

Chapter 7

# Local Government in Moldova

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## 1. Legal and Constitutional Basis

### 1.1 Brief History of Local Self-government

Since its declaration of independence in 1991, the young Moldovan state has taken significant steps to establish a modernized and reformed local government, unfettered by the dogmatism and other ideological constraints that characterized the former party state of the USSR.

From a chronological point of view, one can identify three distinct stages of continuous exploration in the field of local public administration reform.<sup>1</sup> The first stage, from December 1990 to December 1994, was initiated by a decision of the Supreme Soviet Committee on Local Self-administration and Local Economy of the MSSR to create an independent group of experts charged with the revision of local government laws and regulations. This legislative initiative met resistance from the administrative and Communist Party nomenclature, which interpreted it as an attempt to split the rayon branches of the communist organization; however, in spite of vehement opposition, the parliamentary committee succeeded in preparing a set of new draft laws: Regarding the Territorial-administrative Organization, stipulating the liquidation of the former forty rayons under a new system of regional government to include between seven and nine units, and Regarding Local Public Administration, conceived in the best western traditions, including recommendations set forth in the European Charter of Local Self-government as well as the Universal Declaration on Human Rights. Further, the committee prepared a draft Law on Local Elections. Despite this good start, the Moldovan Parliament failed to discuss the new legislative drafts, and after shocking political and ethnic conflicts in 1992–93, the issue simply was swept from the legislative agenda. Parliamentary parties decided to participate in the anticipated elections, and as a consequence, the newly created ruling coalition, Democratic Agrarian Party and Socialist Unity, which emerged after the February 1994 general elections, decided to freeze the process of local government legislation adjustment, using the excuse that it was too costly and there was no time for experimentation in Moldova. As a result, the initiation of regional development and local autonomy was simply forgotten; high officials stated that “the existing network of small rayons suits the needs of the population entirely.”

The second stage was initiated on 29 July 1994, when the first Constitution of the Republic of Moldova was adopted by Parliament, and ended in December 1998 with the adoption of the

most recent legislation in the sphere of local government. The new Constitution embodied many fundamental principles and procedures of territorial-administrative reform, stipulating the basic principles of the newly emerging system of local government: administration by local self-government units, the territorial-administrative organization of the country, the structure of village and city representative bodies and the functions to be performed by the district administration. Of specific importance are those provisions referred to in article 109, which articulate the pillars for genuine reform: (1) local autonomy, (2) decentralization of public services, (3) election of local public authorities and (4) citizen consultation on all public issues of local interest. Based on this conceptual framework, the Parliament of the Republic of Moldova agreed to revise the entire legislative framework for local government, establishing the prerogatives, powers and specific competences introduced by the Constitution in accordance with the norms of a rule-of-law state. The objective of this reform was to enhance the capacity of local public authorities to react to growing economic challenges and to involve the populace in exercising its rights and freedoms within an environment governed by law.

In December 1994, Parliament adopted laws that literally paved the road for the implementation of a new system of local public administration, although they embodied several ambiguities that in fact conflicted with the principles of the Constitution. For instance, the law stipulated that “chairs of the rayon executive committees and mayors of the existing municipalities are elected by their corresponding local councils on proposal by the government from their memberships and are confirmed in their positions by the president of the country.” In addition, a provision of the same article stipulated that “if the second candidate is not accepted by the council, the chair of the rayon executive committee or the mayor of the municipality is appointed after ten days by the president of the Republic of Moldova on recommendation by the government.” Due to the existence of such provisions, many political parties denounced the 1995 Election Law as “undemocratic,” and the Constitutional Court of Moldova as unconstitutional. Thirty-seven rayon councils, 835 communal councils, 28 city mayors and 766 communal mayors were voted into office in April 1995. Ninety-two of them were nominated after the local elections and retained their positions until the subsequent elections. The government appointed some mayors in communities where the Central Election Commission invalidated elections on the grounds that “the second turnout registered less than fifty percent voter participation in the elections.”

The lack of clarity on specific competences produced confusion and frustration among local public officials, resulting in a situation in which they represented dual status: as officers, appointed by superior authorities, and as locally elected independent authorities. As a result, the nonelected officials and local councils were treated as “subordinated bodies” by rayon executive committees and by their constituencies; they were regarded as puppets of superior bodies and not as the true expression of popular will.<sup>2</sup> Of course, this also created a divergence from the expectations of the local and regional officials, who felt themselves incapable of acting as the “real local power.”

Allowing rayon executive committees to impose restrictions on the work of local councils was commensurate to dissolving these governments. Real decentralization hardly could be effected under such circumstances. The statute on local government had little if any practical resemblance to the principle of effective administrative decentralization and local autonomy, and it diverged from the main values and practices necessary for local self-government: full administrative responsibility, financial independence and representative authorities. Legal contradictions and pressure imposed by the rayon level infused the work of local governments with a deep crisis of authority. Most were perceived to be weak and unable to run local affairs “on their own” or to defend the interests of the local communities.

Later, the Constitutional Court declared these provisions as unconstitutional, and the adoption of a new Election Code before the subsequent local elections held on 23 May 1999 introduced significant improvements in local government legislation, to a large extent redressing the conflict between local and regional representative bodies.

The third stage of the legal consolidation of local government in Moldova began in December 1998 with the adoption of two fundamental laws that reshaped the former system of local public administration: the Law on Territorial-administrative Organization and the Law on Local Public Administration. According to the new territorial arrangement, the country was organized into nine territorial-administrative units of the second level, which allowed the new regions to strengthen their relative significance in accordance with the trend toward regional development throughout Europe, as well as to foster the economic and social potential of their local components: communes and municipalities. The new Law on Local Public Administration aimed to enforce principles and techniques that would ensure an effective delimitation of power among various levels of public administration in the Republic of Moldova.

## 1.2 Legal Framework of Local Public Administration

In contrast to most of the Central and East European countries, which preserved some elements of democratic traditions existing prior to the imposition of authoritarian regimes after World War II, Moldova started to build new democratic institutions practically from scratch. With no valid historical prototype, the reform initiated in the 1990s conditioned a strong belief that the new institutions of local government would foster democratic mentalities and support for the creation of a civil state. Different patterns of statehood competed on the political stage after Moldova’s declaration of independence, nurturing intensive domestic disputes among the emerging ethnopolitical “entrepreneurs” who split Moldovan society into numerous ideological camps. The reformation of the former public administration system was perceived mainly as a political stake: for some, as an attempt to modernize the state (and society) according to European norms and democratic values, and for others, as a strategy to reverse previous socialist practices and habits.

The new state—the Republic of Moldova—inherited from the former regime an old-fashioned and largely ineffective local government system organized into forty rayons that represented the second level of local administration, ten cities of republican subordination and more than 1.8 thousand villages.<sup>3</sup> The large number of rayons was used mainly as leverage to control the population through a wide and omnipotent party nomenclature, traditionally more powerful than the locally elected officials. It was recognized that the central government should transfer a large part of the duties it previously supervised to regional and local public authorities, individual firms, social groups and other voluntary associations in order to facilitate the transition to the market economy. This strategy aimed to forge commitment to the specific interests of local communities on a national level, requiring flexibility in implementing fiscal and social policies, as well as a new role for the newly emerging entrepreneurial class.

With the adoption of the Law on Territorial-administrative Organization on 30 December 1998, Parliament transformed the old system of public administration into nine second-level territorial-administrative units called *judets*.<sup>4</sup> Generally, the need for such reform derived from the necessity to rebuild and improve the existing decision-making institutions of the first and second levels coterminous with macroeconomic reforms and the need to ensure a necessary level of public services to all localities. According to the new legislation, the administrative organization of the territory in the Republic of Moldova is instituted on two distinct levels:

- first level: villages (644 communes), 51 cities and 14 municipalities;
- second level: 10 districts (*judets*), Gagauz Autonomous Territorial-Administrative Unit (UTAG) and the Municipality of Chisinau.

In Moldova, the “village” is a territorial-administrative entity encompassing a rural population united by geographical, economic, social and cultural links. Two or more villages may join to create a larger territorial-administrative entity—the commune (*comună*). A “municipality” is an urban locality that plays an important role in the economic, social, cultural, scientific, political and administrative life of the country, as it oversees considerable properties, economic resources and social structures in the fields of education, health, civil protection and culture in a correspondent territory. There are fifty-one urban localities in the Republic of Moldova that have the status of “cities.” The *judet* is a territorial-administrative unit of the second level, consisting of a large number of communes and municipalities and satisfying the role of a distinct regional entity.

The new Law on Local Public Administration adopted on 6 December 1998 attempted to resolve the duplicity of previous legislation by developing the constitutional principles for decentralized and autonomous local government. A specific provision of the law stipulated a sharp reduction in the number of communes, establishing the required average number of inhabitants as two thousand five hundred. The main reason for this revision was that several localities in the Republic of Moldova (around four hundred) had populations of less than one thousand inhabitants, which was considered too small for the maintenance of a reasonable system of economic and social services at the local level. Thus, the new law reduced the number of communes from 925 to 644.

A new innovation of the law was the installation of the prefect, representing the government at the regional level. The reason for this amendment was that the national government was repeatedly unable to monitor the implementation of national legislation at the regional and local levels. In principle, the new institution of prefect was empowered with a clear mandate to supervise the fulfillment of decentralized services at the regional level. Conversely, the prefect is delegated to foster administrative decentralization and has no power to interfere in the affairs of local government. The law stipulated the right of the prefect to oversee the legality of decisions taken by regional and local officials but not to undermine the prerogatives of the local public authorities to make decisions independently. Despite fears expressed concerning the creation of this new institution, the prefects have accommodated themselves well to the task of observing the implementation of legislation without interfering with the operations of local government.

One of the most important issues on the agenda of reform was the implementation of quick administrative decentralization and deconcentration, which in practical terms meant the clarification of the prefect's tasks (deconcentration) and the transfer of assets and services to the local and regional government (decentralization). Ascribing local public authorities with specific competences is not, however, an easy task, as it encompasses principles and mechanisms stipulated in the Constitution (local autonomy and decentralization of public services), as well as the principle of deconcentration, established by the Law on Local Public Administration, and the competences of prefects as representatives of the state in the regions.

An additional incentive for administrative reform is the delimitation of competences. Article 13 of the Law on Local Public Administration enumerates all competences of the commune, city and municipality, including construction and maintenance of local roads, highways, bridges and bus stations; construction and maintenance of water supply systems, sewerage and potable water supply; local transportation; sanitation and hygienic services; social assistance, including insurance and unemployment centers; construction and maintenance of housing facilities; administration of educational institutions, cultural institutions, sport and training facilities; and assistance to young families, mothers and children. The second paragraph of the same article stipulates the competences of the judets and Chisinau Municipality: social and economic development; maintenance of public roads of judet and municipal importance; organization of inter-judet transportation; construction of hospitals, schools, roads, et cetera; health care; maintenance of sanitation and social institutions; assistance to young families, mothers and children; ensuring equal opportunities for employment, including social protection to the unemployed; ensuring public order and environmental protection; development of youth and sporting activities; general secondary education and secondary professional education.

The theory of "reflexive rights" (or self-limitation of the state) is applied in the sphere of specific delimitation of the local councils,<sup>5</sup> which means that the state may transfer public services controlled by state agencies to the local authorities. In order to describe the dynamic of responsibilities and the efforts that are enforced by the respective authorities, these attributes are classified in

eight distinct groups, creating an approximate design of the powers effected by local representative bodies.

1. Internal organization:
  - nominate, at the suggestion of the mayor, the secretary of the council;
  - appoint from among its members various committees with specific profiles to address particular local needs;
  - adopt local statutes on the basis of the framework and regulations adopted by Parliament.
  
2. Executive structure of the mayoralty:
  - approve, at the suggestion of the mayor and following a standard register of positions adopted by the government, the executive structure and appoint public servants of the mayoralty;
  - nominate, at the suggestion of the mayor, a vice-mayor.
  
3. Locally based public services, institutions and agencies:
  - approve the executive structure and nominal list of autonomous structures and public services of the local council;
  - nominate, at the suggestion of the mayor, the heads of the municipal police and the police office who enter into service after confirmation by the head of the judet police office;
  - nominate and dismiss, in accordance with specific legislative provisions, leaders of economic agencies and public institutions of local interest;
  - organize and ensure the satisfactory functioning of public communal services, local transportation and buildings of public utility.
  
4. Local public finances:
  - approve the local budget, manage its execution and the transfer of bank loans and/or subsidies from the central government and prepare the final budgetary report;
  - establish, in accordance with specific legislative provisions, local taxes and fees as well as mechanisms for their collection;
  - establish and standardize the use of various public funds and private donations, procedures for attracting investment, joint-companies, insurance companies and municipal goods.
  
5. Social and economic development:
  - approve studies of and programs for social and economic development and the organization of the territory;
  - establish and ensure the functioning of charity funds at the local level, register nongovernmental associations and other noncommercial organizations of local interest;

- establish public institutions and economic agents of local interest, decide upon the lease and rent of various goods or public services and participate, with goods and capital, in the statutory capital of trade societies in order to perform objectives that are entrusted to the managing bodies;
  - approve, in accordance with legislation, regulations for municipal economic agents and public institutions;
  - approve, in accordance with legislation, urban planning and plans for and the application of territorial arrangements and public works;
  - approve projects to improve employment.
6. Human rights and environmental protection:
- approve local programs for environmental protection and rehabilitation; contribute to the protection and conservation of historic and architectural monuments, parks and natural reservations;
  - establish local natural reserves and preserve natural monuments;
  - approve limits for the utilization of natural resources and pollution of the environment;
  - ensure public order, the observation of human rights and freedoms and the implementation of such legislation;
  - approve gender equality programs.
7. Honorary titles and cooperation with other localities:
- approve, in accordance with legislation, association with other authorities of local and regional governments and cooperation with national and foreign firms to achieve the realization of projects and services of common public interest;
  - award national or foreign citizens the title of honorary citizen of the commune or municipality.
8. Control:
- examine proposals of individual councilors and make decisions on their implementation; discuss evaluation reports presented by the mayor, councilors, agencies, firms and other public institutions subordinate to the mayoralty;
  - suspend the mandate of councilors.

The activities of representative local public authorities are determined by the Law on Territorial-administrative Organization and the Law on Local Public Administration, as well as others, such as the Land Code, Law on Local Taxes, Law on the Budgetary System and Budgeting Process, Law on the Statute of the Local Council, et cetera. For instance, the Land Code stipulates that the local public authorities establish land committees including local councilors, experts of the state deconcentrated agencies, representatives of privatization organs, representatives of agricultural firms and inhabitants of the respective territorial-administrative bodies to perform tasks determined by the local council. Thus, local authorities have general and territorial competences on almost all issues of substance to local self-governance.

