: POB, IPP

Annex 14. RM in international indicators

	Armenia	Azerbaidjan	Belarus	Georgia	Moldova	Ucraina
BTI 2012/2016	5.6/5.6	4.9/4.4	4.4/4.3 ∆	5.9/6.3 Δ	6.2/6.2	6.0/6.1 <u>\( \Delta\) \( \Delta\)</u>
Freedom House Democracy Score 2012/2016	5.39/5.36 Δ	6.57/6.86	6.68/6.64 Δ	4.82/4.61 Δ	4.89/4.89 Δ	4.82/4.68
World Bank Governance Indicators – Voice & Accountability 2012/2015	-0.58/-0.54 Δ	-1.25/-1.51	-1.55/-1.46 ∆	0.00/0.22 Δ	-0.07/-0.03 ∆	-0.28/-0.03 ∆
WB Control of Corruption 2012/2015	-0.52/-0.45 Δ	-1.08/-0.82 Δ	-0.52/-0.37 Δ	0.26/0.64 Δ	-0.60/-0.88	-1.03/-0.98 Δ
EaP Index - Approximation <sup>504</sup> 2012/2014	0.56/ 0.61 Δ	0.40/0.42 Δ	0.29/0.32 Δ	0.57/0.69 Δ	0.67/0.7 Δ	0.56/0.6 Δ

Source: Regional compared table

Annex 15.
Assessment of answers to the following question:
What concerns you the most at the moment?



Source: POB, IPP.

<sup>504</sup> Eastern Partnership Index (EaP Index) contains 3 values for every assessed country: Linkage, Approximation and Management. Approximation refers to the transfer of EU standards and values vary from 0 to 1, where 1 expressed the highest level of approximation.

Annex 16.

## Common aspects and peculiarities of national security and human security

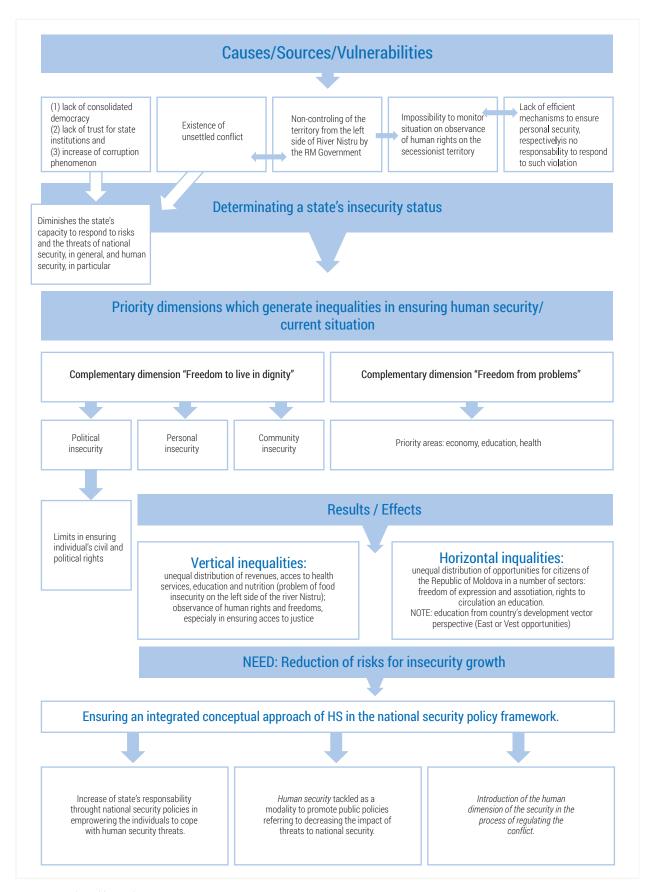
	NATIONAL SECURITY	HUMAN SECURITY
APPROACH	Continuity of government's activity for the purpose of assuring citizens' security and its empowerment with necessary tools Provides institutional and political-judicial guarantees	Holistic from the human existence perspective Provides the feeling of being protected
FUNCTION	Preserves the national interests and values and territory protection Ensuring political legitimacy Ensuring social standards in the absence of threats and risk factors Fulfilling nation's safety Knowledge, prevention and elimination (counteracting)	Safety and individual protection Ensuring the exercise of human rights Ensuring social and societal values Promotion of tolerance Ensuring the observance of international standards Prevention of conflicts
DISRUPTIVE ELEMENT	Threat, external aggression Internal risk factors External risk factors Existing or potential opponents	Threats of such type as: fragile states, poverty, economic disparity, discrimination among groups, instability, degradation of environment Vulnerabilities of the national security system Insecurity
CONTROL STAKEHOLDERS	State Civil society	Multidimensional effort at the community level, including the government, and multinational
BENEFICIARY	State Nation Citizens	Population, local communities Person State
INSTRUMENTS	National political-judicial and institutional framework Cooperative security or Collective defence	Dialog, negotiations, multinational intervention

## Annex 17. Sources of insecurity from human perspective

<b>LEVEL</b> RISK/ DANGER / THREAT	HUMAN	STATE
WAR	The war impedes human development or may lead to economic and political failure.	The war may overturn a regime, may weaken the governmental infrastructure or may lead to economic and political failure.
TERRORISM AND CRIMINALITY	Terrorism and criminality affect more and more the civilians, having the possibility to restrain civil freedoms by the states.	Terrorism and criminality may cause important destructions of a state infrastructure and may weaken the trust of the citizens for the state.
FAILURE STATES	The failure states are not able to provide the social services necessary for human individuals.	The failure states supply refugees to transnational terrorist groups, criminal organizations which weaken the state.
CONFLICT FOR RESOURCES	The conflict for resources may deprive humans of the necessary goods, causing poverty, hunger, inequality.	Conflict for resources may trigger wars and may erode state's influence
EPIDEMICS	13 million persons annually die because of infectious diseases and 3.1 million because of AIDS.	The extension of diseases among the citizens affects the resources of the state and limits the performance of the government.
ENVIRONMENT	Poor weather conditions may affect health, working conditions and existen- ce of people from everywhere.	Ecological disasters may restrain the economic and political resources of the state.
PROLIFERATION OF MASS DISTRACTION ARMS	Nuclear, chemical, biological, and radio- logical arms may injure/kill an unlimited number of people.	Mass distraction arms may destroy a big part of the population of a country and may weaken the institutions and the entire governmental apparatus.
INFORMATIONAL WAR	In the attempt of controlling and regulating the information flows, the states may restrain the civil freedoms.	The informational war may determine the state to practice misinformation.

## Annex 18.

### Causes, sources, vulnerabilities regarding inequalities in security area



Annex 19.
Category of transition category and democracy scores

NIT Edition	2010	2011	2012	2013	2014	2015	2016
Electoral process	4.25	4.00	4.00	4.00	4.00	4.00	4.00
Civil society	3.50	3.25	3.25	3.25	3.25	3.25	3.25
Independent mass-media	5.75	5.50	5,00	5.00	5.00	5,00	5,00
National democratic governance	6,00	5.75	5.75	5.50	5.50	5.50	5.75
Local democratic governance	5.75	5.75	5.75	5.75	5.75	5.75	5.50
Judiciary frame and independence	4.75	4,50	4,50	4.50	4.75	4.75	4.75
Corruption	6.00	6.00	6.00	5.75	5.75	5.75	6.00
Democracy score	5.14	4.96	4.89	4.82	4.86	4.86	4.89

Source: Freedom House.

Annex 20. Moldova (Republic of)'s IHDI for 2014 relative to selected countries and groups

	IHDI value	Overall loss (%)	Human inequality coefficient (%)	Inequality in life expectancy at birth (%)	Inequality in education (%)	Inequality in income (%)
Moldova	0.628	10.2	10.1	9.0	7.3	14.0
Uzbekistan	0.590	15.8	15.3	24.3	1.4	20.1
Europe and Central Asia	0.660	12.7	12.6	13.2	7.9	16.7
Medium HDI	0.469	25.7	25.5	22.6	33.7	20.1

Source: UNDP, Human Development Regional Report 2016

Annex 21.

