

Moldova

The country fact sheet was prepared by Jonah Helwig in the framework of an institutional collaboration between the European Centre of Social Welfare Policy and Research and the Central European University in April 2023. The content of the sheet does neither necessarily reflect the views of those institutions nor those of the respective Ministry/ies.

Name of the Partner: Jonah Helwig, Central European University	
Policy Framework	<p>Constitution of the Republic of Moldova – Article 47 Right to Social Assistance and Protection</p> <p>Association Agreement Between the Republic of Moldova and European Union</p> <p>Candidate Status with the European Union</p> <p>Eastern Partnership Initiative (EaP)</p> <p>The Council of Europe Action Plan for the Republic of Moldova 2021-2024</p> <p>National Development Strategy ‘Moldova 2030’</p> <p>Strategy for the Digital Transformation of the Republic of Moldova</p>
General situation across all policy areas	
Main challenges across all policy areas	<p>As of 2020, 28.7% of Moldovan citizens live abroad.</p> <p>A fragile labour market, low wages, and an unstable political and security situation are key emigration drivers.</p> <p>Increased rate of emigration and negative population growth rate contribute to a rapidly ageing population.</p> <p>Corruption and an unstable political situation deter local and foreign economic investment.</p> <p>As of February 2023, 765,242 people fleeing the war in Ukraine have entered Moldova, of which 108,885 refugees remain in the country. The long-term impacts of this influx of refugees on social policy in Moldova remain unclear.</p>
Main approaches to address challenges across all policy areas	<p>In 2022 the government and parliament of Moldova adopted the National Development Strategy ‘Moldova 2030’ to foster sustainable development, improve infrastructure and working conditions to strengthen the labour market.</p> <p>Prioritisation of policies to increase the standard of living, strengthen institutions and the labour market to attract return migration.</p>

Social policy specific situation	
Significant social trends	<p>Population growth rate has decreased by -0.8% in 2021. The emigration rate has increased in recent years and as of 2022 the net migration rate is estimated at -8.8 migrants/1000 population.</p> <p>According to UNICEF, increased emigration has led to increased child separation as emigrants often leave their children behind to be raised by other family members such as grandparents. Children being raised by other family members are highly reliant on remittances and can face psychological problems from the absence of their parents.</p> <p>As of 2022, 14% of the population is aged 65 and above. By 2050, this will increase to 30% of the total population.</p> <p>Persons with disabilities make up 6.7% of the total population. The employment rate among people with disabilities is 16.5%.</p>
Key challenges specific to social policy	<p>A large amount of the working age population has emigrated, leading to strain on the labour market.</p> <p>Older people have a hard time finding work suited to them and face age discrimination leading many to rely on remittances or informal work.</p> <p>People with disabilities have few employment opportunities and low state benefits, increasing their risk of poverty.</p> <p>In 2021, 24.5% of the Moldovan population lived below the poverty threshold. Coverage of the social assistance program remains lacking with only 26% of extremely poor families receiving social benefits. The benefits remain too low to effectively fight extreme poverty.</p>
Main approaches to address social policy challenges	<p>To address the described challenges, the Moldovan government aims to</p> <ul style="list-style-type: none"> - attract emigrants to return by improving the living standard; - ensure flexible working conditions to accommodate the elderly and persons with disabilities in the workplace; and - protect equal access to all levels of education for persons with disabilities, as well as structural encouragement for pursuit of professional aspirations. <p>Furthermore, in 2022 the government of Moldova undertook reforms to combat poverty. These reforms include raising the minimum pension and minimum wage, increasing social assistance payments per child, and incentivising labour market participation.</p> <p>Law 140/2013 on the special protection of children at risk and those separated from their parents was amended in 2020 to introduce custody measures for children left behind by emigrant parents.</p>
Target groups	Older people, children, persons with disabilities, emigrants, and families

Practice example	<i>The following section provides a practice example of the region under scrutiny.</i>
Name of the good practice	Pare 1+1 Program
Policy areas	<input checked="" type="checkbox"/> Employment and labour market policy <input checked="" type="checkbox"/> Migration and integration <input checked="" type="checkbox"/> Other, Rural Development
Description of the practice	Emigrant workers or first-degree relatives who wish to develop their own business through the investment of remittances earned while working abroad may apply for investment grants through the Pare 1+1 program. Each Moldovan leu of remittances invested in starting a small business will be matched in one leu of grant funds.
Governance & funding	The program is implemented by the Organization for the Development of Small and Medium Enterprises Sector (ODIMM). The program is financed by the State Chancellery of the Republic of Moldova, the European Union (EU4Business), and United Nations Development Programme.
Innovation	The program attracts emigrants to return to Moldova and sparks economic development by funnelling remittances into economic investment rather than consumption. The program offers funding and entrepreneurship training opportunities to entice migrants to return to start their own business.
Challenges of implementation	The fear of corruption and mistrust of the government deters some emigrants from utilising this program. The bureaucratic process can be inconvenient and tedious, further deterring migrants from participating.
Outcome(s) and impact	<p>One billion leu have been invested by migrants through the Pare 1+1 program.</p> <p>1623 enterprises have been funded with Pare 1+1 grants and 2410 returning emigrants have gone through entrepreneurship training.</p> <p>The most popular investment area is agriculture. Projects include cultivating apple orchards, growing vineyards, and even breeding chinchillas.</p>
Main partner(s)/ stakeholders	<p>Organisation for the Development of Small and Medium Enterprises Sector (ODIMM).</p> <p>United Nations Development Programme</p> <p>European Union (EU4Business)</p>