From a functional perspective, the responsibilities of a prefect may be divided into two main categories.

1. *Acting as head of public services provided by ministries and other central government agencies within the territorial-administrative unit.* The prefect is entrusted to ensure the realization of national interests through analysis of legislation, protection of public order and nomination and dismissal of the heads of public services of the ministries, departments and other central governmental agencies. The prefect is entitled to monitor the implementation of contracts concerning those services under his or her jurisdiction. He or she also serves as legal representative in organs that benefit from state participation at the judet level. The prefect is responsible for all procedures related to military conscription and other military and civil protection measures.
2. *Acting as an administrative trustee over local communities.* The prefect exercises control of legality over all decisions and acts of the local and regional governments, which are obliged by law to communicate such decisions to the prefecture. The prefect is entitled to request reexamination of local decisions that are illegal. In the case that the local public authority refuses to do so, the prefect may dispute it in court.<sup>6</sup> The delimitation of competences is based on the principle that each public authority is endowed with a specific set of prerogatives and with a statute of autonomy, excluding subordination of any kind but promoting coordination in upholding the constitutional principles of local autonomy and decentralization.

### 1.3 Relationship between State Administration and Local Government

In Moldova, local government is performed by representative authorities (councils) and executive bodies (mayors). Representative authorities establish executive organs to perform economic, technical, cultural and educational tasks.

The constitutional regulation of local authorities stipulates that they are representative bodies and have considerable functions and tasks to perform in the practical sphere regulated by legal norms. Following from this, elected local public authorities have a precise and stable position within the constitutional hierarchy of authorities. According to the Constitution, the political regime is enforced by central ministries and other national agencies in cooperation with local public authorities organized as regional and local governments. As noted earlier, the Constitution also stipulates territorial criteria for local government, distinguishing among districts (judets), cities (municipalities) and villages (communes), as well as the administrative organization of the territory, which is divided into two levels: villages and cities on the first and districts on the second.

According to the new Law on Local Public Administration, the territorial-administrative units have the status of legal persons and are granted financial autonomy in all matters that pertain to

the management of local affairs. The law also clarifies the relationship between public authorities of different levels: “the relations between the judet and local public authorities are based on the principles of autonomy, legality and cooperation on the resolution of common issues.” The principle of autonomy means that both levels are guided by specific prerogatives stipulated by legislation, and each is to solve those issues that are assigned to it without the interference of other authorities. “Legality” means that local authorities are restricted only by compliance with provisions of the law. All steps and actions not explicitly regulated by legislation cannot counter the norms of these laws or of other administrative decisions. As many communal interests may run counter to those of the judets, the law emphasizes cooperation among authorities. This principle represents, in fact, the basic pillar in relations between different levels of authority, the judets being an ensemble of territorial collectives, which implies that a considerable part of judet activities is limited to assuring cooperation among local authorities in the implementation of their specific functions. Cooperation also implies that local councilors and mayors are invited to all sittings of the judet council on local issues, such as the elaboration of common projects for the development of the territory and the sustenance of local and judet initiatives that affect local affairs administration.

The same principle regulates the relationship between the prefect and both the local and judet authorities. The law stipulates that the prefect is entitled to supervise the implementation of legislation, presidential decrees, government decisions and other normative acts of the central government at the local level. As a result, the relationship between the elected bodies and the prefect is not one of cooperation, as local councils and mayors are obligated to forward all acts and decisions to the prefect for legal consultation. The public authorities of different levels are bound to “coadministration” of various public interests, each having clearly defined functions and the prerogative to accomplish such functions. In summary, the relations among different levels of public authority may be structured as follows.<sup>7</sup>

1. *Center-region relations.* There are several central authorities that are represented in the system of local administration. Their responsibilities include the control of legality of actions undertaken by the territorial entities, but they may not infringe upon the specific powers of local authorities.
2. *Relations between local authorities of different levels,* including the communal, city and judet authorities and the office of the prefect. The relationship between the autonomous territorial units (Gagauz Yeri) and the central government also should be included, but vagueness in certain laws still persists (for instance, the need for or absence of a prefect in the Gagauz Yeri, participation of the head of the Gagauz Yeri—an elected official—in the activities of the government, et cetera).
3. *Relations between local public authorities of the same level.* This category addresses coordination through the conclusion of agreements among local authorities, intercommunal agreements or intercity agreements in the organization and management of common public services.

Under the provisions of current legislation, prefects are appointed by the prime minister and are dismissed when the prime minister steps down. Due to the fact that governing coalitions in Moldova have been weak and unstable since 1994, several officials were inclined to amend the law in order to allow the mandate of prefects to be unaffected by the appointment of the Cabinet. The president, Petru Lucinschi, addressed this issue in March 1999 by sending a draft amendment to the Law on Local Public Administration to Parliament, arguing that this arrangement would ensure continuity and stability in the administration of the districts. The proposal also included the right to allow the prefect to appoint a representative when necessary “to ensure the normal work of the local public authorities.”<sup>8</sup> Although the issue obtained coverage in the local press and public support, Parliament rejected the initiative on the grounds that prefects would become politically dependent on the president of the country, which contradicts the current principle of the division of powers of the Moldovan Constitution.

Regulations regarding the organization and functioning of the prefecture are generally compatible with the European Charter of Local Self-government concerning the protection of local authorities from government interference.<sup>9</sup> Despite fears expressed during the creation of this institution, the prefects have accommodated themselves well with the task of observing the legality of local decisions, although some cases of disagreement between the prefects and judet councils have been reported. Most complaints are related to the imposition of various instructions on communal mayors, forcing them to collect taxes, join various campaigns launched by the central government or accept or dismiss office staff of their mayoralties.<sup>10</sup> Prefects also have blocked initiatives of local mayors to associate, which clearly infringes upon the provisions of the Charter.

#### 1.4 The Introduction of Regions

Genuine regional development in Moldova did not exist before 1998, as the former rayons were too small to fulfill the role of regional coordination. According to data of the Finance Ministry for 1996, only four of the former thirty-two rayons were financially independent of subsidies from the center. The most obvious discrepancy among the regions was a sharp inequality in the distribution of national wealth. During the soviet regime, the MSSR was divided into seven industrial zones—Tiraspol, Rabnita, Dubasari, Bender, Chisinau, Balti and Cahul—which represented specific demographic areas that registered record figures of migrants during World War II (primarily ethnic Russians and Ukrainians).<sup>11</sup> It is therefore not surprising that most investments between 1950 and 1970 shifted to construction in the left-bank Dniestrian rayons, endowed with the largest plants in the MSSR, many of which belonged to the soviet military-industrial complex and were subordinate solely to the soviet center. Similar to most of the industrial conglomerations in the USSR, the populations of these highly industrialized regions saw themselves in the cultural context of Russia rather than that of their own republic. Nationalist agitation in Moldova prior to the collapse of USSR occasioned great anxiety among Russian speakers and other minorities, including the Gagauzi, who inhabit a region in southern Moldova. Therefore, regional elites embarked on a strategy for complete separation from the Republic of Moldova.

Violent conflict in 1992 enabled Dniestrian leaders to rely exclusively on financial, military and economic support from Russia, which made the task of the Chisinau government for the cessation of the region difficult. A memorandum between Chisinau and Tiraspol signed in 1997 has not succeeded in resolving the present stalemate, as the two sides define the notion of a “common state” differently. Tiraspol insists on the recognition of such status de facto, while Chisinau sees this step as a tactical trap: if it admits to considering the “Dniestrian Republic” an equal part of the state (federation or confederation), the latter immediately will join other states (especially the Russian-Belarus Union) and accomplish final separation from the Republic of Moldova.<sup>12</sup> Some argue that Moldova is too small to become a federation, and the majority of the population and political forces is against such a proposal, as it will create additional strains within the country. In fact, Dniestrian regionalism is still too politicized and confrontational to result in the improvement of the quality of life in the region. Hence the leadership of Moldova maintains the integrity of the country and attempts to resolve the conflict by granting special status to its eastern districts without violating international legislation that has been backed by a number of organizations (the Organization for Security and Cooperation in Europe, the United Nations and the European Community).

The reform of Moldova’s territorial-administrative organization was supposed to improve economic growth and introduce a genuine system of regions. Unfortunately, the republic has not yet passed a special law on regions, and they are not referred to in the Constitution, which would assist adaptation to various forms of transborder and interregional cooperation and improve the current relationship with central authorities, which are perceived as replicating the paternalist model of state administration.

## 2. Local Politics, Decision Making

### 2.1 System of Local Elections

The right to run for local councilor is granted to all citizens of the Republic of Moldova who have reached twenty-one years of age by and including election day and who have resided within the respective territory for at least two years. The right to run for mayor is granted to citizens eligible to vote who have reached twenty-five years of age by and including election day. The right to vote is granted to every citizen of the Republic of Moldova from the age of eighteen who is a resident of the territorial unit in which elections are to be conducted.

The fluid and contradictory nature of legislation on local elections is frequently mentioned as one of the most important difficulties facing the new Moldova state. Although elections served as a tool to rejuvenate the political structure of the regional and local governments, much of the burden of preserving social order throughout the transition and of interpreting, explaining and implementing reform falls on local authorities, which themselves suffer from uncertainty as to how to proceed. Both elections testified clearly that the perception of the nature and success of the democratization of society is to a large extent influenced by the ability of local authorities to

apply the lofty concepts of democracy to everyday life. As a result of the 23 May 1999 local elections, 644 mayors head communes and cities in Moldova (compared to the 941 mayoralties existing until 1 January 1999). Among the newly elected mayors, 25.4 percent are teachers, 22.3 percent are engineers, 18.0 percent are agricultural specialists, and 11.0 percent are lawyers and economists.<sup>13</sup> A resolution of the Central Election Commission (CEC) of the Republic of Moldova, based on provisions included in the Electoral Code, the Law on Territorial-administrative Organization, the Law on the Special Status of Gagauz Yeri and a resolution of Parliament on the introduction of elections (No.293-XIV), confirmed the foundation of twelve judet councils: Balti, Cahul, Chisinau, Edinet, Lapusna, Orhei, Soroca, Tighina, Ungheni, Chisinau, Gagauz Yeri and a special electoral district for the localities of the left bank of the Dniester River.

According to the Election Code adopted on 21 November 1997, the members of the representative bodies of communes, municipalities, judets and the Municipality of Chisinau are elected at direct, universal, equal elections by secret ballot and for a term of four years. The exact number of members of these representative bodies is established by provisions of the Law on Local Public Administration, which stipulate that a communal council may have seven councilors for a constituency of 2,500 or less; nine for a constituency of 2,501 to 5,000, and twenty-three for a constituency of more than 100,000.

According to the Electoral Code, the mayors of municipalities and communes and the councilors of judets, municipalities and communes are elected by universal, equal, direct, secret and freely expressed vote for a four-year term that begins from the date of election. For the election of councilors and mayors, each judet, special status autonomous territorial unit, municipality and commune constitutes one electoral district.

Candidates for membership to representative bodies may be proposed by registered political parties and by voters. A special requirement states that "each citizen may propose him- or herself as an independent candidate for election to local council, provided he or she is supported by two percent of the district voters, divided by the number of positions available to be filled through the election, but not less than fifty percent, and for election as mayor, provided they are supported by five percent of the district voters, but not less than one hundred fifty individuals and not more than thousand individuals." Council seats are distributed proportionally among parties, sociopolitical organizations and electoral blocs through the sequential division of the number of valid votes cast for each group among the number of seats established for the respective electoral district. Accordingly, council seats are distributed to candidates in the order they appear on registration lists, beginning with the list that received the most votes. The law envisions that the votes will correspond to the number of seats due to each group, but mandates are awarded by lot if there is more than one candidate with the same number of votes for the last nondistributed seat, and if a party, sociopolitical organization or electoral bloc wins a number of seats higher than the number of candidates on its list, the extra seats are filled by other electoral contestants in declining order. The councils are considered legally constituted when the mandates of at least two-thirds of the total number of councilors are validated.

An independent candidate is considered elected if the number of votes cast for him or her is high enough on the seat distribution list. It should be stressed however that this method is clearly advantageous to political parties and blocs at the expense of independent candidates, who threatened to boycott the election process if the Constitutional Court did not recognize the illegality of these provisions. Despite the growing chorus of dissatisfied competitors (especially among independent candidates), elections were held according to the existing system.

Candidates running for mayor are elected if they receive more than half of the valid votes cast. If neither candidate receives a majority of votes cast, a second-round election is held within two weeks in accordance with the Election Code, and the candidate who obtains the greatest number of votes is considered elected.

*Table 7.1*  
**Results of Local Elections in Moldova, 16 April 1995**

Name of Party, Organization or Electoral Bloc	Number of Votes Obtained	% of Total	Number of Mandates Won
Alliance of Democratic Forces (ADF)	230,775	19.67	252
Communist Party (PC)	184,627	15.74	206
Social-Democratic Party (SDP)	4,183	3.56	39
Socialist Party and Edinstvo Movement (SPUEM)	84,130	7.17	82
Economic Revival Party (ERP)	1,957	0.17	2
National Youth League (NYL)	1,028	0.09	1
Women's Association (WA)	7,806	0.67	9
Democratic Agrarian Party (DAP)	551,014	46.97	643
Independent Candidates	70,065	5.97	28

There are more than fifty political parties on the current Moldovan political landscape; however, not all registered parties enjoy much public support. Only four gained a sufficient number of votes to sit on the Moldovan Parliament in the 1998 elections, but their internal fragmentation and resuscitation create instability and confusion even among the most careful observers and political analysts. Only 28.2 percent of the respondents to a recent survey believe that parties and political movements have influence on the public's sociopolitical involvement, and 68.1 percent say that they have no influence.<sup>14</sup> According to the same survey, thirty-six percent of the respondents thought it would be better to have only one political party in the country, twenty-three percent advocated several parties, and seven percent claimed that there is no need for any parties. The artificial agglomeration of the political stage is confirmed by the fact that

only thirteen of the twenty-six parties participated in parliamentary elections in February 1994, and eight out of the thirty parties and movements registered by the Ministry of Justice participated in the April 1995 local elections.