Computer assurance in primary and secondary general education institutions

NUMBER OF STUDENTS PER COMPUTER											
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15				
Total	25	23	21	20	23	22	20				
Chisinau municipality	30	28	27	27	31	31	30				
y											

Source: UNDP, Human Development Regional Report 2016, Case Study on Urban Inequality in Moldova

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#### INEQUALITIES NOT RELATED TO INCOME

#### **CAUSES**

## Deficient (or inexistent) distribution of income

Corruption, bureaucracy and non-homogenous implementation of legislation

Non-inclusive or discriminatory policies

Unequal opportunities in education

Existing prejudice and stereotypes

#### EFFECTS AND AREAS OF IMPACT

Economy, business sector, income

Non-inclusive economic growth.

Deepening of inequalities based on various criteria – gender, region, age, economic sectors.

Increasing gap between the rich and the poor, de facto lack of middle class – essential for economy.

Unequal economic opportunities

Lack of investments and jobs. Decreasing fiscal revenues.

Ongoing deterioration of economy.

## POLICIES AND INTERVENTION RECOMMENDATIONS

National Development Strategy "Moldova 2020". Government Decision no.655 dated 08.09.2011.

National Strategy for Work Force Employment for 2007- 2015. Government Decision no. 605 dated 31.05.2007.

Promote fiscal policies effectively redistributing income, implement indirect assessment of income.

Significant increase of the threshold for income tax exemption. Attracting investments – business environment development policies, especially SMEs, which have the highest potential for job creation.

High quality education – on long-term as the best policy to fight against income inequality.

Fiscal policies aiming to ensure broader social equity.

Socially inclusive, non-discriminatory policies.

Pro-active policies for increasing income of the poorest quintiles. Increase minimum salary in the economy.

Create premises for eliminating undeclared work and formalizing employment (better social protection, but also increased salaries – these people are often remunerated under the minimum level). Equal pay for work of equal value.

#### SUSTAINABLE DEVELOPMENT GOALS/ NATIONALTARGETS











- 1.2 By 2030, reduce by half the proportion of men, women and children of all ages living in poverty in absolute and multidimensional poverty according to national definitions and international measure of people living on less than 4.3 \$ a day
- 1.3 Implement nationally appropriate social protection system, including social protection floors. to achieve substantial coverage of the poor and the vulnerable by 2030
- 4.5 By 2030, align the employment rate to the average value in Central and Eastern Europe, and stimulate productive employment, decent work for all women and men, including for young people and persons with disabilities, and ensure equal pay for work of equal value.
- 5.1 End all forms of discrimination against all women and girls
- 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small-and medium-sized enterprises, including through access to financial services
- 8.5 By 2030, align the employment rate to the average value in Central and Eastern Europe, and stimulate productive employment, decent work for all women and men, including for young people and persons with disabilities, and ensure equal pay for work of equal value.
- 10.1 By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average  $\frac{1}{2}$
- 10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard
- 10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality

- 1.2.1 Absolute poverty rate, by sex and age( man 10.6 / woman 8.8 2015)
- 1.2.2 Multidimensional poverty index, by sex (Total: 0,003 2012)
- 1.3.1 Proportion of population covered by social protection floors/systems, including quintile I (Total 5.0; (q-I) 13.4 2015)
- 1.3.2 Proportion of persons of retirement age with social insurance pension, by sex, age
- 4.5.1 Gender parity index by education level (primary 0.99; lower secondary 0.99; higher secondary II 1.0; tertiary 1.4 2015).
- 5.1.1 Actions for the implementation of CEDAW
- 8.3.1 Proportion of informal employment in non-agriculture employment, by sex (Total 12.6; man 18.6 / woman 7.4 2015)
- 8.5.1 Gender-based salary disparity, by occupation, age, sex and persons with disabilities (Total 13.2 2015)
- 8.5.2 Unemployment rate, by sex, age and persons with disabilities (By sex: Total 4.9; man 6.2 / woman 3.6 2015).
- 10.1.1 Expenditures growth rates per capita among the bottom 40 per cent of the population and the total population (112.4 2015)
- 10.3.1 Proportion of population reporting having been discriminated against or harassed in the previous 12 months, by sex
- 10.3.2 Discrimination or harassment cases reported per 10 000 population, by sex
- 10.4.1 Proportion of labour force costs reported to the Gross Value Added, % ( 43.8% 2015)

#### INEQUALITIES RELATED TO INCOME

#### **CAUSES**

## Territorial discrepancies in internal mobility of population

The reasons of territorial discrepancies in internal mobility of population are mostly economic: poverty rate in urban versus rural localities, lack of jobs, technically and morally obsolete infrastructure, and low remuneration of agricultural and industrial employees, low level of local budgets.

### EFFECTS AND AREAS OF IMPACT

Population, Economy, Local and Regional Development

The effects of territorial discrepancies in internal mobility are dual.

On one hand, there are localities that benefit from internal mobility due to economic, social and demographic value brought by internal migrants, and on the other hand, there are localities that lose since most of their population that is able to work is leaving (89% of those aged 20-49 years).

Therefore, they suffer from ongoing degradation of social and economic infrastructure and the acceleration of aging of population.

## POLICIES AND INTERVENTION RECOMMENDATIONS

National Development Strategy "Moldova 2020". Government Decision no. 655 dated 08.09.2011.

SME Sector Development Strategy for 2012-2020. Government Decision no. 685 dated 13.09.2012.

Strategy for the Development of Agriculture and Rural Areas for 2014-2020. Government Decision no. 409 dated 04.06.2014.

National Strategy for Employment Policies for 2007- 2015. Government Decision no. 605 dated 31.05.2007.

Develop and intensively implement measures for regional development through driving and diversifying economic activities for full involvement of localities.

Real stimulation of investments and technological transfer into infrastructure and the private sector.

Pro-active policies for accessing financial instruments (funds, programs, projects) for disadvantaged localities, but which have development potential.

Monitor distribution of resources.

Modernizing local road infrastructure and water supply and sewage systems.

Extend vocational and technological education infrastructure at regional and local levels.

Create jobs and places to live.

#### SUSTAINABLE DEVELOPMENT GOALS/ NATIONALTARGETS















- 1.1 By 2030, eradicate extreme poverty measured as people living on less than \$1.9 a day
- **4.4** By 2030, substantially increase the number of youth and adults who have relevant skills for the labour market
- **6.2** By 2023, achieve universal access to adequate and equitable sanitation for 65 percent of population and communities and by 2030, for all, paying special attention to the needs of women and girls and those in vulnerable situations
- **8.2** Stimulate the growth of economic productivity at higher rate compared to the real wage growth, through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors, defined as top-priority sectors by the Investment Attraction and Export Promotion Strategy 2016-2020 ((1) agriculture and food industry; (2) automotive industry; (3) business services especially Business Process Outsourcing (BPO); (4) clothing and footwear industry; (5) electronics industry; (6) Information and Communication Technologies; and (7) production of machinery and its parts).
- **8.3** Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services
- **8.8** Protect labour rights and promote safe and secure working environments for all workers
- **8.9** By 2030, devise and implement policies to promote sustainable tourism, that encourages the implementation of public-private partnerships, develops the capacities of the local government in this field and, respectively, creates jobs and promotes local culture and products
- **9.1** Develop quality, reliable, sustainable and resilient physical and business infrastructure in the regions in order to support economic growth, development and the wellbeing of the population, with a focus on affordable and equitable access for all
- **9.2** Promote inclusive and sustainable industrialization in order to increase, by 2030, the employment and industry's share in GDP close to the average level in Central and Eastern Europe.
- **9.3** Increase the access of SMEs to financial services, including affordable credit, and their integration into value chains and markets
- **10.2.** By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status
- 11.3 Supporting the sustainable development of the regions and ensuring a polycentric urban system

