

NATIONAL HUMAN DEVELOPMENT REPORT
2015/2016



*Empowered lives.
Resilient nations.*

INEQUALITIES

AND SUSTAINABLE HUMAN DEVELOPMENT in MOLDOVA



Summary

The 2016 National Human Development Report “Inequalities and sustainable human development in Moldova” is an independent publication commissioned by UNDP Moldova and developed by IDIS “Viitorul”.

Copyright ©2017

United Nations Development Programme (UNDP) in the Republic of Moldova
131, 31 August 1989 Street, Chisinau, MD-2012, Republic of Moldova

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without prior written permission.

The analysis and policy recommendations of this report do not necessarily reflect the views of the United Nations Development Programme, its Executive Board or UN Member States. The report is an independent publication commissioned by UNDP Moldova. It is the result of a collaborative effort by a team of eminent consultants, advisors and authors coordinated by the Advisory Group.

S U M M A R Y

of NATIONAL HUMAN DEVELOPMENT REPORT
2015/2016

Inequalities and sustainable human development in MOLDOVA

Development team

of the National Human Development Report 2015/2016

Institute for Development and Social Initiatives (IDIS) 'Viitorul'

Viorica Antonov, *Team Leader, Labor Market Expert*

Igor Munteanu, *Policy and Rule of Law Expert*

Dorin Vaculovschi, *Economic Expert*

Dumitru Alaiba, *Economic Expert*

Valeriu Sainsus, *Demographic Process Expert*

Victor Parlicov, *Energy and Utilities Expert*

Erica Zucec, *Gender Expert*

Mariana Iatco, *Migration Expert*

Rodica Gramma, *Public Health Expert*

Viorica Goras-Postică, *Education Expert*

Natalia Albu, *Security Expert*

Maria Vremis, *Statistician*

Vasile Cantarji, *Sociologist*

Peer reviewers:

Veaceslav Negruta, *Independent Expert, Economy and Finance*

Victor Lutenco, *Independent Expert, Social and Gender Policies*

Elena Danilova-Cross, Ben Sley (*Regional Istanbul Hub – UNDP*)

UNDP Moldova Coordinators:

Alexandru Oprunenco, *Policy Specialist, UNDP Policy Unit*

Dumitru Vasilescu, *UNDP Project Manager*

Editors:

Edition fully coordinated by **Viorica Antonov**

Editor of English: **Sydney Bright**

Infographics: **Ana-Maria Veverita, Tatiana Parvan**

Translation: **Inesa Coman, Diana Loznean**

Layout and design: **Dragos Popa**

Executive Summary

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

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

The National Human Development Report 2015/2016

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

The methodology adopted in the development of this report resumes to the data collection and analysis

from different institutions and social actors within public consultations, study and report examination in the respective field, as well as periodical result review obtained at each development phase of the report submitted to the Advisory Council members.

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

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

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

Chapter II examines the causes and drivers of economic inequalities, by reviewing the economic size of income inequalities of population and the assessment of high poverty rates. The Chapter refers to the analysis of prerequisites that generated the appearance of economic inequalities, such as privatisation processes, labor force migration, unemployment, informal employment, seasonal employment of labor force in the agricultural sector, and corruption. The Chapter analyses as well gender inequalities in salary

payments, focusing on the importance of entrepreneurship for financial independence of women. Since women entrepreneurship development is necessary, the Report stresses out the importance of business environment reform in reducing the red-tape barriers in starting a business and the gaps of officials responsible for this segment of the economy.

In Chapter III the authors operate with the notion of social inequality and examine the causes of discovered inequalities. The Chapter unfolds with the identification and analysis of social demographic and occupational inequalities due to external and internal migration phenomenon, as well as their relation to economic inequalities. Since the life expectancy is closely related to the economic growth, having a considerable impact on the living conditions and health of the population, this Chapter contains a review of the inequality situation with regard to access to health services, utilities (especially drinking water and sewage). Because social inequalities are generated by social phenomena and unequal opportunities, the Chapter considers the relation of inequalities to the access to education, labor force, and digital services.