Due to growing social tensions and economic hardship, political analysts registered an obvious change in electoral preferences for left-wing parties. For instance, in the 1994 elections, 72.9 percent of all voters voted for left-wing parties, and in 1995, 76.5 percent, which confirms a strong belief in the authority of the state and the slogans of the former communist regime. In fact, political life in the Republic of Moldova is largely overpersonalized; political parties identify themselves mostly with prominent officials, many carrying strong preference for the communist nomenclature. Often, they assume that the introduction of real democracy should be postponed until people's stomachs are filled with food and invoke many other reasons for putting off the day when subjects are "ready" for, or are in a position to "afford," democracy. The results of the May 1999 local elections strengthened the dominance of these parties under the umbrella of the reunited left.<sup>15</sup> Right-wing parties gained a slight percentage of votes; hence they were forced to form coalitions with the center and center-right parties. In the 1999 local elections, the role of coalition building was particularly high, proving that in spite of the difficulties facing local economic development, local politics began to play an important role in national policy as well.

*Table 7.2*  
**Results of Local Elections in Moldova, 23 May 1999**

Name of Party, Organization or Electoral Bloc	Number of Mandates Won in Judet and Chisinau Councils	Number of Mandates Won in Local Councils	Number of Mandates Won in Mayoral Posts
Communist, Agrarian and Socialist Bloc (CASB)	118	2,235	124
Centrist Alliance (CAM)	64	1,214	93
Democratic Convention (DCM)	42	859	87
Christian Democratic Popular Front (CDPF)	24	505	51
Party of the Democratic Front (PDF)	24	341	24
Furnica-Speranta Social Democratic Union (FSSDU)	16	249	18
National Liberal Party (NLP)	11	227	21
National Peasants Party (NPPM)	4	102	5
Socialist Party of Moldova (SPM)	2	40	13
Democratic Popular Party (DPPM)		25	—
Ravnopravie Republican Sociopolitical Movement (RRSPM)	1	4	—

The party spectrum in Moldova shows different levels of political sophistication and maturity. In breaking away from the totalitarian past, it maintained many features common to the polarization of the late 1980s and the remnants of soviet-era institutions and attitudes, proving discrepancies in individual parties, with some moving closer to western models in doctrine and party organization and others resorting to old-fashioned models and slogans of the past regime. It is not easy to classify the political parties according to a classical western left-right political typology, because history, culture and regional developments are distinctive to a party's previous traditions, and there are significant differences in access to financial support and political experience. On a political continuum, however, the Moldovan political landscape is represented by three distinct groups: (1) a Christian-democratic and liberal right, (2) a center consisting of center-left and center-right clientele parties and (3) a socialist-communist left.

Of course, cultural division influences the political players, linking the right with Europe, Euro-Atlantic security organizations and anticommunist stances and the left with ties to the soviet system and nostalgia for the previous bipolar world. Trying to classify these parties according to an ideological (left/right) and cultural (East/West) pattern, one would include CDPF and DPF on the right, favoring rapid European and NATO integration. The right is characterized by the steady development of regional and local autonomy, prompt land reform, industrial reorganization and integration with the world market. The extreme left retains a strong pro-Russian philosophy and an overarching reluctance toward every step that would modify the former regime's administrative arrangements within a renewed or rejuvenated union of former Soviet republics. As a rule, the left attempted to increase its electorate with slogans that denounced privatization and reform of formerly collective property, favoring social-protective measures that were contiguous with a strong paternalist ideology similar to that of the former Soviet Union. The whole picture will not be definite, however, if one neglects the "quicksand" effect of preelectoral or postelectoral partitions, and particularly during local elections, the searching for allies and reporting of "local victories" were especially important to elections at the national level.

## 2.2 Forms of Direct Democracy

The transition from the "rule of man" to the "rule of law" was perhaps the most crucial stage of the democratization process in Moldova. As local governments are entrusted with immediate contact with the local public, it is within their power to give substance to, as well as to discredit, the entire process in the eyes of the population or even to formulate public opinion against the systematic changes assumed by the central government. There are several forms of direct democracy assigned to local self-government units, including local referendums, citizens' meetings and petitions.

There are no restrictions on the scheduling of a local referendum at any level of self-administration by the representative body of a judet, municipality or commune. A local referendum is conducted on those issues for which public opinion is considered to have great impact on the scope

of self-government activities and for which representative bodies can garner support for their decisions. The Election Code stipulates that a referendum may be scheduled by one-half of the number of councilors, by the mayor—except in the case that a referendum is proposed for the recall of the mayor—or by ten percent of the registered citizens who have permanent residence in the territorial-administrative unit. If an initiative derives from a group of citizens of at least twenty individuals, the initiators must register their request, official protocol and the sample of questions to be addressed by the constituency. When the scope of the referendum is to recall the incumbent mayor, a higher self-administrative unit registers the initiating group. The registration procedure stipulates the term for collecting signatures (not less than thirty or more than sixty days), as well as the questions to be addressed by a local referendum.

According to the statutes of a commune or city, meetings of citizens are organized in villages in rural areas and in sectors or streets in urban areas after announcement by the mayor or the local council, which are obliged to publish in advance the scope, location and time of the meeting. Such formalized contact between local public officials and their communities aims to allow citizens to express their opinions, concerns and suggestions on issues of local significance. Although citizen meetings do not directly impact the policies implemented by local authorities, their worth is obvious, and they often radically reshape the profile of the local government. The Regulation on Public Meetings stipulates that a meeting is valid when more than half of the total number of registered voters participates, and a decision is taken by a simple majority of votes of those in attendance. The council of the territorial committee or the council of a city district may initiate local hearings in accordance with its statutes. Local hearings involve a large audience in discussing issues significant to a particular commune or municipality.

### 2.3 Internal Structure of Local Government Decision Making

Commune, municipal and judet councils are the representative organs of local government in Moldova. Elected through free and universal elections, representative bodies have preeminence in formulating the priorities of development for the corresponding units. The structure of local government is based upon the number of inhabitants to be served. Tables 7.3 and 7.4 indicate the number of representatives to be elected to local and judet councils, based upon the number of inhabitants of the territorial-administrative unit by 1 January of the year in which elections are scheduled.

All representative bodies are entitled to manage the affairs of their respective territorial-administrative units in accordance with their status as set forth in the Law on Local Public Administration. They are delegated the following competences: (1) appointment of the vice-chair and secretary on suggestion of the mayor; (2) adoption of the statutes of the commune or municipality and regulation of the functioning of the respective local council; (3) approval of studies, preliminary estimates and programs addressing socioeconomic development and territorial arrangement; (4) adoption of the structure of public administration of the mayoralty and public

services; (5) adoption of the local budget, its administration and execution and approval of the receipt of loans and manner of employing budgetary reserves; (7) introduction of taxes and revenues; (8) establishment of public institutions and economic subjects of local interest. The Law on Local Public Administration lays down the basic governmental structure of a representative body: a chair, a vice-chair and a permanent bureau of five to seven councilors.

*Table 7.3*  
**Number of Local Councilors by Size of Unit in Moldova**

Number of Village, Commune or Municipal Inhabitants	Number of Councilors
0–2,500	7
2,501–5,000	9
5,001–7,000	11
7,001–10,000	13
10,001–20,000	15
20,001–50,000	17
50,001–100,000	19
100,001+	23

*Table 7.4*  
**Number of Judet Councilors by Size of Unit in Moldova**

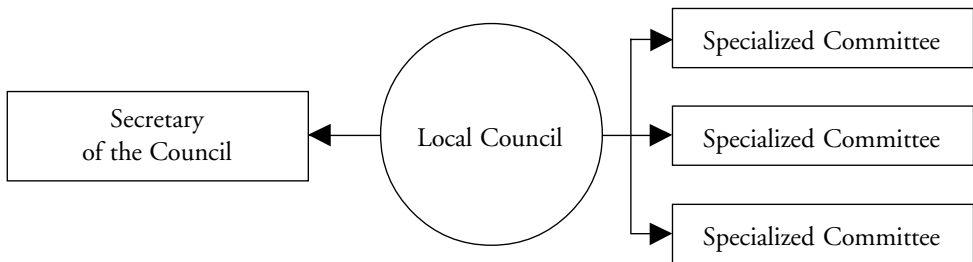
Number of Judet Inhabitants	Number of Councilors
0–200,000	27
200,001–300,000	29
300,001–400,000	31
400,001–500,000	33
500,001+	35

Local councils make decisions by majority vote if a majority of members are present at the session. An exception is the adoption of decisions concerning public issues, territorial organization, development of the respective self-government unit and association with similar units, for which the majority vote of all councilors is required. Moreover, the adoption of decisions regarding local taxes and revenues are valid only by approval of two-thirds of the total number of

councilors. In Moldova, elected members of the local council do not receive remuneration; rather, their involvement is honorary even though their participation in meetings is compulsory. If a councilor fails to attend at least three meetings, he or she can be sanctioned in accordance with the statutes of the local council. The law stipulates that if the local council does not function for six months or if the number of local councilors drops to half the required number, it is legally dismissed.

The internal structure of a local council is quite simple and is coterminous with the size of the respective local communities, the volume of properties and the annual budget. In this respect, the Law on Local Public Administration only gives a local council the right to nominate its secretary and to establish various committees according to the profile and needs of the correspondent community. The functional structure of the local council is demonstrated in figure 7.1.

*Figure 7.1*  
**Structure of the Local Council in Moldova**

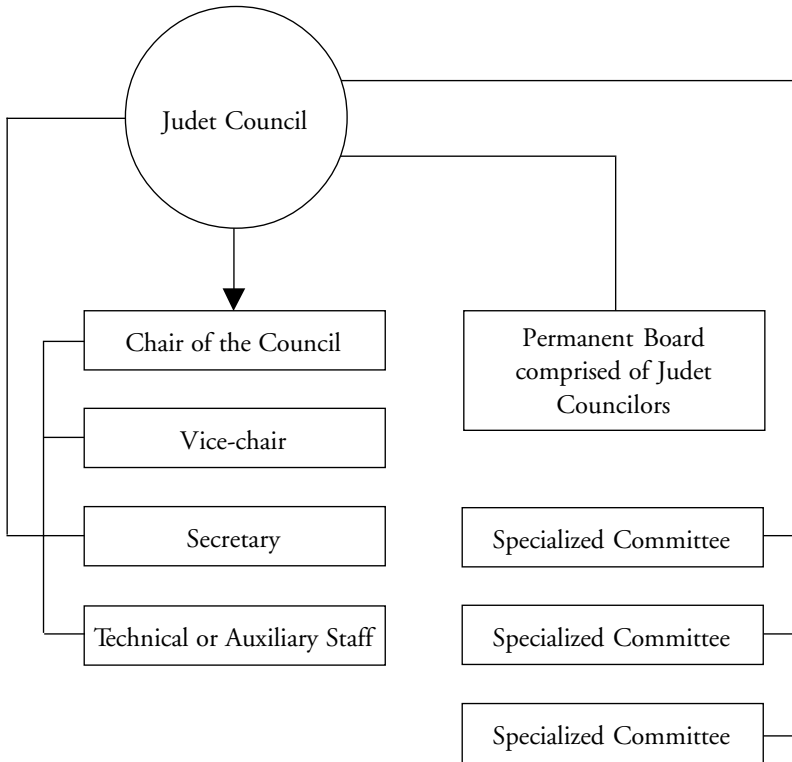


Under the current system of public administration, the local council does not have its own leadership—the chair is elected at each sitting from among the councilors—or a technical staff at its disposal. The legislators initially thought that these technical services would be provided entirely by the mayoralty staff; therefore, the mayor calls the sittings of the local council. The council is the decision-making body, and the mayor is the chief executive authority. There is no subordination between them; the mayor is empowered only to implement the council's decisions, and thus, his or her influence over the council is minimal.

The mayor represents the executive staff of the commune or municipality. Mayors of communes and municipalities are assisted by a vice-mayor; mayors of judet centers appoint two vice-mayors; the Balti, Bender and Tiraspol municipalities have three vice-mayors apiece; and the general mayor of Chisinau Municipality (with special status) has four vice-mayors. The local council during its mandate creates a mayoralty as an executive body, comprised of the mayor, vice-mayors, secretary, praetors,<sup>16</sup> head of the public administration and other persons who exercise leadership in public affairs of the municipality.

In contrast with the functional structure of the local councils, judet councils have a sophisticated internal structure due to their new and increased public service and economic responsibilities. According to the Law on Local Public Administration, the judet council sets up a permanent board as a working body and executive authority, comprised of the chair of the judet council, a vice-chair and five to seven members of the council.

*Figure 7.2*  
**Structure of the Judet Council in Moldova**



## 2.4 Public Participation in Decision Making

The logic of administrative decentralization supports the idea that radical reform of local government in Moldova cannot register positive outcomes without citizen participation in local affairs. A friendly institutional environment that ensures useful, well-addressed and innovative participation aims to supplement a radical redefinition of the statute of local public officials.

Furthermore, public participation can assist in fostering the integration of experiences, encouraging community interest and pioneering communal initiatives.

There is however a very low level of transparency in the activity of local organizations of self-administration in Moldova that hinders the functioning of local governments. Most of the information diffused by local authorities is formal and does not represent a real assessment of the local situation. Radio networks are used inefficiently rather than supporting local government strategies of development. The *Monitorul Oficial*, in which laws and government decisions are published, is distributed at high commercial prices, which considerably reduces public access to the information and normative acts that it contains. Insufficient copies of a specialized journal of the Academy of Public Administration are printed to meet the informational needs of local public authorities and communities. Due to an acute deficit of financial means, the government does not publish any informational or scientific materials on the problems of public administration. Mayoralties do not even possess copies of the laws that provide the legal basis for their authority and activities.

NGOs can have a great role in identifying obstacles in communication and influencing the adoption of more effective mechanisms of cooperation pertaining to the self-administration of government. Local NGOs can apply for funding sources from outside the communities they represent and direct them in solving local problems.

The Law on Local Public Administration (1998) lists the principles of citizen participation.

- *Transparency of decisions.* Public awareness of problems that have to be addressed by local government is an important step in community participation. Without the necessary elements of local culture, citizens cannot be involved in solving problems, being alienated from the decision-making process. Free access to information on local administrative activities and development programs as well as evaluation of the impact of administrative decisions is a necessary condition for the functioning of a modern public administration.
- *Public agenda.* To enhance the quality of communication between local officials and the community, open hearings and posted announcements commonly are used. Some local governments are inclined to employ existing radio or television programming in order to maximize exposure of their campaigns or to mobilize community support for developmental projects. An efficient local public administration shares decision-making power with the citizens it represents, increasing efficiency through the delegation of responsibilities for achieving goals of public interest.
- *Public meetings.* Local councils are obliged to announce the agendas of their meetings to the public, but public access to such meetings is not permitted, except in cases in which the local council considers it necessary to invite "useful attendants." The secretary is entitled to communicate all decisions made by the local council and the mayor to the public. Generally, mayors used to have regular meetings with their constituencies, although there is no clear distinction if formal agendas for such meetings are necessary, if public meetings must be convoked or if these responsibilities should be delegated to the secretary.