- 1.1.1 Proportion of population below the international poverty line of \$2,15 a day, by sex, age, employment status and geographical location (urban/rural) (man 4.8 / woman 4.1; urban 1.9 / rural 6.4 2015).
- 1.1.2 Proportion of population below the international poverty line of \$4,3 a day, by sex, age, employment status and geographical location (urban/rural) (total 15.6; man 16.9 / woman 14.5; urban 5.3 / rural 23.4 2015)
- 4.4.1 Proportion of youth and adults with information and communications technology (ICT) skills, by type of skill
- 6.2.1 Proportion of population using safely managed sanitation services (28.2 2015).
- 6.2.2 Proportion of pre-primary and general education institutions with access to a centralized water supply system
- 8.2.1 Annual growth rate of real GDP per employed person (comparable prices) (104.3 2015)
- 8.3.1 Proportion of informal employment in non-agriculture employment, by sex (Total: 12.6; man18.6 / woman 7.4 2015).
- 8.8.1 Frequency rates of occupational injuries, total ‰, by sex (Total: 0.76; man 1.34 / woman 0.30 2015).
- 8.9.1 Share of tourism in the GDP
- 8.9.2 Proportion of persons employed in tourism industries out of total employed population, by sex
- 9.1.1 Proportion of the rural population who live within 2  $\,$  km of a functional road
- 9.2.1 Manufacturing gross value added as a proportion of GDP (11.8 2015)
- 9.2.2 Manufacturing employment as a proportion of total employment (12.3 2015).
- 9.3.1.1 Contribution of gross value added in industry SMEs in total gross value added in industry (30.2 2015)
- 9.3.1.2 Contribution of gross value added of SMEs in total gross value added
- 10.2.1 Relative poverty rate, by sex, age, persons with disability, %, % (Total: 9.8; man 10.5 /woman 9.3 2015).
- 11.3.1 Level of urbanization (42)

# Unequal options on the labour market for youth, women, people with disabilities, Roma, the elderly.

Increased number of the elderly on the labour market. Critical divergences on employment of elderly population. Limited skills on using information technologies among the elderly.

Low level of education and no access to quality education for people with disabilities.

Poor access to public services for people with disabilities.

A vast number of jobs with low salaries.

On the job discrimination.

Existing prejudice and stereotypes.

Traditional model for segregating gender roles.

#### EFFECTS AND AREAS OF IMPACT

Labour market, education, population, economy, social inclusion

Migration of young labour force.

Switching to informal work and salaries in envelopes or undeclared incomes.

Technicians and other specialists with medium level of qualification.

High unemployment among Roma, especially women - 41% as compared to 17% among non-Roma women, and 69.2% of Roma women and girls do not have work experience as compared to 23.3% among non-Roma women.

High unemployment among people with disabilities. 6 000 vacancies available in Chisinau in 2015, only 27 represented employment opportunities for people with disabilities or 0.4% of total.

Eligibility criteria based on physical age and no other factors such as work skills and experience.

Increase in demand for poorly paid, flexible labour for women.

Discrimination of women on the labour market in terms of remuneration policies and equal opportunities for promotion.

#### POLICIES AND INTERVENTION RECOMMENDATIONS

National Development Strategy "Moldova 2012-2020.

National Strategy for the Development of the Youth Sector for 2014 – 2020. Employment Strategy 2017-2021.

National Program for Ensuring Gender Equality for 2016-2020.

Decision no. 734 dated 09.06.2016 on approving the Action Plan for Supporting Roma Population from Republic of Moldova for 2016-2020.

Implementing the UN Convention on the Rights of Persons with Disabilities through Law no. 166-XVIII dated 09.07.2010.

Law no. 121 dated 25.05.2012 on ensuring equality.

Government Decision no. 406 dated 02.06.2014 on approving the Program for integrating population ageing into policies.

Develop and extend school and vocational counselling.

Validate and recognize competences obtained through non-formal and informal education both in RM and abroad (including for migrants retuned home).

Develop an efficient system for re-training and employment of people dismissed from industry, agriculture and other sectors.

Promote mediation services on the labour market for people with reduced participation to employment.

Promote remunerated mentorships among employed seniors and who want to be employed.

Develop professional orientation services for adults and people with disabilities by specialized employment agencies.

Develop and create occupations in economic areas with full integration and low risk for people with disabilities.

Encourage qualification of labour force in mixed occupations.

Develop awareness programs on equal chances and using a non-sexist language at work.

Decrease gender differences in remuneration. Apply the principle of equal pay for work of equal value to legislation and national policy on employment.

#### SUSTAINABLE DEVELOPMENT GOALS/ NATIONALTARGETS

## 1 SARACE











- 1.3 Implement nationally appropriate social protection system, including social protection floors. to achieve substantial coverage of the poor and the vulnerable by 2030
- 4.3 By 2030, increase enrolment in affordable and quality vocational and higher education
- $4.4\,\mathrm{By}\,2030$ , substantially increase the number of youth and adults who have relevant skills for the labour market
- 4.5 By 2030, align the employment rate to the average value in Central and Eastern Europe, and stimulate productive employment, decent work for all women and men, including for young people and persons with disabilities, and ensure equal pay for work of equal value.
- 5.1 End all forms of discrimination against all women and girls
- 8.1 Sustain per capita economic growth and, in particular, a GDP growth of at least 3% per year
- 8.2 Stimulate the growth of economic productivity at higher rate compared to the real wage growth, through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors, defined as top-priority sectors by the Investment Attraction and Export Promotion Strategy 2016-2020 ((1) agriculture and food industry; (2) automotive industry; (3) business services especially Business Process Outsourcing (BPO); (4) clothing and footwear industry; (5) electronics industry; (6) Information and Communication Technologies; and (7) production of machinery and its parts).
- 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services
- 8.5 By 2030, align the employment rate to the average value in Central and Eastern Europe, and stimulate productive employment, decent work for all women and men, including for young people and persons with disabilities, and ensure equal pay for work of equal value.
- 8.6 By 2030, align the proportion of youth not in employment, education or training, to the average value in Central and Eastern Europe, in conditions of sustainable and inclusive development.
- 8.8 Protect labour rights and promote safe and secure working environments for all workers.
- 9.2 Promote inclusive and sustainable industrialization in order to increase, by 2030, the employment and industry's share in GDP close to the average level in Central and Eastern Europe.
- 10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality
- 16.9 By 2030, provide legal identity for all, including birth registration

- **1.3.1** Proportion of population covered by social protection floors/systems, including quintile I (Total 5.0; (q-I) 13.4 2015)
- 1.3.2 Proportion of persons of retirement age with social insurance pension, by sex, age
- 4.3.1 Youth and adult participation rate in life-long formal and non-formal education, by sex (over the past 12 months) (31.0 2015)
- 4.4.1 Proportion of youth and adults with information and communications technology (ICT) skills, by type of skill
- 4.5.1 Gender parity index by education level (primary 0.99; lower secondary 0.99; higher secondary II 1.0; tertiary– 1.4 2015).
- 5.1.1 Actions for the implementation of CEDAW
- 8.1.1 Annual growth rate of real GDP per capita (99.8 2015).
- 8.2.1 Annual growth rate of real GDP per employed person (comparable prices) (104.3 2015).
- 8.3.1 Proportion of informal employment in non-agriculture employment, by sex (Total 12.6; man 18.6 / woman 7.4 2015)
- 8.5.1 Gender-based salary disparity, by occupation, age, sex and persons with disabilities (Total 13.2 2015)
- 8.5.2 Unemployment rate, by sex, age and persons with disabilities (By sex: Total 4.9; man 6.2 / woman 3.6 2015).
- 8.6.1 Proportion of youth (aged 15-24 years) not in education, employment or training (40.5 2015).
- 8.8.1 Frequency rates of occupational injuries, total ‰, by sex (Total: 0.76; B. 1.34 / F. 0.30 2015).
- 9.2.1 Manufacturing gross value added as a proportion of GDP (11.8 2015)
- 9.2.2 Manufacturing employment as a proportion of total employment (12.3 2015).
- 10.4.1 Proportion of labour force costs reported to the Gross Value Added, % ( 43.8% 2015).
- 16.9.1 Level of implementation of actions in the Strategic Plan on biodiversity of Moldova for 2015-2020