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

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

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

- Social inequalities are divided into two aspects: income and non-income. Salary income inequalities are, as a rule, economic inequalities and are generated by existing differences among the population as a result of a number of factors, such as discriminatory practices on labor market (depending on sex, age, ethnic origin), low wages, unemployment, unequal opportunities in education and employment, etc. Salary income inequalities reside in differences of professional background, education and training, performances obtained at work, as well as gender segregation. Wealth inequalities are found in unequal distribution of assets in a society, where the largest portion of wealth belongs to rich people, the rest being distributed between other more numerous strata of the population.
- **Non-income inequalities** among the population are generated by such phenomena as marginalisation, social exclusion, political ignorance, discrimination, segregation, insecurity resulting from incorrect inclusion, distribution and reintegration policies, as well
- as unequal access of the population to goods, services and development opportunities and participation in social life. The **non-income inequalities** are also generated by the economic exclusion of individuals, discrimination determined by the existence of some stereotypes, prejudice and erroneous perceptions about people in the society.
- The presence of stereotypes, prejudices in the society shows the imperative of preventing the stigmatization and discrimination of persons based on their ethnic origin, religion, language, sexual orientation, political affiliation, culture, economy, etc. through the **view of policies that guarantee the equality of opportunities of access** of the population to education, labor market, economic life, political field, etc.
- **Guaranteeing social equity** through equal access policies decreases the social distance between their financial possibilities and options to capitalise on goods and services in the society. Respectively, **equal opportunities for all policy and equal treatment** irrespective of race, age, religion, disabilities, public opinions, sex, etc. in accessing education, labor market, economy, political life, etc. encourage the decrease of income inequalities of the population and contribute to increase of its wealth.

Key Findings Regarding INCOME INEQUALITIES

DEVELOPMENT

Country's regions are by 4-4.5 times underdeveloped than Chişinău mun. At regional level, the GDP per capita adjusted to Purchasing Power Parity (PPP), except for Chişinău mun. is very low: Chişinău mun. (4,219 USD, rank 94-95 in global ranking), DR North (3,151 USD, rank 149-150), ATU Gagauzia (2,890 USD, rank 154-155), DR South (2,768 USD, rank 157-158), and DR Center (2,587 USD, rank 158-159).

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

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



INCOMES AND EXPENSES

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

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

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

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



THE RISK OF POVERTY

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

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

- An important segment in ensuring equal opportunities through national policies and programmes should be the *investments in education*; their lack impedes the formation of human capital and slows down the economic growth. The investments in training human capital represent the basis of labor productivity growth.
- Poverty and low income of the rural population reduce the chances to access quality services. Unequal access of the population to quality services is described by high differences of infrastructure development (medical assistance, drinking water and sewage, etc.), as well as high differences at the level of service costs (electric energy and natural gas).
- The poorest population spends on average up to 15% of available income to have drinking water and minimum sewage, for which the costs are too high. Bad quality of rural roads and limited transportation influence negatively the accessibility of rural population to primary medical services. At the same time, lack of investments in hospital infrastructure indicates certain inequalities for the residents of different regions to receive timely primary medical assistance.
- *Integral access of the population to infrastructure* is considered a factor that affects the non-agricultural occupation in rural environment. Bad quality infrastructure at local level imposes certain development constraints of business sector. All these reduce the chances to create new jobs at local level and lead to the increase of internal mobility flows from the communities without a developed infrastructure to those with a developed infrastructure, with primary services, such as social services.
- Development of service infrastructure is strategically important for the economic growth and ensuring a quality health control of the population, especially in the rural area. The health state refers to the access of population to drinking water and sanitation. Lack of sewage system and the presence of affected wells increases the latent danger of diseases caused by the water consumption among the population..
- If the quality of education determines to a great extent the quality of life and creates opportunities for professional growth, all students should benefit from access to school with centralised water system and toilets on the premises. The quality of drinking water and hygienic conditions in the educational institutions should not be an impediment in healthy development of children, who are future human resources of a country.
- Equal access to education guarantees the formation of economic, political and socio-cultural communities in the country, while unequal access limits the participation of citizens in solving society's issues, which considerably reduces the quality of democracy. Ensuring the right to education and equal treatment for all to national policies facilitate a balanced participation on labor market of women and men, which means that both women and men have same responsibilities and chances to advance in career, same opportunities for equal pay for equal work.