- *Surveys.* Surveys and opinion polls represent an exact and professional instrument of assessment of public opinion in matters of local interest. Unfortunately, the use of such tools is at a rudimentary stage, and legislation does not stipulate expressly the need to consult the population on questions of public interest.

## 2.5 Ethnic Issues, Multicultural Government

Soon after the disintegration of the Soviet Union, almost all former soviet republics were challenged by emerging nationalism. Most faced the difficulties of determining the most adequate tools to define criteria for inclusive citizenship, and this issue raises questions about the relevance of ethnicity and nationality throughout the region. In Moldova, the Constitution recognized from the very beginning that all citizens are equal before the law, “regardless of their race, nationality, origin, language, religion, sex, social status, political affiliation and patrimony.”<sup>17</sup> Nevertheless, the Constitution provides special procedures for the articulation of minority interests, including the granting of special status to some regions of Moldova. Furthermore, the Constitution stipulates that international treaties on fundamental human rights, to which Moldova is a signatory, have priority over domestic legislation. The Citizenship Law adopted on 5 June 1991 was far more liberal than its counterparts in other former soviet republics, automatically granting Moldovan citizenship to legal inhabitants of Moldova and avoiding any provision that might link citizenship with ethnicity or command of the state language.<sup>18</sup>

Separatism in Moldova took root in the power vacuum created by the collapse of state socialism; ethnic populism became the most convenient and most appealing ersatz-ideology of what has been perceived to be an external threat. Ethnic activists divided themselves along prowestern and pro-CIS orientations, widening a symbolic dividing line for politicized voters. Hence, the declaration of independence marked a new stage in the republic’s internal disputes through the formation and ascent of two separatist movements: the PMR, located on the eastern bank of the Dniester River, and the Gagauz Republic, consisting of five rayons in the southern region of the Republic of Moldova.

Since 1991, the Republic of Moldova has faced increasing antagonism between the idea of a national state and its nonhomogenous regions, which made the accommodation of divergent ethnic aspirations a strong priority for internal and foreign policy. Bot, Dniestria and Gagauzia have backed each other since 1991 in opposition to the Chisinau government according to the principle “the enemy of my enemy is my friend.” While it is recognized that Dniestrian secession represented a case of politicized regionalism,<sup>19</sup> the other two regional conflicts were largely ethnic, and therefore, it is necessary to describe the tools that were employed to ease group tensions.

National awakening among the Gagauz and Bulgarians followed the general political movement in Moldova at the end of perestroika. Their activists claimed safeguards for their national culture, but with different degrees of insistence. On 19 August 1990, a self-proclaimed Gagauz

Republic was declared in Comrat, and although Chisinau annulled it, it gave the Gagauz minority<sup>20</sup> a greater sense of its corporate identity. After three years of economic and military conflict, however, the more moderate Gagauz leaders prevailed over the hard-liners in Comrat, and thus, after the adoption of the first Moldovan Constitution and parliamentary elections, a tangible rapprochement between the Gagauz leaders and Chisinau finally took place. Although Chisinau recognized national Gagauz autonomy, which is entitled to have its own legislative and executive bodies, the Gagauz had to give up their demand for separate statehood and accept the addressing of their ethnoterritorial interests exclusively within the constitutional framework of an integrated Moldovan Republic. The Law on Gagauz Yeri defines it as a “national-territorial autonomous formation,” and a referendum held in spring 1995 aimed to unite those settlements in which Gagauz inhabitants represented less than fifty percent of the population. Although Gagauz territorial autonomy initially was met with resistance in Chisinau, the fact that the agreement guaranteed Moldova’s territorial integrity while promoting decentralization and pluralism at the regional level led to a general positive change in attitudes toward this territorial autonomy.

A *bashcan* (head) and *Halk Toplushu* (Popular Assembly) were elected in 1995 to represent the autonomous region ex officio to the government in Chisinau. Concomitant with the implementation of autonomy, some Gagauz leaders complained that the single-chambered Parliament of the Republic of Moldova did not reflect their concerns and demanded help from the Moldovan president to secure more seats for Gagauz deputies. These claims neither specified in what way this could be accomplished nor clarified the situation of those ethnic Gagauz not living in the autonomous unit after the recounting of ethnic quotas in all branches of the central government and in Parliament. In fact, the representation of the Gagauzi in the central government is proportional to and even higher than their percentage in the total populace.<sup>21</sup> Another concern of the Gagauz leaders is that the recent reform of local government may undermine their self-territorial-administrative advantage as compared to other territorial units in Moldova. The paradoxical stance of the newly adopted Popular Assembly in 1999 was conditioned by the fact that the old-guard leaders of the former Gagauz Republic gained again in the 1999 local elections, and that the most popular assumption among the new majority of the Gagauz Assembly is that “Comrat will not accept equal treatment with the rest of the districts of the Republic of Moldova.”<sup>22</sup> Although they agree that the Republic of Moldova is not a federation and that a bicameral Parliament is always more rigid on legislative affairs, Comrat leaders argued that “the Founding Act of the UTAG (Ulojenie) is a real local Constitution prevailing above all other laws adopted by Parliament (with the exception of the Constitution of Moldova).” Generally, economic hardships in the region and a relative weakness of civil society allow regional leaders to engage in permanent competition with the central government, because it objectively proves to be the sole permanent “reactive” that might assist people in forgetting their real problems.

In contrast with Gagauzi and Dnestrian elites, the Bulgarian community did not adopt irredentist or separatist claims.<sup>23</sup> In fact, this loyal stance was recognized by the tolerant position of Chisinau in regard to the Bulgarian ethnic community. Since 1998, with the relaunching of discussions for the adoption of a new Law on Territorial-administrative Organization, a vociferous

initiative for the maintenance of a separate Taraclia District was placed on the agenda of public dispute. Blaming the central authorities for granting autonomy to the Gagauz community while ignoring the loyalty of the Bulgarian community to the principle of unity and indivisibility of the country,<sup>24</sup> rayon officials orchestrated a campaign to discourage the inclusion of Taraclia City and other localities within a larger Cahul District. In fact, the rayon administration enjoyed the support of the local population (including Ukrainians, Russians and Gagauzi) in claiming a form of administrative self-rule rather than a form of ethnoterritorial autonomy, which would be difficult to achieve and to justify.<sup>25</sup> The hidden reasoning for such an administrative distinction is explained however by a complex interplay of economic, political and social interests that forged, by the end of 1998, a strong impetus for the existence of a separate territorial-administrative unit. The new judet was supposed to protect the statute of the Tvarditsa and Taraclia economic zones, located in a strategic position along the border with Ukraine and having a very generous framework for business operations (sometimes illegal). The social interests of the Taraclia inhabitants were compared to the “wealthy” quality of life of the population of Cahul District and of Gagauz Yeri,<sup>26</sup> which the Taraclia rayon administration frequently explained was the result of the maintenance of collective farms (in contrast to Cahul District where collective farms disappeared as a result of land privatization). Despite the stance of the ruling coalition (ADR) not to allow the creation of a new “ethnic enclave,” international pressures and internal political *raison d’action* were complementary, resulting in an amendment to the Law on Territorial-administrative Organization of the Republic of Moldova and the creation of a separate Taraclia District.

## 2.6 Local Government and NGOs, International Contacts

The soviet break-up resulted in the proliferation of nongovernmental organizations (NGOs). Benefiting from democratization, hundreds of NGOs were registered by the Ministry of Justice. Most economic theories on the voluntary sector suggest that the demand for these organizations represents the failure of the market and government to provide quality services.<sup>27</sup> From this point of view, such demand in Moldova is especially high and, particularly in the field of local and regional government, the emerging noncommercial sector is expected to play a critical role. Local and central authorities neither possess resources nor are used to responding to the growing variety of citizens’ needs. In fact, the role of NGOs remains precarious due to the brittleness of civil society, the everyday frustrations of the populace and a lack of resources.

More than one thousand four hundred NGOs currently are registered in Moldova, but less than two percent of them focus on local government issues. The development of the voluntary sector responds to a vital need of postcommunist societies. The state does not differentiate in tax laws between not-for-profit NGOs and for-profit businesses,<sup>28</sup> which allows fiscal departments to close down or freeze the bank accounts of NGOs without any special court ruling. The legal regulation of nongovernmental activity in Moldova is neither complete nor permits NGOs to work out common projects with local public authorities. In January 1996, a new Law on Nongovernmental, Noncommercial Organizations was submitted to Parliament, which quickly

approved it, and the president promulgated it without any discussion. While the new law seemingly overcomes several gaps in the previous legislation, several debates emerged due to stipulations that were perceived as burdensome for local NGOs.

One of the major weaknesses of this legislation is the scarcity of resources provided to this sector and unsettled disputes on property and philanthropy. Moldovan law on philanthropy and sponsorship regulates only the activity of philanthropic and charity organizations, while a law on public organizations has yet to be promulgated. Another concern of the noncommercial sector is related to an “overpolarization” of NGOs; some allow themselves to be manipulated by the state or by the ruling party, pursuing political goals and taking advantage of preferential treatment by state structures expressed through financial support, easier access to information, et cetera. Reportedly, approximately twenty-five percent of NGOs are “quasigovernmental.”<sup>29</sup> A similar situation is evident with NGOs representing elected local public officials; about fifteen are at both the regional and national levels. While some aim to represent elected officials, others simply attempt to provide assistance to the reform of local public administration. Conflicts of interest occur frequently, as the scarcity of resources and political affiliations divide them into antagonistic camps, but generally, it is commonly perceived that all of them have a role to play in implementing the new legislation on local government.

Local governments have the right to establish various forms of partnership, cooperative initiatives and twinning projects with foreign localities. All partnerships are designed according to real need through contractual agreements with similar bodies in the fields of urban planning, territorial organization, communal management, transportation and communication, environmental protection, trade, education, health, culture and the arts, tourism and sports, construction and infrastructure, public services and other domains of common local interest.

### 3. Local Administration, Service Provision

#### 3.1 Structure and Operation of Local Administration

The implementation of a new system of local public administration needs new functional mechanisms. The Law on Local Public Administration confers to the local council the right to approve statutes and other regulatory acts necessary for the functioning of local government. This procedure is usually initiated by the mayor, and modes of implementation depend upon the particular administrative structure adopted, based upon forms and models approved by the government, including staff organization of the mayoralty and other autonomous executive structures or public services supervised by the local council.

According to the provisions of the Law on Local Public Administration, local councils are entitled to appoint a secretary upon the suggestion of the mayor. The same is true for the judet council, which also approves the payroll and number of employees of the judet and nominates heads of

the judet divisions of finance, economy and reform, education, health, culture, social protection and other services under the jurisdiction of the council. The secretary of the local council simultaneously performs the functions of the secretary of the commune or municipality, and the secretary of the judet council is simultaneously the secretary of the permanent board. Secretaries of the local and judet councils enjoy the rights of public officials in accordance with specific legislation and must have earned a legal or public administration degree. As secretaries fall under jurisdiction of the Civil Service Law, they cannot be members of any political party or organization. The Law on Local Public Administration confers many prerogatives upon the secretary, including:

- responsibility for ensuring the legality of all decisions of the council;
- supervision of the departments and staff of the mayoralty;
- preparation of all materials necessary for council sessions;
- publication of decisions of the local council and mayor;
- fulfillment of the role of public notary;
- organization and coordination of all local government institutions.

The personnel of the mayoralties and the judet council staff form two distinct categories: (1) public officials, which fall under the civil service, and (2) technical personnel, the relations with which are regulated by labor legislation. The central government established and recommended to the local councils a staffing scheme that is not compulsory but defines the maximum number of technical staff of communes and cities.

*Table 7.5*

**Number of Local Government Personnel in Moldova, 1999**

Unit	Number of Units	Number of Personnel
Mayoralties of Communes and Municipalities	158	7,000
Judet Councils	10	450
Prefectures	10	225

The size of the executive staff is determined by several factors, including:

- size of the population of the territorial-administrative unit;
- degree of socioeconomic development of the territorial-administrative unit;
- financial resources available in the budget of the territorial-administrative unit for staff;
- territorial size of the territorial-administrative unit.

In accordance with the law, all these factors are scrutinized by the council when approving the staffing scheme and personnel. The central government recommendations could be considered an infringement upon the initiative of the local council by imposing a scheme inspired from the top.