#### **EFFECTS** AND AREAS OF IMPACT

#### POLICIES AND INTERVENTION RECOMMENDATIONS

#### Inequalities in education:

a). Discrepancies in ensuring and reducing the number of teaching staff. Unsatisfactory work and living conditions; small

salaries.

b). Discrepancies in providing ICT services and ensuring the efficiency of the teaching process. Lack of ICT devices in many schools. Insufficient preparation of teaching staff to use ICT in order to increase the efficiency of the teaching-learning accessment prepared. ning-assessment process.

c). Inequalities in inclusive education Legislation in this area is insufficiently well known to educational stakeholders. Insufficient level of inclusive education culture of parents and tea-

ching staff.
Insufficient means to pay supporting teaching staff to increase access to inclusive education

d).Inequality in some educational institutions due to the emergence of informal methods of financing (parental associations).

e). Discrepancies in children's participation to education.

According to the OECD Program for International Student Assessment (PISA 2009+), despite the relatively high spending on education, pupil performance in primary and secondary education is below of the OECD average. Also, for a variety of reasons, the results from the upper secondary school are also not good.

#### Education, social inclusion

The human resources in education, both the pupil and the didactic and non-didactic staff, including in rural areas, are still not valorised by current social policies. Low impact on improving teaching processes.

Insufficient facilities to rapidly process data, prepare graphs, presentations.

Incomplete development of visual culture.

Different training for useful skills and practices among pupils.

Fear of parents on stigmatization of the child at school.

Risk of school drop-out among children with disabilities due to insufficient inclusive education culture among teaching staff and pupils.

The irrational use of resources within the educational system has led to the emergence of informal non-formal funding methods, such as parental associations. They represent a serious inequality in some educational institutions, contributing to the formation of groups / classes with a different level of technical endowment, with different attitudes towards pupils, including with different types of education, etc.

The Program of the Ministry of Education DRUE 2016-2020.

Education Code, art. 134 (6) **Education Sector Expenditure Strategy** for 2016-2018, Ministry of Education

Standards for professional competence of teaching staff (draft). Introducing social benefits for teaching staff.

Increase investment into ICT for teaching purposes

Increase awareness among teaching and management staff for the efficient use of ICT through quality standards.

Intensive promotion of extensive implementation of inclusive education mechanisms

Increasing financing for inclusive education.

Strengthening human resources service in educational institutions.

Ensuring sustainable funding for training, maintaining and developing human resources in education.

Rational use of resources within the educational system. Broad use of information technologies (e-learning).

#### SUSTAINABLE DEVELOPMENT GOALS/ NATIONALTARGETS

## ſĬĸŧŔŧĬ











- 1.3 Implement nationally appropriate social protection system, including social protection floors. to achieve substantial coverage of the poor and the vulnerable by 2030
- 4.2 By 2030, ensure that all girls and boys have access to early childhood development care and pre-primary education so that they are ready for primary education 4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education.
- 4.3 By 2030, increase enrolment in affordable and quality vocational and higher education
- 4.4 By 2030, substantially increase the number of youth and adults who have relevant skills for the labour market
- 4.5 By 2030, align the employment rate to the average value in Central and Eastern Europe, and stimulate productive employment, decent work for all women and men, including for young people and persons with disabilities, and ensure equal pay for work of equal value
- 5.1 End all forms of discrimination against all women and girls
- 8.5 By 2030, align the employment rate to the average value in Central and Eastern Europe, and stimulate productive employment, decent work for all women and men, including for young people and persons with disabilities, and ensure equal pay for work of equal value
- **8.6** By 2030, align the proportion of youth not in employment, education or training, to the average value in Central and Eastern Europe, in conditions of sustainable and inclusive development
- 10.2. By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status
- 16.5 Significant reduction of corruption and bribery in all its forms

- 1.3.1 Proportion of population covered by social protection floors/systems, including quintile I (Total 5.0; (q-I) 13.4 – 2015)
- 4.2.1 Early development index for children up to 5 years old, by
- 4.2.2 Participation rate in organized learning (one year before the official primary entry age) (80.8 - 2015).
- 4.3.1 Youth and adult participation rate in life-long formal and non-formal education, by sex (over the past 12 months)
- 4.4.1 Proportion of youth and adults with information and communications technology (ICT) skills, by type of skill
- 4.4.2 Proportion of youth and adults with occupational skills necessary for employment
- 4.5.1 Gender parity index by education level (primary 0.99; lower secondary – 0.99; higher secondary II – 1.0; tertiary – 1.4 – 2015).
- 5.1.1 Actions for the implementation of CEDAW
- 8.5.1 Gender-based salary disparity, by occupation, age, sex and persons with disabilities (Total 13.2 – 2015)
- 8.5.2 Unemployment rate, by sex, age and persons with disabilities (By sex: Total 4.9; man - 6.2 / woman 3.6 - 2015).
- 8.6.1 Proportion of youth (aged 15-24 years) not in education, employment or training (40.5 - 2015).
- 10.2.1 Relative poverty rate, by sex, age, persons with disability, % (Total: 9.8; man 10.5 / woman 9.3 - 2015).
- 16.5.2.2 "Corruption control" indicator (between -2,5 2,5) (-0.88 -2015).
- 16.5.2.3 "Regulatory quality" indicator (between -2,5 2,5) (-0.05 - 2015).

## Decreased access to high quality healthcare services

Poverty among population (especially, rural population) is one of the main reasons for poor health.

Long distance to various medical services (primary care, specialized care, etc.).

Low salaries for medical personnel and difficult working conditions without sanitary materials, equipment and utilities.

Rayon medical institutions do not have conditions and capacities to provide modern services.

Services necessary for some groups of patients such as those with long-term chronic illnesses, incurable patients, patients with terminal illnesses are insufficiently developed.

Complicated procedures for approving and purchasing new medicines in RM.

#### EFFECTS AND AREAS OF IMPACT

Health, population, innovation, infrastructure, local development.

Late diagnosis of illnesses, which decreases chances for treatment and survival.

Increasing rate of wrong or delayed diagnoses, interventions with a high risk of complications and low rate of success and thus, the chances and/or duration of healing or survival of patients decrease.

Because of lack of transportation, seriously ill patients receive the status of non-transportable patients, which decreases their chance of survival and of reducing complications occurred after medical emergencies.

Morbidity for several illnesses is higher among male population; life expectancy for men is lower. Also, rural women are one for the most vulnerable categories of population.

Lack of specialists reduces the possibility of specialized preventive check-ups, leads to late diagnosis of illnesses, which leads to increased risk of invalidity and early mortality of population with the respective economic and social impact.

### POLICIES AND INTERVENTION RECOMMENDATIONS

National Master Plan for Hospitals for 2009-2018. Final report.

National Program for Developing Emergency Medical Assistance for 2016 – 2020

Health System Human Resources Development Strategy for 2016-2025.

Establish mechanisms for attracting and maintaining specialists in the health system.

Implement specialized services decentralization reform. Reform of hospitals with regionalization of specialized services for palliative assistance, geriatrics, social beds and improve the endowment of medical institutions. Increase the share of financing the pre-hospital emergency health care service out of MHCI budget from 8.14% to 12.7%, which would allow procurement of equipment according to the needs.

Adjust medical services to the needs of patients and improve the quality of life of the latter. Implement programs for increasing access of rural population to pharmaceutical services; dental services. Promote programs for the control of food quality. Promote an active and healthy lifestyle among population. Health services adequate for the age spectrum. Develop programs/measures for health problems specific for men.

