INEQUALITIES IN URBAN AND RURAL MOLDOVA:

Beyond incomes and averages, looking into the future of inequalities

UNDP Moldova 2020
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Introduction

In the last decade or so the Republic of Moldova has made important positive progress in terms of human development, yet the country continues to face a number of very complex challenges that require a collaborative effort and action by all stakeholders involved. Some of these challenges are intensifying in their complexity, such as migration (both internal and outmigration) and the connected brain drain. Depopulation and the demographic context are worsening as well. Several groups within the population are either excluded or at high risk of social exclusion, including women, ethnic minorities, youth not in employment or any formal training, people with disabilities and the elderly. While income inequalities are relatively low, our analysis demonstrates the risks of new non-income inequalities emerging, such as inequalities in accessing food and energy. Moldova’s progress is at risk particularly in the urban settlements throughout the country, and especially in the context of the high urbanization and growth of the capital city. Increasing pollution and continuous degradation of the environment also add a negative impact to the generally challenging situation.

Unpacking the complexity of the development challenges of today and tomorrow, as well as providing knowledge that can be useful in finding suitable and viable solutions to accelerate the achievement of the 2030 goals, is at the core of the value proposition of the United Nations Development Programme (UNDP) in Moldova. Together with the Government, private sector, citizens and corporate citizens, we seek to find new ways to unpack the existing and upcoming inequalities and to design or co-design solutions to such inequalities in a way that is inclusive, participatory and sustainable from both the institutional and financial perspective. But finding solutions to inequalities means looking beyond averages, beyond income and beyond just today – in our specific context it means going beyond income inequalities and beyond the averages of the existing statistical evidence, and looking into the future as regards inequalities, by identifying emerging inequalities, particularly in urban areas.

Through this series of Inequality Papers, UNDP Moldova and its partners are tapping into new evidence, including big data on mobility and thick data on people’s perceptions. We analyse income and some non-income inequalities through the prism of access to qualitative services, including health care, primary education, green spaces, transportation and urban mobility. This analytical work is ongoing, and will result in a series of position and policy papers that will provide in-depth detail on multifaceted non-income inequalities. Our ambition is to unpack complex development challenges in the areas of urban mobility, consumption behaviour, the future of skills and jobs and the future of education. Where possible we start to link the used evidence and indicators with the SDG targets, so that readers are able to link the analysis on the inequalities with the 2030 goals and targets.
In the present report we investigate income inequalities by carrying out an analysis of incomes and expenditures, as insufficiency of incomes is recognized as the main factor inducing inequality in the urban settlements in the country, and particularly in Chisinau. Through the use of micronarratives we try to answer a simple yet fundamental question: what is life currently like in Moldova? We seek to understand people’s perceptions around qualitative aspects of inequality encountered by the urban population, again especially in the capital city.

Taking into account the fact that opportunities to obtain a better income may be found in Chisinau as compared to other localities in the country, the study presents income gaps expressed through different wages in different socioeconomic areas, which deepen the inequality between groups of employees depending on their employment sector. The study also tackles the problem of decent work and informal employment, which marginalizes certain groups of people from the perspective of risk assurance, access to health care and so on.
Methodology of the research

This study has used both quantitative analysis of traditional and new data and qualitative analyses. The latter includes use of a method for distributed ethnography which collects data through micronarratives, and related indexing, coupled with sensemaking with end-users. Micronarratives were collected from around 1,000 respondents across the country. The quantitative analysis used statistical data kindly provided by the National Bureau of Statistics (NBS), as well as spatial, mobility and electricity consumption data provided by our partners in the private sector. The paper is accompanied by an annex in which we link the used data and indicators to the SDG targets.

Contributors/readers group

UNDP Moldova is particularly grateful for the analytical support and contributions provide by local experts and enthusiasts in the area of social and economic inequalities and sustainable human development. Support was received from Maria Vremis, Aurelia Spataru, Andrei Isac, Dorin Vaculovschi, Valentina Bodrug-Lungu, Olga Gagauz, Irina Guban, Zhen Goh, Jana Midoni, Inga Podoroghin and many others. Peer review and consolidation of the paper was supported by UNDP Istanbul Regional Hub experts, George Bouma, Elena Danilova-Cross and Mihail Peleah. This paper takes into consideration the work on urban inequalities previously conducted by UNDP Moldova.

Data and analytical support were also provided by several partners in the private sector, in particular Orange Moldova (data on mobility) and Premier Energy Moldova (data on electricity consumption in Chisinau municipality). The collection and use of thick data on people’s perceptions was done in partnership with Cognitive Edge, a Singapore-based think tank that is leading work on micronarratives and sense-making around thick data. Solid data and analytical support were received from the National Bureau of Statistics.

Coordination was ensured by Andrea Cuzyova and Dumitru Vasilescu.