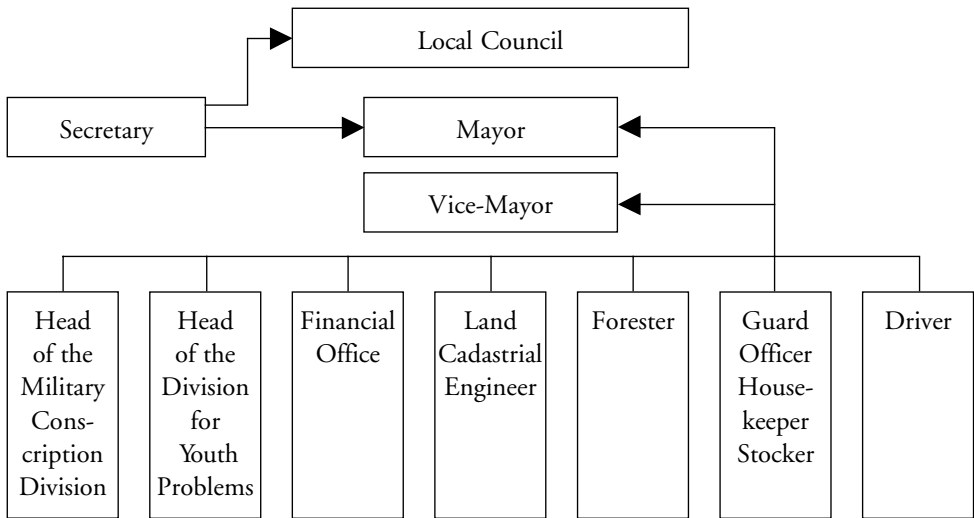
Staff expenses of judet councils and their departments and directorates as well as those of the mayoralties are calculated according to normative acts issued by the government (statutes of 15

June 1999 and 22 July 1999, as well as decision No. 139 of 9 February 1998 regarding the salaries of public officials and technical personnel of public authorities). This unique system is a relic of the old regime. The same can be said of the emolument system for public officials and executive personnel of the mayoralties, the salary levels and social benefits of which are set by the Ministry of Finance. Uniform salaries for public officials should be established, but it is not necessary for these limits to be determined by the central authorities. Under such conditions, the state may establish unique tariffs for positions subsidized from the state budget. Concerning the remuneration of public officials, salaries and the approval of payrolls is a competence belonging to the elected authorities, whose activity is based on the principle of full administrative and financial autonomy. Any interference of the state in this field is a direct infringement on local government affairs. The state may intervene only in cases in which it provides additional incentives for certain categories of local officials. For instance, it may stipulate salary increases for employees who fall under the provisions of the Civil Service Law; such salaries are based upon the level of responsibility of the position and the qualifications of the public official. Therefore, public officials may profit from:

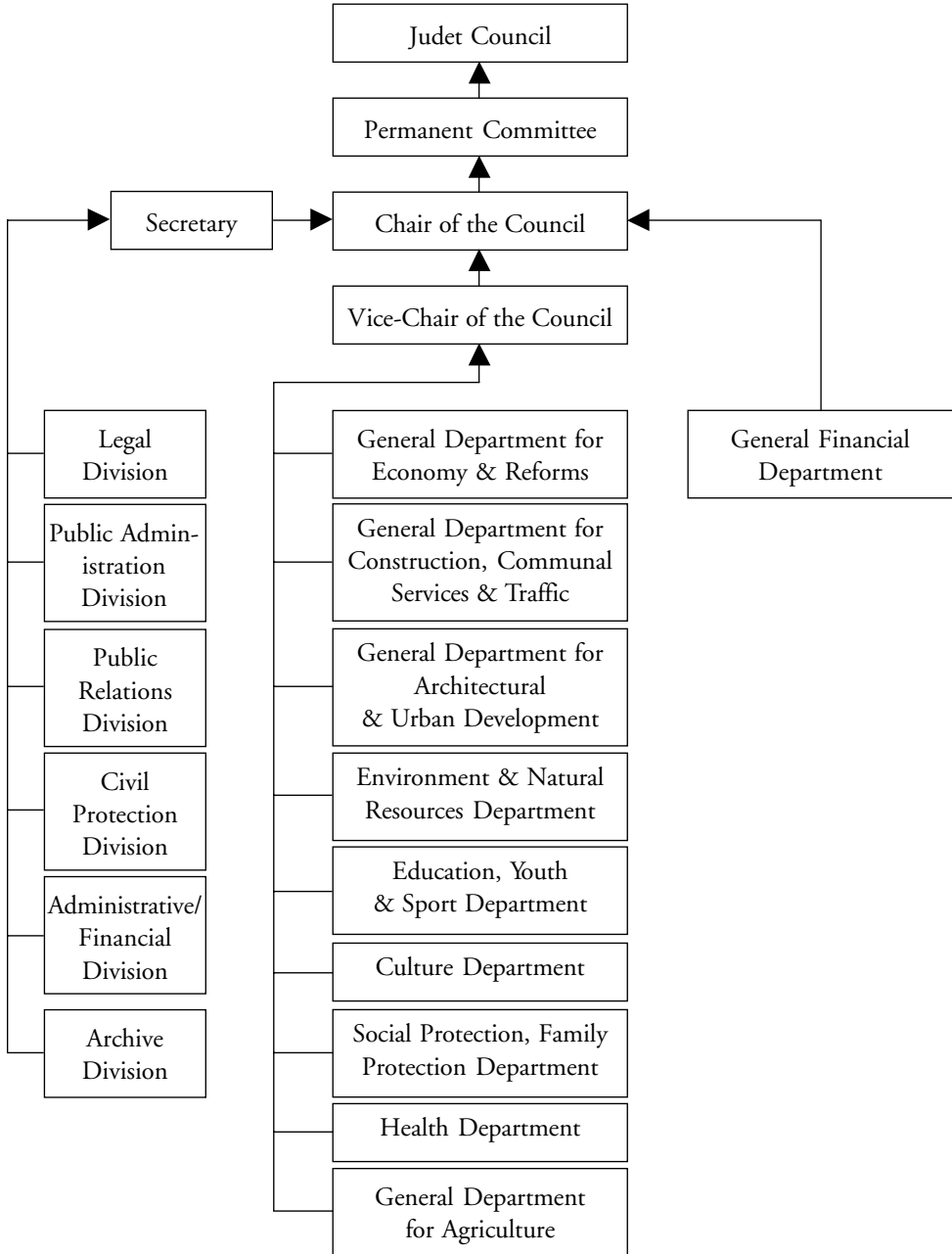
- qualification degrees;
- length of service;
- academic degrees;
- knowledge of two or more foreign languages used in the workplace.

Some additional payments to public officials may include financial awards for outstanding performance or goals achieved. The government establishes the level and type of award.

*Figure 7.3*  
**Organizational Structure of Local Authorities in Moldova  
 with Populations of Less than 10,000 Inhabitants**



*Figure 7.4*  
**Organizational Structure of Judet Authorities in Moldova  
 with Populations of More than 40,000 Inhabitants**



Effective management of the public domain requires a competent staff, adequate training and professional commitment. On 20 March 1998, the government approved a unique register of all public positions, according to which officials of mayoralty staffs were organized by rank of importance:

- the second rank includes secretaries, department heads and their deputies, division heads and their deputies;
- the third rank includes consultants, public relations specialists, coordinators and other technical specialists.

Local and judet councilors do not have public official status; nor do mayors, whose legal status is guaranteed by the Constitution, the Law on Local Public Administration and the Law on Elected Officials.

Among the most important issues of the civil service, the following will be emphasized: (1) recruitment, (2) training and professional development and (3) career advancement and promotion.

The Law on Civil Service stipulates that public jobs are filled through nomination and appointment or through open competition. The law stipulates that the assigning of public jobs by appointment may be accomplished only by the hierarchical authority or by a person expressly delegated with such duties. The filling of public jobs through election or competition is effected by the public authority, which then is entitled to employ the respective official. It should be stressed that these regulations do not clarify the method to be used to fill each position, leaving the final decision to the highest body of the respective public authority. This is an undesirable situation due to a long history of recruiting personnel according to the sole criterion of loyalty rather than on the basis of professional skills. Another personnel policy problem is the political affiliation of public officials, whose professional destiny is tied to that of a specific party. Recruitment for and appointment to public jobs should be pursued only through direct competition.

The management of local tasks and the execution of local and regional policy require a competent and trained staff. Currently, the training and professional development of public officials is offered by the Academy of Public Administration, which was established by the government in 1993 with the specific task of providing postgraduate education (a two-year program for full-time students and a three-year program for part-time students). The Academy provides applied and conceptual training in history, public administration theory and practice, jurisprudence, economics, social sciences, international relations theory and practice, public and private management, information systems and modern languages. The Academy's graduates also have access to information in the field from other countries. To date, 517 persons have graduated from the Academy, of which 192 are now employed in central state bodies and 325 in local public administration authorities.

Since the 1997–98 academic year, a graduate studies program in public administration has been offered at the Academy.<sup>30</sup> Several other universities also offer special courses in public administration for students who wish to compete for public jobs upon graduation. Professional devel-

opment for public officials is a legal duty as stipulated by the provisions of the Civil Service Law; every public servant must complete requalification training at least once every four years. Requalification is the duty of the state Department for Personnel Policy and the Academy of Public Administration. From 1994 to 1998, 1,767 elected representatives and civil servants benefited from short- and medium-term professional development courses offered at the Academy.

Specific provisions of the Law on Civil Service stipulate career advancement of public officials. Those who advance quickly report considerably better results in their activities, author initiatives that are held in high esteem by their hierarchical superiors and devote effort to upgrading their professional skills. In order to improve the quality of the civil service, to upgrade the process of recruitment and education and to stimulate professional growth, public servants are obligated to pass examinations at least once every three years. Local governments are entitled to create special committees for such professional certification that evaluate the activities, skills, legal competence, capacity to work with the public and conformity with the position of all local public officials. In accordance with such evaluations, the respective public authority decides upon the granting of new civil ranks, salary increases or decreases, recommendations for qualification courses and inclusion in the state reserve personnel database.

### 3.2 Local Service Delivery

Decentralization is often regarded as a key element for effective public affairs management and is the fundamental principle for local public administration as established by the Constitution of the Republic of Moldova. The Law on Local Public Administration further develops this principle through the definition of the competences of the commune, municipality and judet, defining decentralized services as “those delegated from central government subordination and organized autonomously by conferring the correspondent territorial-administrative unit with patrimony and the right to self-management.” Local public services in each domain of activity are established by the local council upon recommendation of the mayor and address specific local needs within the limits of the financial resources at their disposal. The mayor is responsible for defining the public services that are expected by the population and submits proposals to the local council for the creation of new public services. Public need is determined through personal interviews, local polls, public hearings, council meetings and the involvement of NGOs.

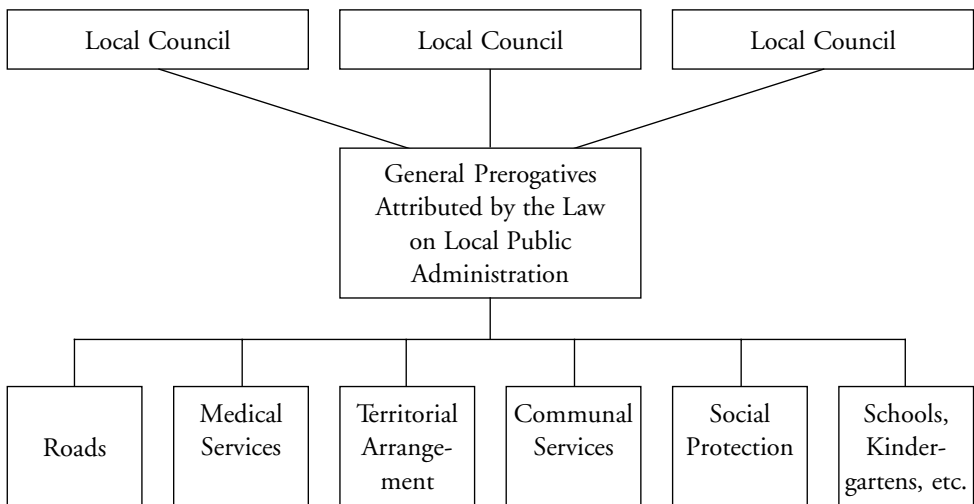
The main prerogatives of the local council in the field of public services organization include:

- approval, upon recommendation of the mayor, of the structure of personnel for all agencies and public services supervised by the local council;
- approval of the local budget and the implementation and management of expenditures for public services;
- creation of public institutions and local companies, approval of the leasing and renting of property and local public services that are entrusted to its authority and contribution to statutory funds of commercial societies for the realization of public works and services;

- ensuring all necessary conditions for the functioning of education, cultural and health institutions under its subordination;
- nomination and dismissal of the heads of companies and public institutions under its jurisdiction;
- organization and maintenance of public communal services, including local transportation and housing;
- maintenance of public order, protection of the human rights and freedoms and appointment of the head of the municipal police and sector police (upon confirmation by the judet police head);
- establishment of various donor organizations of local interest;
- approval of association with other local and judet public authorities for the realization of services of public interest and of cooperation with national and foreign companies that aim to work for public benefit.

The local council also plays a considerable role in establishing the cost and fees for public services provision. Thus, councils can establish tariffs for services provided, establish tariffs to cover expenses for the creation and maintenance of public services and determine prices to be paid by service users. The local council also is entitled to determine the use of such tariffs collected: it can transfer revenues to the local budget, direct them to the development of a certain service or supplement these resources with local budget funds to support other projects. Legislation stipulates that all decisions adopted by the local authorities affecting the distribution of tariff resources must be posted by the mayoralty and publicized by the media.

*Figure 7.5*  
**Local Government Competences and Powers in Moldova**



The mayor is the sole authority that exercises the management of local public services and ensures the functioning of civil protection and social services. The mayor is expected to propose to the local council the appointment and dismissal of heads of local companies and public institutions under the jurisdiction of the local council. The local council statutes regulate the activities of all local public services. Several stipulations regulate the hiring, emolument, dismissal, rights and duties of the officials involved, which are derived from the Civil Service Act.

Due to growing economic disparities, services provided by communes and municipalities depend upon the economic growth and potential, social infrastructure, demographic indicators and number of taxpayers in each territorial-administrative unit. Obviously, opportunities for budgetary transfers, mobilization of local resources and mobilization of the private and noncommercial sector are fewer in small communes than in large cities. Generally, communes are expected to provide civil protection, social protection for the elderly and invalids, territorial planning and sanitation, maintenance of preschools and schools, maintenance of health care institutions, cemetery maintenance, potable water supply, anti-fire protection and local road maintenance.

Judet councils are entitled to coordinate local councils in order to ensure and to guide the provision of public services of judet interest, to approve their correspondent regulations and to provide technical and legal advice to the local councils, mayoralty personnel and public service organizations. At the judet level, the following public services are provided: civil acts registration, trusteeship, youth protection, archival services, construction, road maintenance of judet importance, construction and urbanization, coordination of business activities, communal services of judet interest, social and family protection, health care and assistance to health care institutions and hospitals, education and coordination of educational institutions, other activities related to youth and sports, coordination of agricultural development and environmental protection. All these services should be fully decentralized, since their organization and regulation are legally the responsibility of the judet council and financial resources to perform them are provided by the judet budget. Recently, the government compelled the ministries of finance, economics, education, health, labor, social protection and family, transportation and communication, territorial development, and construction and communal services to provide methodological support to the newly created departments, divisions and public services of judet interest.

Some prerogatives for fulfilling general public needs cannot be transferred to local public authorities, as they are of interest to the national community; these are the state's responsibility and require broader participation of the central government and its territorial representatives. The central government brings such services closer to the population through its deconcentrated departments in judets, municipalities and communes. To ensure the effective supervision of these deconcentrated services, the state delegates its representatives—prefects—to the judet level. As a head of deconcentrated public services, the prefect suggests the appointment or dismissal of heads of public services provided locally by various ministries, departments and other central authorities (see table 7.6).<sup>31</sup> The mechanisms of decentralization and deconcentration of public services is demonstrated in figure 7.6.