Develop measures that would increase the availability of specialized services for rural patients (e.g. regular mobile specialized teams, screening activities, early diagnosis of illnesses.

#### SUSTAINABLE DEVELOPMENT GOALS/ NATIONALTARGETS















- 3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all
- 3.9 By 2030, reduce mortality and morbidity from hazardous chemicals and air and water pollution'
- 5.6 Ensure universal access to sexual and reproductive health-care services, including for family planning and to sexual and reproductive information and education
- 6.1 By 2023, achieve universal and equitable access to safe and affordable drinking water for 80 percent of the population and communities and, by 2030, for all
- 6.2 By 2023, achieve universal access to adequate and equitable sanitation for 65 percent of population and communities and by 2030, for all, paying special attention to the needs of women and girls and those in vulnerable situations
- 10.1 By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average
- 10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality

#### **INDICATORS**

- 1.1.1 Proportion of population below the international poverty line of \$2,15 a day, by sex, age, employment status and geographical location (urban/rural) (man 4.8 / woman 4.1; urban 1.9 / rural 6.4 2015).
- 1.1.2 Proportion of population below the international poverty line of 4,3 a day, by sex, age, employment status and geographical location (urban/rural) (total 15.6; man 16.9 / woman 14.5; urban 5.3 / rural 23.4 2015).
- 3.8.1 Proportion of private expenditure (households) for health, %, % (4,3 2015)
- 3.8.1.2 Proportion of population having had access to essential medication
- 3.8.2 Proportion of population having the mandatory health insurance (78,7% 2015)
- 3.9.1 Mortality rate attributed to household and ambient air pollution

3.9.3 Mortality rate attributed to unintentional poisoning with chemicals

- 3.9.2 Mortality rate attributed to unsafe water, unsafe sanitation and lack of hygiene
- 3.b.1 Proportion of the target population covered by all vaccines included in their national programme
- 5.6.1. Proportion of women aged 15-49 years who make their own informed decisions regarding sexual relations, contraceptive use and reproductive health care
- 5.6.2 Number of policy documents that guarantee full and equal access to women and men aged 15 years and older to sexual and reproductive health care, sexual and reproductive health education information
- 6.1.1 Proportion of population using safely managed drinking water services (51.5 2015)
- 6.2.1 Proportion of population using safely managed sanitation services (28.2 2015).
- 6.2.2 Proportion of pre-primary and general education institutions with access to a centralized water supply system
- 10.1.1 Expenditures growth rates per capita among the bottom 40 per cent of the population and the total population (112.4 2015).
- 10.4.1 Proportion of labour force costs reported to the Gross Value Added, % (43.8 2015).

## Inequalities in the access to the public service of water supply and sewage

Inadequate infrastructure due to permanent deficit of financing.

#### EFFECTS AND AREAS OF IMPACT

#### Environment and energy

Shorter longevity due to higher health risks in the areas without access to qualitative drinking water.

Lower standards of living due to reduced economic opportunities in the areas without access to drinking water and sewerage services (especially in rural areas).

High percentage of wells (over 80%) polluted with various chemicals and nitrates in the country.

High rate of morbidity, mortality and disability of population.

### POLICIES AND INTERVENTION RECOMMENDATIONS

Law no. 303 dated 13.12.2013 on the public service of water supply and sewage. Water Supply and Sanitation Strategy (2014-2028).

Mobilize investments in the water supply and sewage services sector by creating the mechanisms for the implementation of Law no. 303 from 13.12.2013 and of the National Strategy on Water Supply and Sanitation (2014-2028).

Accelerating the work on setting the depoliticized tariffs for water and sanitation services based on ANRE methodologies.

#### SUSTAINABLE DEVELOPMENT GOALS/ NATIONALTARGETS

## 3 SANATATE SISTARE DE BINE









- **3.9** By 2030, reduce mortality and morbidity from hazardous chemicals and air and water pollution'
- **6.1** By 2023, achieve universal and equitable access to safe and affordable drinking water for 80 percent of the population and communities and, by 2030, for all
- **6.2** By 2023, achieve universal access to adequate and equitable sanitation for 65 percent of population and communities and by 2030, for all, paying special attention to the needs of women and girls and those in vulnerable situations
- **6.3** By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, reducing the proportion of untreated wastewater and substantially increasing recycling and safe reuse
- **6.4.** By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater
- **6.5**. By 2030, implement integrated water resources management at all levels
- **8.4** Improve progressively, through 2030, resource efficiency in consumption and production to decouple economic growth from environmental degradation
- **11.3** Supporting the sustainable development of the regions and ensuring a polycentric urban system
- **12.2** By 2030, achieve the sustainable management and efficient use of natural resources

- 3.9.1 Mortality rate attributed to household and ambient air pollution
- 3.9.2 Mortality rate attributed to unsafe water, unsafe sanitation and lack of hygiene
- 3.9.3 Mortality rate attributed to unintentional poisoning with chemicals
- 6.1.1 Proportion of population using safely managed drinking water services (51.5 2015)
- 6.2.1 Proportion of population using safely managed sanitation services (28.2 2015).
- 6.2.2 Proportion of pre-primary and general education institutions with access to a centralized water supply system
- 6.3.1 Proportion of wastewater safely treated (95.3 2015).
- 6.3.2 Proportion of drinkable water sources with deviations from the sanitary norms according to sanitary-chemical indicators
- 6.4.1. Water consumption for production needs and drinking, mil. m3 (579 2015).
- 6.4.2 Proportion of water abstractions from the total water sources available (12.9 2015).
- 6.5.1 Level of implementation of water management actions
- 6.5.2 Proportion of cross-border river basins areas (rivers part of international agreements)
- $8.4.1\ \mathrm{Material}$  footprint, material footprint per capita, and material footprint per GDP
- 8.4.2 Domestic material consumption, domestic material consumption per capita, and domestic material consumption per GDP
- 11.3.1 Level of urbanization (42.4 2015)
- 12.2.1 Material footprint, material footprint per capita, and material footprint per  $\ensuremath{\mathsf{GDP}}$
- 12.2.2 Domestic material consumption, domestic material consumption per capita, and domestic material consumption per GDP

## Inequalities due to differentiated tariffs for electricity

Market model and methodology for calculating tariffs.

#### EFFECTS AND AREAS OF IMPACT

#### **Environment and energy**

Perpetuation of inequalities related to economic opportunities, implicitly the standard of living, between the areas with different distribution tariffs.

Servicing areas of electricity distribution companies (RED-Nord and RED Nord-Vest).

## POLICIES AND INTERVENTION RECOMMENDATIONS

Currently the problem of inequalities is not tackled within the normative framework applicable to the energy sector.

Changing the market model for the purpose of applying an average distribution tariff on the entire territory of the Republic of Moldova, preserving, at the same time, the leverage for individual regulation for every distribution company.