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UNDP partners with people at all levels of society to help build nations that can withstand crisis, and drive and sustain the kind of growth that improves the quality of life for everyone. On the ground in nearly 170 countries and territories, we offer global perspective and local insight to help empower lives and build resilient nations.
Moldova at a glance: evolution in human development

The Republic of Moldova ranks 107 out of the 189 countries and territories in the Human Development Index (HDI), which measures national progress in health, education and income.

Figure 1. HDI score of the Republic of Moldova from 1990 to 2018


Moldova’s HDI value for 2018 was 0.711, which puts the country in the high human development category. Looking just at the Europe and Central Asia (ECA) region, countries which are close to the Republic of Moldova in terms of their HDI rank and population size in 2018 include Turkmenistan and Uzbekistan.

Moldova lost 10.4 per cent of overall human development progress due to persisting inequalities. For comparison purposes, the ECA region lost on average 12.7 per cent, while Western Europe lost just 9.4 per cent. In Moldova the poorest 40 per cent of the population represented 24.1 per cent of the population in 2018, while the richest 10 per cent accounted for 21.7 per cent of the population; the richest 1 per cent represented 6.1 per cent of the population.
However, income poverty only tells part of the story. For the most disadvantaged, the breadth (intensity) of deprivation in Moldova is 37.4 per cent. In 2012, the population experiencing multidimensional poverty in Moldova was 0.9 percentage points. This implies that individuals living above the income poverty line may still suffer multiple deprivations in the core areas of human development, i.e. health, education and/or standard of living. As part of an existing United Nations joint project implemented with NBS, the UNDP is working on the development of a national multidimensional poverty index for Moldova, to be released in early 2020.

Figure 2. Moldova at a glance (HDI and other indices)

Source: Global Human Development Report, 2019

During the period 2006–2017, the Gini coefficient, which measures overall inequality from 0 (perfect equality) to 1 (maximum inequality), decreased continuously, going down from a peak of 0.426 in 1999 to 0.354 in 2006, and to 0.259 in 2017. Specialists have provided different explanations for this, including the fact that remittances account for an important share of GDP, or pointing to the reallocation of resources by the Government and so on. The Gini coefficient shows higher inequality in terms of incomes compared to consumption, confirming the smoothing effect of personal remittances and Government transfers, as well as the large shadow economy (estimated at around 30 per cent of the total size of the economy). However, the Gini coefficient, which captures inequalities of outcomes, significantly underestimates inequality of opportunities.

The Palma inequality index, which shows the ratio of income share held by the top 10 per cent compared to that held by the bottom 40 per cent, also went down from 2.14 in 1999 to 1.46 in 2006, and to 0.90 in 2017. Nevertheless, all of these figures should be treated with caution as the survey may have missed the richest. https://data.worldbank.org/indicator/SI.POV.GINI?locations=MD
Just as the gap in basic living standards is narrowing, new forms of inequality affecting the poorer and more vulnerable groups of the population are emerging, caused by uneven access to education, health services and technology, and exacerbated by the climate crisis. Public opinion polls\(^2\) reveal a similarly stark stratification of society, with some 27 per cent of respondents saying their incomes are not enough to cover the bare necessities, 43 per cent saying they just cover the necessities, and 22 per cent saying they provide for a decent life but not expensive goods; only 6 per cent consider themselves better off\(^3\).

Non-income inequalities and new forms of inequality might undermine Moldova’s achievements in sustainable development. In the urban context, and having in mind the growing urban population, the risks of experiencing food and energy poverty are very high. UNDP is currently working on using available evidence to understand these challenges and to identify areas for future interventions.

\(^3\) Unweighted averages for 2017–2019.
The regional context – trends in inequalities in the countries of Eastern Europe and the Commonwealth of Independent States

**Key regional messages from the Global Human Development Report and what they mean for Moldova**

The 2019 Global Human Development Report puts forward specific key messages for the countries in the ECA region. Below is a snapshot of these core findings as they relate to the specific context of Moldova:

**Key message 1:** Human development and living standards in the middle-income countries of the ECA region have never been higher.
However, reducing inequalities is likely to become increasingly difficult. High levels of informal and vulnerable employment, fraying social safety nets, outmigration of skilled and young workers, and widely perceived inequality before the law make inequality issues particularly pressing in the region. Such risks of growing inequalities are particularly relevant for Moldova, which is facing a massive outmigration trend.

**Key message 2:** For the whole of the region, data on income inequalities is unclear.
Data on income poverty indicates that some 5 million people dropped out of the region’s middle class during 2014–2017, with most of this concentrated in Armenia, Belarus, Kazakhstan and Ukraine. Data on income poverty since 2015 is missing for Moldova, which makes it difficult to judge the evolution of the middle class and if the same worrisome regional trends are relevant for Moldova as well.