*Table 7.6*  
**Deconcentrated Public Services of National Agencies in Moldova**

Central Authority	Deconcentrated Public Service Agency
Economic Ministry	Territorial Agency for Privatization
Finance Ministry	Local Fiscal State Inspectorate Territorial Control and Revision Division Territorial State Cashier (Trezorerie)
Territorial Development, Construction and Communal Services Ministry	Territorial Construction Inspectorate
Agriculture and Local Industry Ministry	Veterinary Inspectorate Inspectorate for Selection and Reproduction in Animal Breeding State Inspectorate for Vegetation Protection State Inspectorate for the Supervision of Equipment "Interagro"
Environment Ministry	Territorial Ecological Agency
Labor, Social Protection and Family Ministry	Inspectorate for the Protection of Labor Labor Forces Office
National Security Ministry	Territorial Division for National Security
Defense Ministry	Territorial Military Center
Ministry of the Interior	Police Inspectorate
Ministry of Justice	Territorial Office of the Chamber of Registration
Statistical and Sociological Department	Division of Statistics
Civil Protection and Extraordinary Situations Department	Civil Protection Division and Defense against Calamities
National Agency of Land Resources, Cadastre and Geodesy	Service for the Regulation of the Property Regime of Land

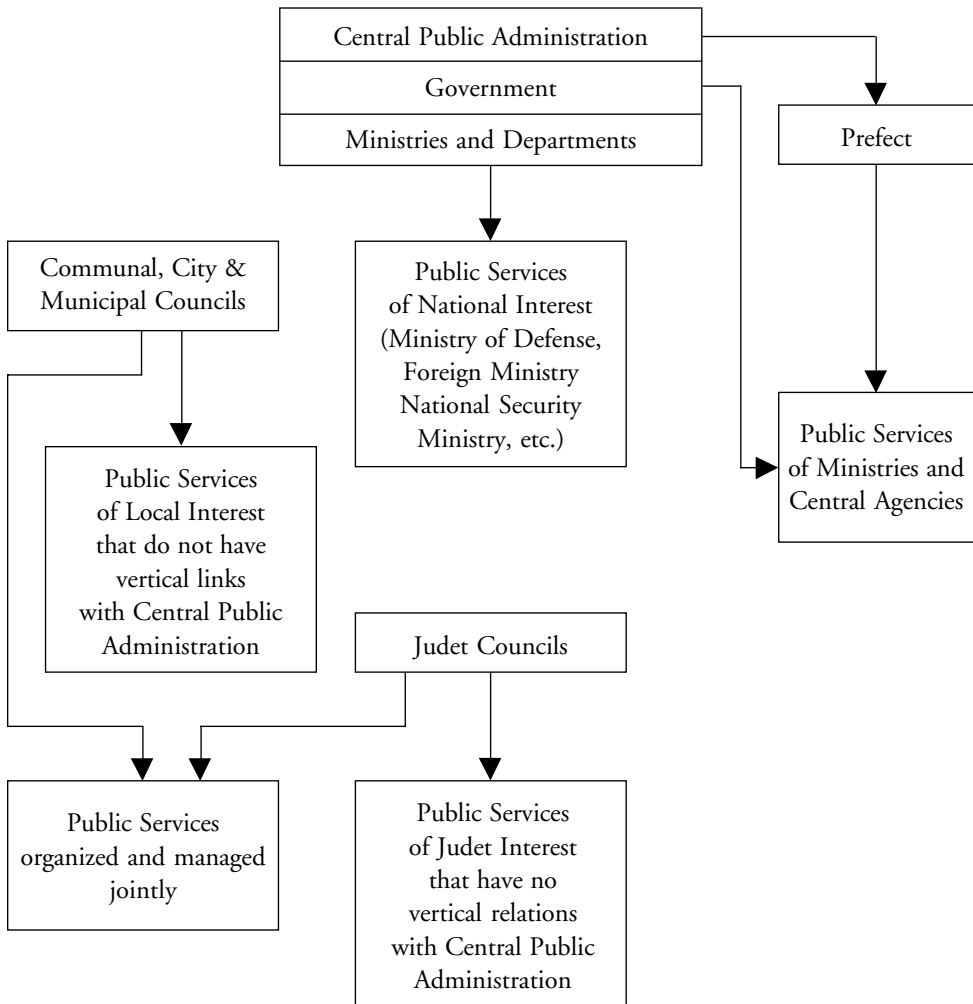
Although radical steps towards more decentralized and effective local public administration have been confirmed in Moldova, current legislation has several drawbacks that nurture continuous conflicts between various authorities.

1. The law does not provide a clear delimitation of competences between the local public administration and prefects. Defining the competences of local governments and not those of prefects, there is a practical discrepancy in the established forms of local autonomy.

2. The law does not provide a clear delimitation of responsibilities between local communities at the communal level and at the judet level.
3. The law does not stipulate compulsory and facultative competences of local public administration. Therefore, the cost of providing public services cannot be covered by local budgets. In order to avoid conflicts in this field, a new law on the organization of public services or of the decentralization of public services is needed.

*Figure 7.6*

**Structure of Decentralization and Deconcentration of Public Services in Moldova**



In accordance with legislation, public services are organized in the Republic of Moldova on the basis of the following legal-organizational forms:

- leasing of a public service or of public patrimony to a private subject for a maximum term of thirty years, which is expected to perform this service at its own risk;
- renting part of the municipal patrimony to a physical or legal entity in order to ensure the provision of certain public services (especially water management and parking lots);
- creating small enterprises to self-manage public services;
- cooperating with the noncommercial sector to provide social or educational services, stimulating the participation of citizens;
- associating with other communes to provide services that benefit all associated communities.

## 4. Local Finance, Economic Development

### 4.1 Structure of Local Public Finances

The adoption of new legislation on local government has not yet succeeded in solving the discrepancy between the level of administrative responsibilities, competences and tasks entrusted to local public authorities and the restrictive nature of the financial resources at their disposal.<sup>32</sup> An attempt to overcome this fundamental inequity was accomplished by the newly adopted Law on Local Public Finances. This law was viewed as a decisive step in clarifying competences in effecting public expenses, delimiting revenues among various budgets of the territorial-administrative units, providing a more balanced distribution of revenues, improving budgeting procedures, et cetera. Generally, the law aims to sanction the right of local governments to use their financial resources freely and in accordance with their individual competences within the framework of the national economy.

A large proportion of local resources are collected from taxes. The local councils in accordance with their needs may establish the amount of such taxes. Alternatively, efforts have to be made to assist local and judet councils that have low individual earning potential. The process of adapting the national fiscal system to the needs and degree of competence of local governments is necessary as budgetary expenses currently exceed revenues. The budget deficit comprised approximately 4.7 percent of overall GDP in 1994; 4.7 percent in 1995; 4.9 percent in 1995, 3.3 percent in 1996; 3 percent in 1997; and 3.5 percent in 1998. As a result, local economic development investment is nonexistent. According to the new legislation, the structure of local public finances in Moldova is as follows:

1. judet and territorial autonomous unit (Gagauz Yeri and the Municipality of Chisinau) budgets;
2. local budgets representing the revenues and expenses of communes and municipalities;

3. extrabudgetary funds, the sources and destination of which are approved by the councils of the territorial-administrative unit, being accumulated from voluntary donations of economic subjects and citizens to resolve particular public goals; revenues collected from local lotteries and competitions; and other resources that are not transferred to the central budget.<sup>33</sup>

The clear delimitation of revenues among the budgets of the territorial-administrative units includes:

1. *Judets, autonomous territorial units and Chisinau Municipality:*
  - income tax on entrepreneurial activities—at least fifty percent;
  - value-added tax on local production—at least ten percent;
  - taxes on roads collected from automobile owners registered in the Republic of Moldova—at least fifty percent;
  - tax on natural resources;
  - other taxes and revenues stipulated by law;
2. *Local budgets (communes, cities and municipalities):*
  - share of the tax on revenues from entrepreneurial activities;
  - value-added tax on local production (established by the judet financial authorities);
  - income tax on physical persons;
  - tax on real estate and land;
  - taxes and local revenues as established by legislation.

The new legislation on local finances has several innovative elements that are expected to substantially improve the financial situation of local governments. It allows two types of transfers: (1) financial assistance and (2) special destination for the execution of functions delegated by the government.

## 4.2 Taxes

The collection of taxes and other local revenues is regulated by Fiscal Code No. 1163-XIII (24 April 1997) and the Law on Local Taxes and Revenues No. 186-XIII (19 July 1994). The current fiscal system includes the following taxes: land, real estate, the use of natural resources, territorial organization, the organization of various local tenders or lotteries, hotels, advertising, local symbols, the placement of commercial units, markets, car parking, climatic treatment, domesticated animals, television, state border crossings, the right to sell in the customs zone and passenger transportation services.

After the adoption of the Law on Local Taxes and Revenues, local budget revenue totaled about 12 million lei. According to data provided by the Local Taxes and Revenues Department of the Ministry of Finance, about 40 million lei were collected by fiscal agents in the territories. From

the total number of 644 mayoralties of the Republic of Moldova, only eighty-one percent of them have adopted specific local taxes in accordance with the new financial legislation. Thus, of the eighty-two mayoralties of Balti Judet, only sixty-eight have introduced local taxes; only forty-one of seventy-three mayoralties of Edinet Judet followed their example; and forty-six out of seventy-two in Orhei Judet did the same. The fact that about nineteen percent of the existing mayoralties has not succeeded in introducing new local taxes and other duties can be explained primarily by a lack of specific abilities in this field. More than sixty percent of the elected mayors have no previous experience in local public administration. Frequently, even if the mayoralties succeed in adapting to the new rules imposed by financial legislation, new taxes are set up by the mayors rather than through council decision, and as a result, these taxes often exceed the limits imposed by Parliament. In Moldova, the system of national taxes and state charges include the following: (1) income tax, (2) value-added tax, (3) border tax, (4) private tax, (5) customs tax and (6) road tax; these comprise about two-thirds of all revenues.

The total share of all direct taxes in the state budget dropped 1.7 times in 1997, while the share of indirect taxes rose 1.4 times. The prevailing proportion of some taxes was collected through administrative procedures, such as sequestration of production, appropriation to offset debts to the state budget and social fund, bank account freezes, et cetera. Of course, such administrative leverage cannot be used continuously without harming the real interests of enterprises. As the state budget is the main pocket to which revenue is collected, many rayons and municipalities negotiated directly with politicians in the previous governments in order to get additional funds. Sometimes they were very successful, although the political implications for local and national finances were acute. The equality of all territorial-administrative units before the law will become an unavoidable principle for the whole system of local finances in the future.

### 4.3 Revenues

*Table 7.7*  
**Structure of Local Government Revenues in Moldova, 1995–98 [%]**

Type of Revenue	1995	1996	1997	1998
Taxes and Surtaxes	68.8	68.4	54.0	55.3
Transfers from the State Budget	22.8	18.9	28.3	37.9
Loans from the State Budget	7.9	12.7	10.1	1.2
Bank Loans	0.5	—	7.6	5.6
<b>Total</b>	100.0	100.0	100.0	100.0

SOURCE: Ministry of Finance of the Republic of Moldova, 10 November 1999.

Revenues collected from local taxes and surtaxes dropped dramatically from 68.8 percent in 1995 to 55.3 percent in 1998, reflecting the evolution of processes of local economic development. Transfers from the state budget increased slightly from 22.8 percent in 1995 to 37.9 percent in 1998. According to data provided by the Department of Statistics, the state budget collects between seventy-two and seventy-five percent of all revenues, raising continuous protest from local governments. The natural reaction is to claim new transfers from the state budget. Bank credits assimilated by local governments have little significance, primarily due to the very high interest rate set by the banking sector (from thirty-five to forty percent per year), while economic potential is not increasing.

*Table 7.8*  
**Summary of External Assistance Disbursements  
by Donors [thousands of USD]**

Donor	1995	% change (96/95)	1996	% change (97/96)	1997	% change (98/97)	1998	1999 (planned)
Multilateral: 18 institutions (UNDP, UNESCO, UNICEF, IDA, IAEA, WHO, etc.)	2,429	41.4	3,435	832.8	32,042	14.8	36,796	41,623
Non-United Nations System (CE, EBRO, EU, OSCE)	12,355	-71.0	3,578	9.6	3,920	138.2	9,336	7,697
Bilateral: 15 countries (US, Sweden, Romania, etc.)	56,539	-28.6	40,366	2.5	41,378	26.3	52,256	57,806
NGOs: 20 organizations (Soros Founda- tion, Salvation Army, etc.)	3,072	11.2	3,417	59.9	5,464	78.1	9,731	1,136
<b>Total</b>	<b>74,395</b>	<b>-31.7</b>	<b>50,796</b>	<b>63.0</b>	<b>82,804</b>	<b>30.6</b>	<b>108,119</b>	<b>108,562</b>

SOURCE: Development Cooperation, Republic of Moldova, *1998 Report* (UNDP, 1998).

Finally, public accounting is organized according to the mechanisms of budgetary bookkeeping of the old regime. Unlike public institutions directly subordinated to the state, local institutions are not funded through local financial chambers (*trezorerii*) but by the financial divisions of the city, municipal and judet offices. Therefore, local public institutions, being entirely funded by the local budget within limits established at the highest level, have to transfer all taxes from the salaries of their employees to the local budgets. Thus, local budget payments of employee income taxes represent a hidden repayment of a share of funding from the state budget, and simultaneously a fictitious revenue source for the local budget.<sup>34</sup> Of course, these are not the only negative elements inherited from the former bookkeeping system, but the implementation of the new legislation on local public finances should carefully bridge the existing gaps in this field.

Table 7.8 demonstrates that external credits are growing annually in the Republic of Moldova. Many new programs suggested by donors are oriented toward local government, ensuring sustainable development, improving the managerial capacity of local public authorities, increasing the flexibility of social protection institutions, et cetera. Thus far, donations in these vital domains are quite limited.

#### 4.4 Expenditures

Table 7.9 indicates that the proportion of capital expenses to total expenses is rising consistently, from 2.9 percent in 1995 to 11.6 percent in 1998. Despite this rise, capital expenses are estimated at only 11 percent of total expenses, which do not cover the needs of local development as a whole. Current expenses comprise the largest part of total expenses. Expenses related to the reimbursement of foreign credits vary between seven and twelve percent per year. The distribution of expenses by field is indicated in table 7.10.

*Table 7.9*  
**Distribution of Local Government Expenditures in Moldova, 1995–99 [%]**

Type of Expense	1995	1996	1997	1998
Current Expenses	89.2	85.2	86.4	76.6
Capital Expenses	2.9	5.2	6.5	11.6
Reimbursement of Foreign Credits	7.9	9.6	7.1	11.8
<b>Total</b>	100.0	100.0	100.0	100.0

SOURCE: Ministry of Finance of the Republic of Moldova.

In the structure of local budget expenses, social and cultural costs comprise almost sixty-five percent of the total. The transition imposed several dramatic social costs resulting from economic

decline, inflation, unemployment and poverty. The number of citizens requiring social assistance is on the rise, while financial resources are obviously inadequate to cover demand.