#### SUSTAINABLE DEVELOPMENT GOALS/ NATIONALTARGETS

## 7 SI DURATA 8 MUN









- 7.1 By 2030, ensure universal access to affordable, reliable and modern energy services
- 7.2 By 2020, increase up to 20%\* the share of renewable energy in the global energy mix
- 7.3 By 2020, increase by 20%\* the efficiency of the energy consumption
- 8.4 Improve progressively, through 2030, resource efficiency in consumption and production to decouple economic growth from environmental degradation.
- 10.2. By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status
- 11.3 Supporting the sustainable development of the regions and ensuring a polycentric urban system
- 12.1 Integrate and implement the principles of sustainable consumption and production into relevant national policy
- 12.2 By 2030, achieve the sustainable management and efficient use of natural resources

- 7.1.1 Proportion of population with access to electricity (100.0 2015)
- 7.1.2 Proportion of population with primary reliance on natural gas, electricity and renewable energy
- 7.2.1 Renewable energy share in the total final energy consumption (14,08 2015).
- 7.3.1 Final consumption of energy resources (TeraJoule) reported to GDP, TJ/mil MDL (0.861-2015).
- $8.4.1\ \mathrm{Material}$  footprint, material footprint per capita, and material footprint per GDP
- 8.4.2 Domestic material consumption, domestic material consumption per capita, and domestic material consumption per GDP
- 10.2.1 Relative poverty rate, by sex, age, persons with disability, % (Total: 9.8; man 10.5 / woman 9.3 2015).
- 10.3.1 Proportion of population reporting having been discriminated against or harassed in the previous 12 months, by sex
- 10.3.2 Discrimination or harassment cases reported per 10 000 population, by  $\ensuremath{\mathsf{sex}}$
- 11.3.1 Level of urbanization (42.4 2015)
- 11.3.2 The national strategic framework on developing a polycentric urban system
- 12.2.1 Material footprint, material footprint per capita, and material footprint per  $\ensuremath{\mathsf{GDP}}$
- 12.2.2 Domestic material consumption, domestic material consumption per capita, and domestic material consumption per GDP

### EFFECTS AND AREAS OF IMPACT

### POLICIES AND INTERVENTION RECOMMENDATIONS

## Gender inequalities in politics participation

Lack of normative framework that would allow sanctioning non-compliance with gender equality during decision making.

The perception that politics is "dirty".Lack of continuous training on female leadership.

Gender stereotypes, patriarchal traditions, conservative attitudes and misogyny.

Under-representation of women in political parties.

Limited understanding of the role of gender equality by some public sector employees.

The Code of Conduct and gender equality policies are not working.

### Policy, equal opportunities

Policies/legal tools focused only on men's needs.

Inequalities in promoting to public and political decision-making positions.Inequalities in promoting to public decision-making and political positions.In Republic of Moldova, only 4 out of 44 political parties are led by women. Only 30.1% of candidates in the 2014 elections were women.

There are not representation quotas for women in political parties. Most often, women were included in the bottom half of election lists; women representation in the Parliament increased from 5.3% in 1998 to 23.1% in 2014. Women represent a much more modest financing source of political parties as compared to men (18.5% in 2014 of the total of 106.2 mil. MDL).

Small share of women in election lists leads to even smaller number of women elected from parties, feeding sexism in politics.

Only 10% of TV shows invite women for public debates.

The Association Agreement between Republic and Moldova and the EU signed in Brussels on June 27, 2014.

Law no. 5-XVI dated 9.02.2006 on ensuring equal chances for women and men.

Law no.121 dated 25.05.2012 on ensuring equality (anti-discrimination law).

Law no. 71 dated 14.04.2016 for the modification and amendment of some legislative acts. National Strategy for Ensuring Gender Equality 2017-2021.Institutionalize the funding of political parties based on gender quota for delegating women to appointed and elected political and public positions (Amendment to Law no. 294-XVI dated 21.12.2007 on political parties, art. 27, art. 28). Institutionalize temporary special measures to bylaws of political parties. Increase transparency of the selection process to elective and appointment positions. Institutionalize the Anti-discrimination Code of Conduct for public authorities. Programs for ensuring women's solidarity at local and central levels. Stimulate national broadcasters to ensure equal participation of women to talk-shows.

#### SUSTAINABLE DEVELOPMENT GOALS/ NATIONALTARGETS

## 4 EDUCATIE DE CALITATE







- **4.5** By 2030, align the employment rate to the average value in Central and Eastern Europe, and stimulate productive employment, decent work for all women and men, including for young people and persons with disabilities, and ensure equal pay for work of equal value.
- **5.1** End all forms of discrimination against all women and girls
- 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life
- **10.2.** By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status
- **10.3** Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard
- **10.4** Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality
- **16.5** Significant reduction of corruption and bribery in all its forms
- **16.7**. Ensure responsive, inclusive, participatory and representative decision-making at all levels
- 16.10 Ensure equal access to information for all citizens

#### **INDICATORS**

- 4.5.1 Gender parity index by education level (primary 0.99; lower secondary 0.99; higher secondary II 1.0; tertiary 1.4 2015).
- 5.1.1 Actions for the implementation of CEDAW
- 5.5.1.1 Proportion of seats held by women in the national parliamen (18,8 2014).
- 5.5.1.2 Proportion of seats held by women in local governments (28.3 2015)
- 5.5.1.3 Proportion of women in appointed positions (25 2015).
- 10.2.1 Relative poverty rate, by sex, age, persons with disability, % (Total: 9.8; man 10.5 / woman 9.3 2015).
- 10.3.1 Proportion of population reporting having been discriminated against or harassed in the previous 12 months, by sex
- 10.4.1 Proportion of labour force costs reported to the Gross Value Added, % (43.8 2015).
- 16.5.1 Proportion of persons who paid a bribe during the previous 12 months (42 2015).
- 16.5.2.1 Proportion of businesses who paid a bribe during the previous 12 months
- 16.5.2.2 "Corruption control" indicator (between -2,5 2,5) (-0.88 2015)
- 16.5.2.3 "Regulatory quality" indicator (between -2,5 2,5) (-0.05 2015).
- 16.7.1.1 Proportion of women in public service, by disability, age, position (71.9 2015).
- 16.7.1.2 Proportion of female judges (45.2 2015).
- 16.7.1.3 Proportion of women by occupation
- 16.7.2.1 Proportion of population that considers the decision-making process is inclusive and participatory
- 16.10.1.1 Number of verified cases of killing, kidnapping, enforced disappearance, arbitrary detention and torture of journalists, associated media personnel, trade unionists and human rights advocates in the previous 12 months
- 16.10.1.2 Media Freedom Index (28.7 2015).
- 16.10.2.1 Actions on observing the law on access to information
- 16.b.1 Proportion of population discriminated during the past 12 months

#### Political inequalities

- a) in representing non-partisan voting options;
- b) in political representation;
- c) unequitable representation of voting preferences;
- d) when registering and in the operation of political parties

e) in inter-budgetary transfer policies or capital investments based on political clientele.

The Election Code applies a proportional electoral system in a single electoral constituency, initially aiming at maintaining the indivisibility and sovereignty of the state. The high election threshold leads to electoral under-representation, hampers the right of voters to express their preferences or to change the order of candidates.

Campaigns are financed from obscure sources.

There are provisions in the law on political parties that make registering parties difficult, due to the territorial representation threshold, but it is possible. TAUG authorities passed a law on political parties that avoid RM legislation, restrictive, which caused jurisdiction collisions, but so far, the CC did not act.

Independent candidates were not able to pass the high electoral threshold to the Parliament in the past 20 years, but their election is also possible, but difficult.

The obligation of territorial representation of parties can be considered a restriction for groups of citizens, identified with certain regions or ethnicities.

Legislation requires that every initiative group must have 5.000 signatures of supporters for registration, containing at least 150 signatures from each administrative-territorial unit, out of at least 1/2, which seems like initiators should have a functional party before even registering it.

#### **EFFECTS** AND AREAS OF IMPACT

#### Policy

The existing system does not help create a positive causality between parties and voters.

Parties establish and maintain forms of political monopoly on power.

The system provides advantages to big political parties and disadvantages to new-comers, and practically eliminates independent candidates from national elections.

Party leaders decide on discretionary basis the order of candidates on party lists, create inequalities of representation, while the current parties do not enjoy confidence, generating political alienation.

The current electoral system creates disproportionate representation (% oversized by elected leaders from the capital, compared to% regional leaders).

Being established around some leaders, without clear ideologies, parties are subject to constant eroding processes, generating party switching. Responsibility distributed among many authorities (CEC, MJ, Prosecution) leads to a sporadic control system over the financing of political parties.

#### Law on political parties in RM (No.837-XIII dated 17.04.2007) published in the Official Gazette of RM (No.42-44/119 dated 29.02.2008).

POLICIES AND INTERVEN-

TION RECOMMENDATIONS

Identify solutions for balancing the existing political parties financing system which hinders new parties and favours political parties connected to big business and power.