**Key message 3:** The labour market is an important contributor to increasing inequality.
Dysfunctional labour markets in many countries of the region are driving the outmigration, and therefore depopulation. Decent jobs are scarce and access to social protection is limited and problematic. If one is not in decent employment, and most probably not in Chisinau, the risk of becoming poor and having limited access to basic services is very high. Particularly disadvantaged are some traditionally more vulnerable groups, including women, ethnic minorities, young workers, migrants/returning migrants, persons with disabilities, residents of monotowns, etc.

**Key message 4:** Persistent inequalities can undermine sociopolitical stability and democratic rule.
Most recent opinion polls throughout many countries in the region reflect rising concerns around the quality of governance, capacities to curb corruption and inequality before the law. Perceptions of inequalities are underestimated and are not captured in the official socioeconomic evidence. In turn,
lack of the rule of law and control of corruption exacerbates existing inequalities, promoting a vicious cycle.

Figure 4. Quality of governance in Moldova

Source: UNDP

The countries of the ECA region are stuck in a situation of low-quality governance. (The red diamond is Moldova, the green boxes are ECA countries and the blue circles are the EU-28 countries). On the horizontal axis is data for 2008, while on the vertical axis is data for 2018. Countries above the diagonal line show improvement, while those beyond the diagonal line show a deterioration in their situation.

Key message 5: Globalization is a mixed blessing, which can help many but can exclude many more. Some countries in the region are capitalizing on high levels of human capital and emerging IT skills to integrate into knowledge-intensive cross-border value chains. While Moldova is doing rather well in this area, with a very dynamic and growing ICT sector, there are new risks related to labour migration and questions around the competitiveness and dynamism of the local labour market and its capacity to retain a skilled workforce. The ratio of highly skilled to low-skilled workers in the ECA
region is only half that of Organisation for Economic Co-operation and Development countries—a gap which may become harder to close as technology advances in richer nations. Making digitalization work for everyone entails boosting the participation of women, people living with disability and other groups in the local job market. This also opens the opportunity to make the country welcoming to digital nomads and to reconnect with the diaspora abroad. The private sector has a special role to play – and a special place – in this dialogue, to connect existing human capital to the demand side and to connect the local market to the regional and global ones.

**Key message 6:** Unsustainable natural resource management (particularly concerning land and water) often drives or aggravates socioeconomic inequalities in the region.

Nearly 90 per cent of the region’s energy comes from fossil fuels, and nearly 30 per cent of land is classified as degraded. In Moldova around 75 per cent of energy is imported and comes from fossil fuels. The residential sector is one important consumer of electricity and such consumption is not sustainable and can lead to higher risks of energy poverty and lack of access. Possible industrialization would create more demand for energy, raising questions of sustainability, as well as questions regarding the construction and maintenance of infrastructure.
What is life like in urban Moldova? The perceptions of people living in urban Moldova

Key sentiments about income and non-income inequalities in Moldova

Stories of people living in urban and rural Moldova

“*The natural resources are not efficiently used, the factories in the city do not have waste baskets, and the cars in traffic jams emit toxic gases. The atmosphere is polluted.*”

*Woman, 45 years old, urban.*

“*Public transportation is old, it circulates rarely (sometimes we wait at the bus station for 30–40 minutes) and is often overcrowded. During the summer the heat in the transportation units is unbearable as there is no air-conditioning system. There is no public transportation during the night-time.*”

*Women, 50 years old, urban.*

“*There are not enough playgrounds for kids, and the existing ones are not being renovated.*”

*Women, 35 years old, urban.*

“*We have many schools, kindergartens and teachers with different competencies, but our education programme is far behind the European programme. I would also like to have access to free-of-charge sports clubs for kids.*”

*Man, 47 years old, rural.*

“*People with disabilities are not welcomed on the job market. Many employers are not inclusive of those people.*”

*Women, 26 years old, rural.*

These are a few of the related narratives that were collected from people talking about their quality of life in Chisinau.

**Key messages**

- When talking about the existing inequalities and quality of life in Chisinau people focus more on social conditions, rather than economic or environment-related conditions.

- People tend to put the responsibility for the quality of their life on the government, which they themselves elected.

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4 The analysis in this part of the report uses thick data, referred to as micro-narratives, and their indexing through SenseMaker. SenseMaker is a tool that combines the advantages of both qualitative and quantitative research methods. The qualitative part collects people’s stories relating to the research question (which are not long and relate directly to the problem addressed), while the quantitative part, such as demographic questions, multiple choice questions or choosing a singular position on a triad or duad, allows the narrator to answer a few questions about his or her story. The combination of quantitative and qualitative data collection allows for both individual in-depth analyses and representativeness (or at least a reliable estimate) of the frequency and commonality of certain stories. This methodology was described in more detail in a separate paper.
People seem to feel uncertain about making decisions for themselves and by themselves. The future seems uncertain and people do not feel comfortable taking decisions in this situation of uncertainty.