The declared propensity of the central government to introduce more effective social assistance policy and to compensate, to a certain degree, the worsening of the material situation of the population led to the rise in social expenses. It is obvious that the current tools for the resolution of poverty are not effective and that local development is most affected by the lack of progress in social assistance. It is imperative that local public authorities promote a more effective social policy established on a radically different principle. In brief, its scope should create a new labor market at the local level, allowing citizens to achieve a decent level of life through their own efforts, and provide social assistance according to nominative principles and targeted beneficiaries.

*Table 7.10*

**Distribution of Local Government Expenditures in Moldova by Sector, 1995–98 [%]**

Type of Expense	1995	1996	1997	1998
Economy	9.1	6.5	5.83	8.6
Social and Cultural	63.4	66.7	76.5	68
Local Government Administration	4.0	3.4	4.89	8.3
Other	23.5	23.4	12.78	15.1
<b>Total</b>	100.0	100.0	100.0	100.0

SOURCE: Department of Statistics.

*Table 7.11*

**Local Government Expenditure Assignment in Moldova, 1995–98 [%]**

Type of Expense	1995	1996	1997	1998
Public Order	2.2	2.3	2.5	2.7
Education	40.9	44.5	43.9	39.9
Culture, Arts, Sports	1.5	2.1	2.4	2.3
Health Protection	26.3	26.7	25.7	21.2
Social Protection	6.2	7.6	5.4	5.3
Other Expenses	22.9	16.8	20.1	28.1
<b>Total</b>	100.0	100.0	100.0	100.0

SOURCE: Ministry of Finance of the Republic of Moldova.

Generally, most local government expenses address education and health protection, which remained largely ignored in this period of transition. Social protection expenses were maintained in practice at the same level in 1997 and 1998, but during this period of time, the level of poverty rose significantly compared to 1992, creating major arrears in pensions and salaries. In addition, the function of a salary as a main source of personal income decreased dramatically from 71.6 percent in 1992 to about 34 percent in 1997 and, especially after the Russian financial crisis, the respective percentage dropped again.

Table 7.12 shows that state budget expenditures have increased from 52.1 percent in 1996 to 63.2 percent in 1998. Local government expenditures decreased in the same period of time from 47.9 percent in 1996 to 36.8 percent in 1998, showing a critical decrease. The expenses of the state budget are more important for local governments than some years ago.

*Table 7.12*  
**Local Government Expenditures to GDP in Moldova [%]**

Year	%
1995	17.6
1996	20.9
1997	15.7
1998	12.65

SOURCE: Department of Statistics of the Republic of Moldova

*Table 7.13*  
**Share of Local Government Expenditures to State Budget Expenditures in Moldova [%]**

	1995	1996	1997	1998
State Budget Expenditures	59.3	52.1	61.1	63.2
Local Government Expenditures	40.7	47.9	38.9	36.8
<b>Total</b>	100.0	100.0	100.0	100.0

SOURCE: Ministry of Finance of the Republic of Moldova.

## 4.5 Municipal Borrowing

Municipal borrowing is not very common in the Republic of Moldova due to the high interest rates established by commercial banks. As a result, almost all municipalities in the country have huge debts for their consumption and social fees. It should be noted however that there is only

one municipal bank, which was created on the initiative of the largest city, the Municipality of Chisinau, in 1999. This fact demonstrates that local public authorities can be good managers of their own finances and that banks should be involved in the process of addressing local development issues in each territorial-administrative unit. Accordingly, the Municipality of Chisinau is quite successful in paying all salaries, pensions and other social benefits, which experience delays in other regions of the country, on time.

According to the Department of Statistics, in order to strengthen the development of the private sector, about forty percent of all industrial plants and factories and about eighty percent of all former collective farms were reformed and reorganized in 1997. Unlike the agricultural sector, the privatization of industrial plants failed to establish real owners who are involved in controlling investment and administrative decisions. In fact, most current managers do not address strategic problems of their enterprises, which accumulates debts and creates frustration among employees. According to the data provided by ARIA (a restructuring agency in the industrial sphere), about ninety percent of all industrial plants in the Republic of Moldova (excluding those located in Transnistria) are bankrupt based on international economic and financial criteria. Laws regulating bankruptcy in the Republic of Moldova include the Law on Entrepreneurship<sup>35</sup> and the Law on Bankruptcy.<sup>36</sup> The first draft of the Law on Bankruptcy was adopted in January 1992, but at that time, it was considered to be rather declarative and difficult to implement. Parliament succeeded in revising another draft of the law and adopting it in 1996.<sup>37</sup>

#### 4.6 Economic Development

It is widely known that the development of the national economy directly influences the development of local economy and vice versa. This situation is mainly due to the particular efforts made by local communities in creating their own development strategies. Despite the severe limitations of the current economic transition, several communities in the Republic of Moldova have succeeded in achieving considerable results, including the attraction of foreign investment, developing a sensitive community of local entrepreneurs, creating and enhancing strategic partnerships in various sectors with the private sector and with other communities, adapting economic priorities to create comparative advantages in the locality, et cetera. Of course the market economy has made increasingly acute the disparity between comparatively “wealthy” and “poor” communities. But there is a very important lesson to be learned about how some communities become successful while others do not. Why did some local governments know how to use their local resources more properly and how to implement the process of strategic planning, which is fundamental to the advancement of the whole concept of local development in the Republic of Moldova?<sup>22</sup>

The concept of local economic development refers to efforts to increase the quality of life for all citizens of a community. Of course, patterns of local development cannot be applied blindly as communities are increasingly different one from another, but the adoption of strategies to the local particularity requires an effectively functioning government and participation of the community.

Local economic development represents a process of modernization in the way the social community satisfies its growing needs. Local communities can achieve this aim through assuming some essential priorities: assistance to the private sector, optimal utilization of local resources, creation of new workplaces. Without doubt, the local public authorities represent the institutional ground of any project of change, being a decisive factor in the elaboration of policies of local development. They also remain the main initiator of programs of local development and are delegated the administrative power to manage and regulate the implementation of these programs. Moreover, the local public administration can and must employ private initiatives in economic development. This alliance between the local public authorities and the private sector represents a common responsibility of the country to solve problems and achieve common goals, including those of maintaining a positive social, political and economic environment at the community level. Designing an individual strategy of local development may be seen only in the context of political and economic reforms carried on in the country

## 5. Next Steps in the Transition Process

### 5.1 Transformation of Local Governments

Adapting to an emerging market economy and the rule of law, the Republic of Moldova is adjusting its legal framework on local and regional governments. The normalization of the system of local public administration needs practical solutions and models. However this has not been the case for small, especially rural, communities where economic and social development stagnated before 1991 and therefore that were transformed as “local complexes” with chronic difficulties: lack of adequate infrastructure, economic dependence of local producers on monopolistic enterprises, reduced capacity of tax collection, lack of human and institutional resources sufficient to solve the crisis and quasi-existence of local budgets. Reform could not evolve without a radical redefinition of the status of local public administrators, employed for executive functions or designated for eligible functions by the electorate of local communities. Finally, the reform of the local public administration system in Moldova can register positive outcomes only if it can stimulate and integrate innovative experiences combined with responsibility for the interests of the community. Only through the effort of local authorities, established on respect for free initiative and private property, can most of the problems of local interest be solved. An efficient local public administration has to know how to share decision-making power with the citizens it represents and to increase efficiency through the delegation of responsibilities. The involvement of local communities in the process of decision making at the local level is multidimensional and complex. Participation of the population contributes to: (1) increasing the degree of transparency of administrative decisions, (2) improvement of the process of consultations with the population on the priorities assumed by elected local authorities, (3) consolidation of a better understanding of the most important problems of the community and even of a particular identity of citizens from a certain locality, (4) improvement of living conditions.

## 5.2 Main Problems to be Resolved

The experience of institutional reform of local government demonstrates that not only positive achievements are at stake during the transformation of the old institutions, and therefore, reform should take into consideration the negative impact of the dissolution of old institutions (of control, supervision and mobilization). Most of the current drawbacks are due to imperfect legislation, slow adaptation to the existent standards in local and regional development, and incoherent politics followed by obedient (or not very capable) executive bodies.

One of the first issues to be addressed is the adoption of the Law on Decentralization of Public Services, which is supposed to determine clearly the priorities of the state and local governments, measures to be taken for the adjustment of local budgets to reflect real expenses of the local public domain and local resources to be directed according to the individual legal competences of the correspondent local governments. A second problem is represented by regional development, which requires special legal regulation that would establish the degree of administrative autonomy of each regional authority, fields in which the state can intervene freely to realize regional interests through the prefectures, and relations between the respective authorities. A third problem is protection of local autonomy from central government interference.

A Law on Administrative Responsibility (*Contenciosul administrativ*) is required that must institute a new body entitled to resolve disputes and to defend local and regional entities from interference. In addition, there is a need to ensure a more strict delimitation of responsibilities between the various public authorities. A separate law could be adopted to regulate various types of responsibilities—civil, administrative and disciplinary—especially for public officials representing authorities that deal with the administration of the public domain at both the central and local levels.

## 5.3 Civil Society and Reform

Passage to a democratic society cannot be properly conducted without the active and educated participation of civil society. An efficient administration finds it necessary and useful to share responsibility and decision-making power with the citizens of the community, thus amplifying efficiency in achieving targeted goals. To concentrate local energy and initiative on solving such social problems, many NGOs encourage and support the establishment of local branches and volunteer networks that are supposed to represent local interests and disseminate models of social modernization for the largely rural population. In Moldova, rural NGOs represent groups of citizens that can operate more independently than the governmental agencies, approaching problems that local public authorities cannot due to a lack of time, interest or resources. The organizations formed from bottom to top are generated by local interest to explore possibilities of association or financing. In such a way, their success can substitute the deficiencies of a local community and may bring services that local authorities cannot offer to the people that they represent.

## Contacts for Further Information on Local Government in Moldova

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### Constitutional Court, Public Relations Department

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### Viitorul Foundation

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### Chisinau Municipality

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### National League of the Associations of Mayors

*Contact:* Victor Mocanu, Secretary  
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## Recent Publications on Local Government in Moldova

Chiriac, Liubomir. *The ABCs of Local Development*. Chisinau: Cartier, 1999.

Mocanu, Victor. *Local Public Services*. Chisinau: Cartier, 1999.

Popa, Victor. *Local Council in Action*. Chisinau: Cartier, 1999.

Munteanu, Igor. *Regional Development in the Republic of Moldova*. Chisinau: Cartier, 2000.

Manole, Tatiana. *Local Public Finances*. Chisinau: Cartier, 2000.

LADO, IFES, Chisinau Mayoralty. *The Guide of the Public Official*. Chisinau: Publishing House "Chisinau-Prim," 2000.

Orlov, Maria Gh. *Administrative Law*. Chisinau: "Elena VI.," 2000.

## Notes

- <sup>1</sup> Victor Popa, Igor Munteanu, Victor Mocanu, *De la centralism spre descentralizare* (Ed. Cartier, 1998), 5.
- <sup>2</sup> “Report on the Statute of Local and Regional Autonomy in the Republic of Moldova,” presented to the Council of Europe by George Lycourgos (Cyprus) and Xavier Muller (France). *Newsletter of the Information and Documentation Center in the Republic of Moldova* (Chisinau) 2–3 (1998): 14.
- <sup>3</sup> Some of these villages have populations of two to three hundred inhabitants, although their legal status was equivalent to that of villages with more than fifteen thousand inhabitants.
- <sup>4</sup> On 22 October 1999, the Parliament of the Republic of Moldova, under pressure by the Bulgarian ethnocultural minority living in the southern region of the country, created a new judet on the borders of the former Taraclia Rayon, the population of which has the right to fulfill ethnocultural and social demands. It should be emphasized, however, that the population (forty-four thousand people) and the overpoliticized character of the decision to set up Taraclia District was criticized sharply by almost all political parties, which regarded it as a bad precedent for other regions in the Republic of Moldova.
- <sup>5</sup> Antonie Iorgovan, *Tratat de drept administrativ*, Vol. II (Ed. Nemira, 1996), 568.
- <sup>6</sup> Victor Popa, *Consiliul local în acțiune* (Chișinău: Ed. Tiș, 1999), 32.
- <sup>7</sup> Jacques Ziller, *Administrations Comparees* (Montchrestien: 1993), 214–227.
- <sup>8</sup> BASA-Press (Chisinau), 19 February 1999.
- <sup>9</sup> Regulation Regarding the Organization and Functioning of the Prefecture, Decision No. 287 of 9 April 1999.
- <sup>10</sup> In 1999, the chairs of almost all judets in the Republic of Moldova received repeated warnings regarding the rapid collection of taxes and other fees.
- <sup>11</sup> In 1991 the population of the MSSR reached 4,366.3 million (approximately 1.5 percent of the total population of USSR), of which 47.5 percent represented the urban population and 52.2 percent, the rural. The rate of rural-urban migration from 1959 to 1982 tripled (with 63 percent as mechanical growth and only 37 percent as natural growth), which made the former MSSR a region with a very high rate of immigration. According to official statistics, from 1966 to 1970, 21 immigrants per 1,000 inhabitants arrived in

- Moldova (as compared to Ukraine—9, RSFSR—12, and Belarus—3). *Naselenie Moldavskoi SSR* (Chisinau: Cartea Moldoveneasca, 1982), 92.
- <sup>12</sup> Although initially, in 1990, Dnestrian leaders claimed more economic autonomy, the civil war of 1992 pushed them to increase their demands. After 1994, Tiraspol demanded full recognition from Chisinau, as a premise to build a confederation of two equal parts, and argued that they “already have all state structures in place,” still unrecognized but strongly supported by the Russian Duma.
- <sup>13</sup> *Moldova Suverana*, 18 September 1999. Interview with Pavel Balmus, Head of the Local Government Department of the Moldovan government.
- <sup>14</sup> Survey conducted by the Viitorul Foundation, November–December 1999.
- <sup>15</sup> After the Moscow coup d’état, the Moldovan Supreme Soviet abolished the Communist Party in Moldova as a sign that it would like to break with the past. Once the Democrat Agrarian Party gained power during the 1994 parliamentary elections, they canceled the previous interdiction on the activities of the communist parties by resorting to the “freedom of conscience” principle and the irreversibility of changes.
- <sup>16</sup> The praetor is the head of public administrative affairs in a corresponding sector of the Chisinau Municipality, appointed through the decision of the general mayor. The Municipality of Chisinau is divided into five distinct sectors.
- <sup>17</sup> Constitution of the Republic of Moldova, Chapter II, Article 16 (2).
- <sup>18</sup> The CSCE Mission to Moldova praised the legislation on citizenship as “very liberal” (Mission Report of 30 January–4 February 1993).
- <sup>19</sup> Pal Kolsto, *Russians in the Former Soviet Republics, Irredentism and Separatism: Moldova* (London: Hurst & Company), 158.
- <sup>20</sup> The Gagauzi comprise 153,300, or about 3.5 percent of the total population of Moldova, being the fourth largest ethnic group.
- <sup>21</sup> Figures provided by the Department of State Statistics of the Government of the Republic of Moldova, February 1998, No. 01-11/32.
- <sup>22</sup> Interview with Mihail Kendighelian, Comrat, 23 December 1999, Basa-Press.
- <sup>23</sup> Ethnic Bulgarians in Moldova comprise about 88,400 persons (or two percent of the total population).