Law on political parties in RM (No.837-XIII dated 17.04.2007) published in the Official Gazette of RM (No.42-44/119 dated 29.02.2008).

Regulation for the registration of parties and other social-political organizations, no. 699 from 23.07.1999.

Election Code of Republic of Moldova.

Adjust the system of public financing of political parties to generate more inclusiveness and representation options.

Solve the problem of tracing the sources of financing of political parties.

#### SUSTAINABLE DEVELOPMENT GOALS/ NATIONALTARGETS







- 1.2 By 2030, reduce by half the proportion of men, women and children of all ages living in poverty in absolute and multidimensional poverty according to national definitions and international measure of people living on less than 4.3 \$ a day
- 5.1 End all forms of discrimination against all women and
- 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life
- 10.2. By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status
- 10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard
- 10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equ-
- 16.5 Significant reduction of corruption and bribery in all
- 16.7. Ensure responsive, inclusive, participatory and representative decision-making at all levels

- 1.2.1 Absolute poverty rate, by sex and age( man 10.6 / woman 8.8 2015)
- 5.1.1 Actions for the implementation of CEDAW
- 5.5.1.1 Proportion of seats held by women in the national parliamen (18,8 2014).
- 5.5.1.2 Proportion of seats held by women in local governments (28.3 2015)
- 10.2.1 Relative poverty rate, by sex, age, persons with disability, % (Total: 9.8; man 10.5 / woman 9.3 - 2015).
- 10.3.1 Proportion of population reporting having been discriminated against or harassed in the previous 12 months, by sex
- 10.4.1 Proportion of labour force costs reported to the Gross Value Added, % (43.8 -2015).
- 16.5.1 Proportion of persons who paid a bribe during the previous 12 months (42 - 2015).
- 16.5.2.1 Proportion of businesses who paid a bribe during the previous 12 months
- 16.5.2.2 "Corruption control" indicator (between -2,5 2,5) (-0.88 2015)
- 16.5.2.3 "Regulatory quality" indicator (between -2,5 2,5) (-0.05 2015).
- 16.7.1.1 Proportion of women in public service, by disability, age, position (71.9 2015).
- 16.7.1.2 Proportion of female judges (45.2 2015).
- 16.7.1.3 Proportion of women by occupation
- 16.7.2.1 Proportion of population that considers the decision-making process is inclusive and participatory

#### Political inequalities related to socially vulnerable groups

Poor accessibility is the basic reason why these persons are almost not seen in public life, i.e. in the political life. There are cases when persons with disabilities are deprived of their legal capacity through final rulings, in contradiction to art.12 of the UN Convention (2010, ratified by Republic of Moldova).

Negative stereotyping of members of some communities (Roma, LGBT) creates disadvantages in employment and access to such primary services as education, health, and social assistance.

There is a systematic problem with Roma people in their legal registration, and this excludes them automatically from the electoral process, but also from other types of services provided by the state.

### AND AREAS OF IMPACT

#### Human rights, social inclusion, equal opportunities

Not being represented in the public sector and in political parties' area, persons with disabilities are excluded from active life, cannot use transportation, cannot visit state institutions, have no access to communication means. These inequalities are transposed through lack of legal mechanisms of protection.

Identification with certain minority communities (Roma, LGBT) creates stigma and discrimination and therefore, the members of these communities prefer to hide or act asymmetrically (free riding).

Certain ethnic communities are more exposed to poverty because of poor education, illiteracy and their isolation from other communities. And this can lead to insignificant participation in public and political life.

The targets for remedying some injustices related to Roma population were not achieved, although the Multiannual Action Plans were adopted. Through the implementation of the system of community mediators, local authorities were forced to pay integration costs for Roma, in conditions of financial austerity.

In 2014, 70% of all public institutions from Republic of Moldova did not have access ramps, did not comply with accessibility principles.

#### POLICIES AND INTERVENTION REC-**OMMENDATIONS**

National Program of Ensuring Gender Equality for 2016-2020

Decision no. 734 dated 09.06.2016 on approving the Action Plan for supporting Roma population from Republic of Moldova for 2016-2020. Implement the UN Convention on the rights of persons with disability through Law no. 166-XVIII dated 09.07.2010.

Law no. 121 dated 25.05.2012 on ensuring equality.

The right to information, although ensured by the Broadcasting Code (art.13, pct. (4)), the obligation of channels to insure interpretation (at least 20 minutes a days) is not fulfilled.

Ensuring equal access and equal opportunities for all to employment, primary education, health, social assistance.

#### SUSTAINABLE DEVELOPMENT GOALS/ **NATIONALTARGETS**











- 4.5 By 2030, ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities and children in vulnerable situations
- 5.1 End all forms of discrimination against all women and girls
- 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life
- 8.5 By 2030, align the employment rate to the average value in Central and Eastern Europe, and stimulate productive employment, decent work for all women and men, including for young people and persons with disabilities, and ensure equal pay for work of equal value
- 10.2. By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status
- 10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard
- 16.3 Promote the rule of law and ensure equal access to justice for all
- 16.5 Significant reduction of corruption and bribery in all its forms
- 16.7. Ensure responsive, inclusive, participatory and representative decision-making at all levels
- 16.10 Ensure equal access to information for all citizens

- 4.5.1 Gender parity index by education level (primary 0.99; lower secondary 0.99; higher secondary II - 1.0; tertiary - 1.4 - 2015).
- 5.1.1 Actions for the implementation of CEDAW
- 5.5.1.1 Proportion of seats held by women in the national parliamen (18,8 2014).
- 5.5.1.2 Proportion of seats held by women in local governments (28.3 2015)
- 5.5.1.3 Proportion of women in appointed positions (25 2015).
- 8.5.1 Gender-based salary disparity, by occupation, age, sex and persons with disabilities (Total 13.2 - 2015)
- 8.5.2 Unemployment rate, by sex, age and persons with disabilities (By sex: Total 4.9; man - 6.2 / woman 3.6 - 2015).
- 10.2.1 Relative poverty rate, by sex, age, persons with disability, % (Total: 9.8; man 10.5 / woman 9.3 - 2015)
- 10.3.1 Proportion of population reporting having been discriminated against or harassed in the previous 12 months, by sex
- 16.3.2.2 Number of persons that accessed state guaranteed legal aid (36925 2015).
- 16.5.1 Proportion of persons who paid a bribe during the previous 12 months (42 2015).
- 16.5.2.1 Proportion of businesses who paid a bribe during the previous 12 months
- 16.5.2.2 "Corruption control" indicator (between -2,5 2,5) (-0.88 2015)
- 16.5.2.3 "Regulatory quality" indicator (between -2,5 2,5) (-0.05 2015).
- 16.7.1.1 Proportion of women in public service, by disability, age, position (71.9 2015).
- 16.7.1.2 Proportion of female judges (45.2 2015).
- 16.7.1.3 Proportion of women by occupation
- 16.7.2.1 Proportion of population that considers the decision-making process is inclusive and participatory
- 16.10.1.1 Number of verified cases of killing, kidnapping, enforced disappearance, arbitrary detention and torture of journalists, associated media personnel, trade unionists and human rights advocates in the previous 12 months
- 16.10.1.2 Media Freedom Index (28.7 2015).
- 16.10.2.1 Actions on observing the law on access to information

#### EFFECTS AND AREAS OF IMPACT

#### POLICIES AND INTERVEN-TION RECOMMENDATIONS

## Inequalities generated by injustice

Endemic corruption. Risks for the business to seize the state and for influential political parties to seize the business, in the absence of an independent justice system.

Exposing institutions which should fight against corruption to political control.

#### Justice

Exploitation of positions held by certain influential political parties and persons for rent collecting, according to the pattern of extractive institutions.

Anti-corruption progress is superficial under conditions of institutional fragmentation and distribution of ministries by criteria of political guardianship. Corruption in banks and use of prosecution as a stick for destroying political competitors.