- Equal access of women and men to decision-making process influences positively the settlement of social and economic inequalities in the society and represent an important impulse in promoting political actions addressed to social inclusions and poverty reduction, income and non-income equalities, playing as well an important role in promoting the maintenance and improving the health, educational, cultural infrastructure, especially in rural area.
- Political inequalities discriminate either through prejudice, stereotypes or stigmas or multiple segregations considered often silent (*silent segregation*). The highest challenges in the field are: reduced level of accountability of public agents/institutions for achieving political equality, reduced capacities to understand and formulate adequate policies, a very weak mechanism of monitoring and accountability of public institutions for achieving political equality.
- Political inequalities affect the quality of democracy and fundamental freedoms and the perspective of the opportunity to live in dignity, denting the image of good governance through reduced participation of citizens in the decision-making process, by marginalising different categories/groups of people, through reduced level of transparency regarding political processes and made decisions. The political inequalities lead to fractions of human cohesion, creating systemic and complex forms of abandonment, ignorance or intentional prejudice of political rights, freedoms, need for social and economic progress for individuals and social-vulnerable groups. The unequal justice imposes higher costs for the marginalised people and impedes their inclusion.
- The level of corruption increases the inequality of income, poverty and reduces the economic growth, progress of tax service and efficiency of social costs, human capital formation, as well as perpetuates unequal distribution of power.
- Lack of a consolidated democracy and escalation of corruption underlines the fact that the internal facts have a special importance in ensuring national security, as well as human security. These factors refer to the character and quality of political institutions that are obliged to increase the security at individual and national level. But what is considered political, personal and community insecurity fuels to a great extent the inequalities in ensuring human security on both Banks of the River Nistru. Respectively, the existence of unsolved conflict contributes to unequal distribution of income, unequal access to health services, education and nutrition, including access to justice of the population on the Left Bank of the River Nistru. These factors of human insecurity stress out certain horizontal and vertical inequalities, determined mostly by the lack of control over the territory on the left Bank of the River Nistru.
- *The essential driver of reducing income inequalities* in promoting country policies that ensure social groups with lower income is an equality of economic opportunities (in business, labor market, trade, etc.) compared to the groups with large income. This desideratum implies policies that refer to an increase of accountability of economic agents, different social actors and state enterprises regarding the employment of marginalised groups, including ethnic minorities, persons with disabilities, returned migrants, young people without experience, etc. Gender pay inequality may be liquidated by consolidating a monitoring mechanism of the right to equal pay for equal work and observance of criteria for salary differentiation outside any forms of discrimination by authorising active companies to observe the labor code and non-discrimination.
- *The essential driver in reducing non-income inequalities* resides in overcoming the obstacles regarding the prejudice and stigmatisation of different social groups in society through policies that would guarantee equal access to the social life (social, cultural, educational, employment services, etc.) and policy of the country (voting, participation in public decision-making process), justice and public institutions, which would guarantee the same freedoms and development of a participative and representative democracy.

Key Findings Regarding NON-INCOME INEQUALITIES

EDUCATION

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

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

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

HEALTH

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

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

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

POPULATION

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

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

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

LABOR MARKET

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

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

DIRECTIONS AND RECOMMENDATIONS FOR POLICY ACTIONS

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

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

One of the findings of this Report refers to the existence of some divergences and discrepancies in population access to different public services, such as education and training, employment, health, utilities, digital

services, which are largely determined by the unequal access of population to economic resources and lack of revenues. Besides the different factors of polarization of population incomes, there is also society polarization and maintenance of a high level of poverty, especially in rural areas. The identification of population with severe problems, caused by small incomes or lack of revenues, unequal opportunities and high costs, which hinder the accessibility to different social services and, thus, increase the opportunities for marginalization in society's political and public life. As a result, as an essential element, equality should be promoted by supporting some integrated and sustainable policies, which tackle the prevention of radicalization of inequalities in the society and mitigate the challenges related to social safety and population wellbeing.