- <sup>24</sup> Declaration of the Meeting in Taraclia, 7 November 1998, which was addressed to the president, chairman and deputies of the Parliament of the Republic of Moldova.
- <sup>25</sup> Declaration adopted by the Taraclia Rayon and Local Councilors, 2 November 1998.
- <sup>26</sup> In fact, this economic advantage kept the Bulgarians and Gagauzi from claiming unification with Gagauzia, which reflects an obvious social background of inequities in southern Moldova.
- <sup>27</sup> H. Hausmann, *Non-profit Sphere: A Study* (New Haven, Conn.: Yale University Press, 1987).
- <sup>28</sup> For instance, NGOs are forced to pay monthly taxes to the social fund; employer's taxes; taxes on water, ecology and equipment; and to trade unions (even if the employers are not associated).
- <sup>29</sup> According to the results of a questionnaire prepared in July 1995 by the IFES-Moldova Foundation on a sample of one hundred twenty NGOs.
- <sup>30</sup> "Public Administration Programs in the Republic of Moldova," prepared in November 1999 for NISPAcee Research Program, *Evaluation of Academic Programs in the Field of Public Administration and Their Degree of Europeanization*.
- <sup>31</sup> The list of deconcentrated local public services of Cahul, as stipulated in the Decision of the Prefect of the Cahul Judet, no. 29, din 14 iunie 1999.
- <sup>32</sup> Currently, financial relations between central and local governments are regulated by the Law on the Budgetary System and Budgeting Process (No. 847-XIII, adopted in May 1996), the Law on Local Public Administration and the Law on Local Public Finances, adopted in 1999 (No. 490-XIV) and implemented on 1 January 2000.
- <sup>33</sup> The budget of each territorial-administrative unit includes the budgets of all public institutions of the respective territory that receive financial assistance from the respective public authority.
- <sup>34</sup> Mihai Nani, Contabilitatea decontărilor, în revista "Contabilitate și audit", Nr 7-8 1999 (Republica Moldova), 50.
- <sup>35</sup> *Monitorul Oficial*, 1994, Nr 2.
- <sup>36</sup> Legea cu privire la faliment, *Monitorul Oficial*, din 5 septembrie 1996.
- <sup>37</sup> "Buhgalterskie i Nalogovîe Konsultatsii," Nr 11, 1999, 57.
- <sup>38</sup> Liubomir Chiriac, *The ABCs of Local Development* (Editura TISH SRL, Tipografia Centrală, 1999), 63.

## Annex 7.1

### Major General Indicators

*Sources:* Department for Statistical and Sociological Research of the Republic of Moldova, *Statistical Reports 1995, 1996, 1997, 1998*; *National Human Development Report: Republic of Moldova* (UNDP, 1996, 1998); *Development Cooperation: Republic of Moldova* (UNDP, 1998).

Size of territory	33,844 square kilometers			
Population density (1998)	127.4 people per square kilometer			
Population (1 January 1998)	4,304,700			
	1995	1996	1997	1998
Pensioners	781,000	784,000	786,000	788,000
%	18	18.2	18.3	18.8
School-age children	766,500	778,000	786,500	n/a
%	17.7	17.9	18.2	n/a
University students	54,800	58,300	65,600	72,700
%	1.26	1.35	1.5	1.7
Major ethnic divisions (1989)				
Moldovans	66.5%			
Ukrainians	13.8%			
Russians	13.0%			
Gagauzi (Christian Turks)	3.50%			
Bulgarians	2.00%			
Jews	1.50%			
Belorussians	0.50%			
Other	1.20%			
GDP (1998)	1630 million USD			
	1996	1997	1998	
Per capita (lei)	2,128	2,441	2,441	
Per capita (USD)	463	494	454	

## Structure of budget expenditures (1998, without Transnistrian region)

State budget expenses	53.4%
Local budget expenses	21.0%
Social Fund	25.6%
Extrabudgetary funds	0.0%
Total	100.0%

	1995	1996	1997	1998
Unemployment rate (%, without Transnistrian region)	1.4	1.5	1.5	2.0

	1995	1996	1997	1998
Inflation rate (%, without Transnistrian region)	21.6	14.4	10.8	18.3

## Annex 7.2

## Population, Settlements and Administrative Units

*Table 7A.1*  
**Number of Settlements by Population Size Categories in Moldova**

Population Size	Number of Settlements	%	Number of Inhabitants	%
0–1,000	770	45.9	355,508	7.44
1,001– 2,000	411	24.5	586,525	13.0
2,001–5,000	372	22.0	1,120,599	24.83
5,001–10,000	82	4.9	539,010	11.95
10,001–50,000	40	2.4	737,576	16.35
50,001–100,000	1	0.1	62,000	1.37
100,001–1,000,000	4	0.2	1,131,100	25.06
1,000,000+	—	—	—	—
<b>Total</b>	1,680	100.0	4,512,318	100.00

SOURCE: Department for Statistical and Sociological Research of the Republic of Moldova, *Statistical Report* (14 November 1998).

*Table 7A.2*  
**Number of Municipalities by Population Size Categories in Moldova\***

Population Size	Number of Municipalities	%	Number of Inhabitants	%
0–1,999	440	14.93	658,180	2.92
0–1,000	3	0.47	2,488	0.06
1,001–2,000	30	4.66	50,227	1.28
2,001–5,000	459	71.26	1,468,527	37.38
5,001–10,000	111	17.24	742,641	18.92
10,001–50,000	38	5.90	719,779	18.32
50,001–100,000	—	—	—	—
100,001–1,000,000	3	0.47	944,720	24.04
1,000,000+	—	—	—	—
<b>Total</b>	644	100.00	3,928,432	100.00

NOTE: Without Transnistrian region.

*Table 7A.3*  
**Number of Local Governments by Level in Moldova<sup>a</sup>**

Local Unit	Level	Number
Commune, city, municipality	first	643
Municipality of Chisinau <sup>b</sup>	first and second	1
Judet (county)	second	10
Autonomous Unit Gagauz Yeri	second	1
Transnistrian Region <sup>c</sup>	n/a	n/a

- NOTES: a. Without Transnistrian region. The term “local government” in this outline indicates municipal and any other regional government (district, county, etc.) together.  
 b. Special status.  
 c. Juridical status is not defined yet.

*Table 7A.4*  
**Structure of Judets in Moldova**

Judet	Settlements	Municipalities	Cities	Communes
Baltsy	251	1	6	75
Cahul	106	1	1	42
Chisinau	178		5	86
Edinet	157	1	7	65
Lapusna	151	1	4	59
Orhei	190	1	3	68
Soroca	178	1	4	57
Taraclia	26	1		9
Tighina	81	2	2	43
Ungheni	150	1	3	51
Chisinau Municipality	33	1	6	11
Autonomous Unit Gagauz Yeri	32	1	2	23
Transnistrian Region	147			
<b>Total</b>	1,533	12	43	589
				644

NOTE: Without Transnistrian region.

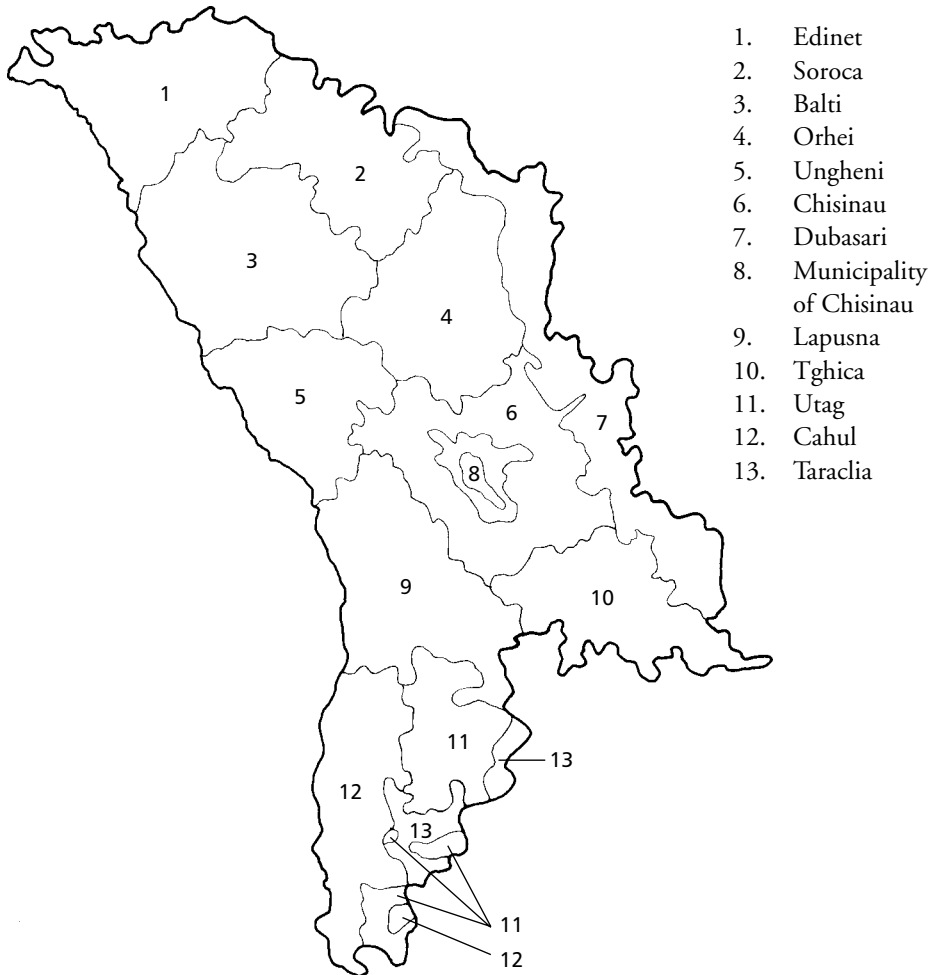
Number of civil servants (1 July 1999, without Transnistrian region)

Employed by the state	11,004
Employed by local governments	7,447

Number of public employees (1998, without Transnistrian region)

State government and defense, compulsory social insurance, education, public health and social services	196,185
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*Figure 7A.1*  
**Administrative Map of Moldova**



## Annex 7.3

### Major Laws on Public Administration and Local Government

The following laws regulate public administration and local government in the Republic of Moldova:

- Law on Local Public Administration (186-XIV, 6 November 1998)
- Law on Territorial-administrative Organization (191-XIV, 12 November 1998)
- Law on Civil Service (443-XII, 4 May 1995)
- Land Code (828-XII, 25 December 1991)
- Fiscal Code (1163-XIII, 24 April 1997)
- Law on the Budget System and Budgetary Process (847-XIII, 24 May 1996)
- Law on Local Taxes and Fees (186-XIII, 19 July 1994)
- Law on Local Public Finances (481-XIV, 9 June 1999)
- Law on Public Property of Territorial-administrative Units (523-XIV, 16 June 1999)
- Lege pentru aprobarea “Regulamentului-cadru privind funcționarea consiliilor locale și județene (554-XIV, 29 July 1999)
- Legea privind statutul municipiului Chișinău (431-XIII, 19 April 1995)
- Legea privind statutul alesului local (aprobată de parlament în prima lectură)
- Legea contenciosului administrativ (aprobată de parlament în prima lectură)

## Annex 7.4

## Responsibilities of Administrative Tiers

*Table 7A.5*  
**Specific Functions of Local Government Units in Moldova**

Functions	All Municipalities	Regional or Urban Governments	Central or State Territorial Administration	Other Government Format	Remarks
<b>I. EDUCATION</b>					
1. Preschool	X				
2. Primary	X				
3. Secondary	X	X			
4. Technical		X			
5. High, Colleges, Universities			X		
<b>II. SOCIAL WELFARE</b>					
1. Nurseries	X				
2. Kindergartens	X				
3. Welfare Homes		X			
4. Personal Services for the Elderly and Handicapped	X	X	X		
5. Special Services (for the homeless, families in crisis, etc.)	X	X			
6. Social Housing	X	X			
<b>III. HEALTH SERVICES</b>					
1. Primary Health Care	X	X			
2. Health Protection		X	X		
3. Hospitals	X	X			
4. Public Health		X	X		

*Table 7A.5 (continued)*  
**Specific Functions of Local Government Units in Moldova**

Functions	All Municipalities	Regional or Urban Governments	Central or State Territorial Administration	Other Government Format	Remarks
<b>IV. CULTURE, LEISURE, SPORTS</b>					
1. Theaters	X				
2. Museums	X	X			
3. Libraries	X	X	X		
4. Parks	X				
5. Sports, Leisure	X	X	X		
6. Maintaining Buildings for Cultural Events	X	X	X		
<b>V. ECONOMIC SERVICES</b>					
1. Water Supply	X				
2. Sewage	X				
3. Electricity		X			
4. Gas		X			
5. District Heating	X		X		
<b>VI. ENVIRONMENT, PUBLIC SANITATION</b>					
1. Refuse Collection	X				
2. Refuse Disposal	X				
3. Street Cleaning	X				
4. Cemeteries	X				
5. Environmental Protection	X	X	X		

*Table 7A.5 (continued)*  
**Specific Functions of Local Government Units in Moldova**

Functions	All Municipalities	Regional or Urban Governments	Central or State Territorial Administration	Other Government Format	Remarks
<b>VII. TRAFFIC, TRANSPORT</b>					
1. Roads X	X	X			
2. Public Lighting	X				
3. Public Transport	X	X			
<b>VIII. URBAN DEVELOPMENT</b>					
1. Town Planning	X				
2. Regional/Spatial Planning	X	X			
3. Local Economic Development		X			
4. Tourism	X	X			
<b>IX. GENERAL ADMINISTRATION</b>					
1. Authoritative Functions (licenses, etc.)	X	X	X		
2. Other State Administrative Matters (electoral register, etc.)	X	X	X		
3. Local Police	X	X			
4. Fire Brigades	X	X			
5. Civil Defense	X	X	X		
6. Consumer Protection			X		