Only in 2015, the total value of bribes paid by the business was 381 mil. MDL (according to the TI data), to which are added unofficial payments, as well as the rent gaps and schemes from public procurements system.

When the salaries from certain areas slightly exceed the existence minimum, bribes are extended as a solution for employees' survival.

National Integrity and Anti-corruption Strategy for 2017-2020

Action Plan for the reform modernizing public services for 2017-2021.

Ensure the work of a system for preventing and effectively fighting corruption.

Consolidate a modern system of public services, which is not controlled by parties and influential groups.

#### SUSTAINABLE DEVELOPMENT GOALS/ NATIONALTARGETS







- 8.5 By 2030, align the employment rate to the average value in Central and Eastern Europe, and stimulate productive employment, decent work for all women and men, including for young people and persons with disabilities, and ensure equal pay for work of equal value
- 8.8 Protect labour rights and promote safe and secure working environments for all workers
- 10.2. By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status
- 10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard
- 16.3 Promote the rule of law and ensure equal access to justice for all
- 16.5 Significant reduction of corruption and bribery in all its forms
- 16.6 Develop effective, accountable and transparent institutions at all levels

- 88.5.1 Gender-based salary disparity, by occupation, age, sex and persons with disabilities (Total 13.2 2015)
- 8.5.2 Unemployment rate, by sex, age and persons with disabilities (By sex: Total 4.9; man -6.2 / woman 3.6 -2015).
- 8.8.1 Frequency rates of occupational injuries, total %, by sex (Total: 0.76; man 1.34 / woman 0.30 2015).
- 10.2.1 Relative poverty rate, by sex, age, persons with disability, % (Total: 9.8; man 10.5 / woman 9.3 2015)
- 10.3.1 Proportion of population reporting having been discriminated against or harassed in the previous 12 months, by sex
- 16.3.2.2 Number of persons that accessed state guaranteed legal aid (36925 2015).
- 16.5.1 Proportion of persons who paid a bribe during the previous 12 months (42 2015).
- 16.5.2.1 Proportion of businesses who paid a bribe during the previous 12 months
- 16.5.2.2 "Corruption control" indicator (between -2,5 2,5) (-0.88 2015)
- 16.5.2.3 "Regulatory quality" indicator (between -2,5 2,5) (-0.05 2015).
- 16.6.1 Actual reported government expenditures as a proportion of original approved budget (92.9 2015)
- 16.6.2 Proportion of population satisfied with their last experience of public services

## Inequalities in ensuring human security: :

### a). horizontal and b). vertical

a). The territory on the left side of the River Nistru is not controlled by the Government of Republic of Moldova. Lack of efficient mechanisms for ensuring personal security, respectively the state does not take the responsibility in connection to such violations. Lack in legislation of an integrated concept regarding internally displaced persons. Existence of differences in the educational system on both sides of the River Nistru.

b). Unequal distribution of incomes, access to health services, education and nutrition (the issue of food insecurity on the left side of the River Nistru).

Observance of human rights and freedoms, especially ensuring access to justice.

#### EFFECTS AND AREAS OF IMPACT

#### Securitate

Limitations for citizens of Republic of Moldova residing on the rights side of River Nistru on passing to the left side of River Nistru.

Possibility for the conflict to re-escalate because of the effects of the eventual "security dilemma".

Community and personal insecurity.

Unequal distribution of opportunities in education for the citizens of Republic of Moldova.

Unequal distribution of incomes, unequal access to health services, education and nutrition – impact on human capital at individual level. Limits in ensuring observance of human rights and freedoms, especially ensuring access to justice.

Limits in empowering the citizen to cope with insecure situations from a human perspective. Lack of trust in state institutions.

### POLICIES AND INTERVENTION RECOMMENDATIONS

State Security Law no. 618 dated 31.10.1995. National Strategy for Migration and Asylum for 2011-2020. Government Decision no. 655 dated 08.09.2011. National security concept, Parliament of Republic of Moldova, Law no. 112 from 22.05.2008.

The need to add a human dimension to security as part of the conflict settlement process (e.g. establish a joint working group between Chisinau and Tiraspol for ensuring human rights).

Develop a legal framework for protecting internally displaced persons by developing a law on internal displacement.

Increase state accountability in the light of national security policies, empowering individuals to handle human security threats.

Human security as a way to promote public policies for decreasing the impact of some threats to national security.

#### SUSTAINABLE DEVELOPMENT GOALS/ NATIONALTARGETS





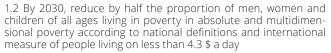












- 1.3 Implement nationally appropriate social protection system, including social protection floors. to achieve substantial coverage of the poor and the vulnerable by 2030
- 3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all
- 4.5 By 2030, align the employment rate to the average value in Central and Eastern Europe, and stimulate productive employment, decent work for all women and men, including for young people and persons with disabilities, and ensure equal pay for work of equal value
- 8.5 By 2030, align the employment rate to the average value in Central and Eastern Europe, and stimulate productive employment, decent work for all women and men, including for young people and persons with disabilities, and ensure equal pay for work of equal value
- 8.6 By 2030, align the proportion of youth not in employment, education or training, to the average value in Central and Eastern Europe, in conditions of sustainable and inclusive development
- 8.8 Protect labour rights and promote safe and secure working environments for all workers
- 9.1 Develop quality, reliable, sustainable and resilient physical and business infrastructure in the regions in order to support economic growth, development and the wellbeing of the population, with a focus on affordable and equitable access for all
- 10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard
- 10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality
- 11.3 Supporting the sustainable development of the regions and ensuring a polycentric urban system
- 16.6 Develop effective, accountable and transparent institutions at all levels
- 16.10 Ensure equal access to information for all citizens

- 1.2.1 Absolute poverty rate, by sex and age(man 10.6 / woman 8.8 2015)
- 1.3.1 Proportion of population covered by social protection floors/systems, including quintile I (Total 5.0; (q-I) 13.4 2015)
- 3.8.1 Proportion of private expenditure (households) for health, %, (4,3 2015)
- 3.8.1.2 Proportion of population having had access to essential medication
- 3.8.2 Proportion of population having the mandatory health insurance (78,7%  $\,$  2015)
- 4.5.1 Gender parity index by education level (primary 0.99; lower secondary 0.99; higher secondary II 1.0; tertiary 1.4 2015).
- $8.5.1\,$  Gender-based salary disparity, by occupation, age, sex and persons with disabilities (Total 13.2 2015)
- 8.5.2 Unemployment rate, by sex, age and persons with disabilities (By sex: Total 4.9; man 6.2 / woman 3.6 2015).
- 8.6.1 Proportion of youth (aged 15-24 years) not in education, employment or training (40.5 2015).
- 8.8.1 Frequency rates of occupational injuries, total ‰, by sex(Total: 0.76; B. 1.34 / F. 0.30 2015).
- $9.1.1\ \mbox{Proportion}$  of the rural population who live within 2 km of a functional road
- 10.3.1 Proportion of population reporting having been discriminated against or harassed in the previous 12 months, by sex
- 16.3.2.2 Number of persons that accessed state guaranteed legal aid (36925-2015).
- 10.4.1 Proportion of labour force costs reported to the Gross Value Added, % (43.8 2015)
- 11.3.1 Level of urbanization (42.4 2015)
- 11.3.2 The national strategic framework on developing a polycentric urban system  $\,$
- 16.6.1 Actual reported government expenditures as a proportion of original approved budget (92.9 2015)
- 16.6.2 Proportion of population satisfied with their last experience of public services
- 16.10.1.1 Number of verified cases of killing, kidnapping, enforced disappearance, arbitrary detention and torture of journalists, associated media personnel, trade unionists and human rights advocates in the previous 12 months
- 16.10.1.2 Media Freedom Index (28.7 2015).
- 16.10.2.1 Actions on observing the law on access to information 16.10.2.2 ICT sector development index (IDI) (5.81 2015).