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

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

POLICY ACTIONS IN RELATION TO INCOMES AND POVERTY REDUCTION

8

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

ternal and external labor force migration, especially among the youth.

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

The fact that entrepreneurs or citizens are treated differently for the same services represents a huge minus for the competitive environment. The unfair treatment and unequal opportunities always contribute to increasing the gap between the population

incomes. Respectively, the Government should ensure maximum transparency for simplifying the procedures meant for obtaining public services or permits/authorisations among the population, including the rural one.

POLICY ACTIONS FOR LABOR MARKET, MIGRATION, AND DEMOGRAPHY

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

The mismatch between the existing competences and the needs of the labor market would decrease by *encouraging the economic agents to create as many as possible opportunities of internships, especially for young persons, and mentorship programs for adults*, hence, alongside the permanent training programs for human capital provided by the national employment agencies, to provide operational basis for the tacit on-job solidarity between generations, thus guaranteeing the development of specific competences and skills in persons of all ages. As a stringent measure, it is necessary to perpetuate the initial training programs at the level of enterprises or national employment agencies in the area of digital services' use among elderly people and disadvantaged youth. It is also important to develop the dialogue between different social, governmental and non-governmental stakeholders *regarding the consolidation of on-job continuous training programs, campaigns of acknowledging the modernization of social stratification and the need to adopt a fair personnel policy*.

Another priority would be to *develop policies which would foster the increased access to vocational orientation and requalification programs, and validation of previous studies for the socially vulnerable groups, people at risk* (women, elderly, youth, ethnic minorities, persons with disabilities, returned migrants, etc.). It is also necessary to *improve the access and participation of vulnerable groups on the labor market*, for the purpose of avoiding social exclusion, marginalization,

discrimination and poverty risk. In this respect, focus should be placed on developing the information and counselling centres dealing with access to labor market of the beneficiaries at the local and rayon levels, as well on increasing the involvement of civil society through community projects, which would facilitate the entry/reintegration of socially vulnerable groups on the labor market.

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

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

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

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

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

The current trends of the labor market also deal with the self-employment of labor force. Although still rather modest at the national level, the options for developing this type of employment become rather popular among youth – entrepreneurship (ecologic, social etc.), individual enterprise or individual entrepreneur, holder of entrepreneur or farmer patent. A big number of people, especially young persons, are self-employed, because they do not have the possibility to be employees, which they actually would prefer to be if they obtain a remunerated job. In this respect, *the development of entrepreneurship culture among them is essential, which should be completed with different programs of micro-crediting*. A sustainability measure for labor market and entrepreneurship in general would be *the establishment of a micro-crediting fund from national funds dedicated to domestic producers in the individual sector* (including households and nearby land plots, private property) and

self-employed so as to encourage the harnessing of local (home-made) products. This public fund could be also used to harness to maximum the competences and qualifications of the self-employed/free-lancers. Different national agencies would be able to contract through this fund free-lancers for execution of different works or services. At the same time, it is important to diversify the financing programs, grants and subsidies, and to simplify the crediting conditions used in the banking sector.

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

POLICY ACTIONS IN EDUCATION

Taking into account the strategic framework and the implementation plan of the Association Agreement, the life-long learning and transparency at all education and training levels, increase of equal chances in education refer to a series of policy measures for harmonization of legislative provisions with the European ones and their eventual implementation. Ensuring access to education for all represents a better chance for a qualitative life, including higher incomes and overcoming poverty.

The differences in education and quality of training contribute to appearance of inequalities which are felt over generations as well. Thus, it is important to *implement a number of programs in education* which

would ensure a balanced and equal participation of the population all over the life cycle. In this respect, it is important to focus the national policies at the enterprise or business *level towards the professional needs of the different categories of persons in the national economy*, towards their training and requalification, including acquiring of new skills.

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

It is necessary to ensure the full and effective participation of citizens in the educational process, including the assurance of equal chances in education for persons from rural area; as well to focus on increasing the quality of school institutions, ensuring them with transportation means, staffing them with qualified teaching staff and corresponding logistical basis. In the same context, it is absolutely necessary to extend the inclusive education services and positive practices in all communities, including in rural area. Another need is to *implement qualitatively and transparently the professional standards of teaching and managerial staff*, which ensure inclusion and equality of chances in organization of the educational process. And last but not least, it is necessary to adjust the educational institutions to the needs of the children with special educational requirements; to ensure their access to educational institutions; to employ speech therapists in the institutions with a big number of children with special educational requirements; to set up a special fund for procurement of teaching materials (coloured materials, files, posters), and to increase the number of support teaching personnel.

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

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

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

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

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

PRIORITY ACTIONS IN HEALTH SECTOR

the tools for verification of quality and safety of services provided in medical institutions, including the condition of existing equipment and revision of quality control system for medical services so as to accredit them in line with the quality indicators of the rendered services.

In the area of public health, it is absolutely imperative to enhance the inter-sectorial collaboration (LPA, school, etc.) of the stakeholders responsible for health, education, and wellbeing of the population; to develop some programs for promotion of healthy lifestyle, education for health, which would increase the access of rural population, including of the young generation to information about health; to *develop additional programs/measures focused on health problems and adjusted to the specific needs of certain groups of population* (male population, patients with chronic diseases, patients in the terminal stage of the disease, the elderly etc.).

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

POLICY ACTIONS IN ACCESS TO COMMUNITY PUBLIC UTILITIES

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

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

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

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

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

Gender equality developed and continues to get developed from a multidimensional perspective of this principle implementation. The actions necessary for reducing inequalities and empowering women should be focused on ensuring a balanced representation from gender perspective on the political arena, including in matters of foreign relations. In this respect, it is imperative to promote women in decision-making processes in the foreign relations area, for all the official delegations to observe the principle of gender parity and to have a balance in the time allocated to women and men in taking the floor in this context.

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

A necessary measure would be the *amplification of*

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

At the same time, to ensure women's sustainable representation in public life, *it is important to foster the national broadcasters to equally present women in talk-shows and political or other debates.*

A necessary measure is *to promote the principle of reconciliation of professional, private and family lives.* In this respect, it is important to promote reconciliation

and balance between family life and professional life through some measures as equal distribution of costs for child caring between the employers of both parents and assurance of accessible and adequate services for taking care of children and elderly.

It is absolutely imperative *to identify the forms of economic and social discrimination and to find remedies*

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

It is necessary to reconsider *totally the mechanism of withdrawing the legal capacity of the persons with disabilities, which suspends the person's political and fundamental rights.* The state may foster the business environment to recruit, and not only to impose obligations. And accessibility should be a top criterion in planning urban and constructions infrastructure of any building. An important measure is *to monitor the cases of segregation and to make harsher the punishments for violation the rights of the persons with disabilities;* including the monitoring of the residential institutions where cases of violence and abuse against persons with disabilities were registered.

A priority action direction should focus on *adjusting the system of public financing of political parties*, to create more options of representativeness and to improve

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

PRIORITY ACTIONS IN POLITICAL SECTOR

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

An essential measure *is to amend the legislation regarding the political parties and the Electoral Code* so as to decrease the ceiling for membership fees and annual collecting from 0.3% from state budget to 0.2%, so as to prevent the unjustified influence of the private sector upon political parties' financing, to diminish the share of financing from private sources. At the same time, the amendments should provide the possibility for the citizens of the Republic of Moldova staying abroad to contribute financially to support the political parties, just like it is possible for them to vote in the parliamentary or presidential elections, preventing thus abuses.

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

A relevant measure to ensure the principle of political representativeness is *to improve the legislation regard-*

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

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

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

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

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

ACTIONS IN HUMAN SECURITY AREA

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

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

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



*Empowered lives.
Resilient nations.*

**UNITED NATIONS
DEVELOPMENT PROGRAMME (UNDP)**
in the Republic of Moldova

131, 31 August 1989 Street, Chisinau,
MD-2012, Republic of Moldova