People’s stories are mostly about the concerns and conditions of the present and/or past, not the future, and perceptions of the quality of life, in its different aspects, are more unhappy than happy.

At the same time, people tend to show a self-centred thinking pattern, with their stories being mostly focused on themselves, rather than the community or society.

To understand the reality behind the averages (as the Global Human Development Report advocates), UNDP Moldova, in partnership with the Singapore-based think tank Cognitive Edge and UNDP’s Regional Istanbul Hub, has recently conducted micronarrative-based research to understand people’s perceptions around the quality of life and inequalities in urban Moldova, with a particular focus on the capital city of Chisinau. Over 1,000 stories were collected, mainly from people living in Chisinau. This research is now being expanded to other regions and will include more and new respondents. The micronarrative frame consists of two core parts:

Part 1: story-telling. In this part we asked people to reflect on their life and the quality of life in their area of residence or (alternatively) on the life of their relatives and friends residing elsewhere, on specific moments that come to their mind, on their daily experience and the most frequent and important experiences for themselves and their relatives/families.

Part 2: In the second part we asked people to fill in a perception-based questionnaire reflecting the experiences from the narrated story.

Figure 5. How is life? The story was mostly about...

The factors most frequently indexed as affecting people’s perception of life satisfaction in the stories shared were the environment (23 per cent) and education (22 per cent). These were followed by money and income (16 per cent), security and mobility (14 per cent), life satisfaction (14 per cent), transportation (14 per cent), and the government (14 per cent). Stories were to a lesser extent related to community involvement (10 per cent), health (8 per cent), housing and accommodation (6 per cent), and labour and jobs (6 per cent).

Figure 6. How is life? The story has the intention to...

People shared their stories, largely with the intentions of attempting to influence (26 per cent) and complain/witness concerns (22 per cent), and to a lesser extent to inform/educate (16 per cent),
criticize (13 per cent), inspire (7 per cent), involve (6 per cent), encourage (4 per cent), attack (2 per cent) and amuse (2 per cent). None of the stories had the intention to protect.

Six core questions were addressed and formulated through triads. The results are visualized and analysed below.

Triad 1: How is life? Changes took place in...

About 65 per cent of the respondents linked the changes described in their stories to social conditions, a combination of social and economic factors, or even all three factors (social, economic and environmental). A smaller portion of respondents thought that the environment or economic conditions alone influenced the changes.

As the largest part of the respondents said their story had the purpose to influence (26 per cent) and to complain and witness concerns (22 per cent), we correlate this with people’s need to express their ideas about their own or their peers’ social conditions.

It is interesting to notice that even though 23 per cent of respondents related their story to the environment, those stories were not about the changes that took place in the environment. Does this mean that people perceive the environment to be an issue where changes are needed but have not taken place yet, or that the environmental aspect is well managed or does not need intervention, or that they do not care about the environment?

Triad 2: How is life? Responsibility lies with...

A significant number of the respondents (about 23 per cent) thought the responsibility for the situation described in their story lies with all actors (non-governmental organizations, the government and the community/family), with around 20 per cent thinking it concerns the government and the community/family. Nevertheless, there was a tendency for people to put more responsibility on the government.

About 40 per cent of the respondents said that the persons in their stories were equally
influenced by the present, past and future. About 56 per cent of the respondents clearly linked their stories to present concerns and conditions, with the other 18 per cent linking them to both the present and past. Only about 3 per cent said that the vision of the future was an influencer in their story.

Triad 3: How is life? Persons are influenced by…

The rather low level of importance given to the vision of the future in people’s stories raised question marks for us. Why is the future given such limited importance? Do people live in the present and/or past and lack a vision about their future?

In the sense-making sessions, we identified several explanatory trends:

- Many people are still guided by traditional thinking, a mindset of the past.
- Many people perceive the present conditions to be difficult as their basic needs are not being met. In such circumstances, the future seems uncertain and people do not feel comfortable taking decisions in a situation of uncertainty.
- Thus, many people have a short-term vision. The long-term vision is missing or very weak.
- Taking into account that the modern world is very dynamic, people are forced to take decisions in uncertain situations.

Triad 4: How is life? People are mostly preoccupied by...

About half of the respondents were mostly preoccupied by themselves in their story, and only about 5 per cent were preoccupied by the society.

Does that mean there is a problem of personal identity or that people are rather self-centred and do not have the capacity to think about and engage in society?

In the sense-making session we concluded that we might need to educate people on self-awareness, self-identity and community identity. In the long
run, this type of education could lead to a more responsible citizenship.

Triad 5: How is life? My participation is determined by...

About 20 per cent of the respondents were guided by their own decision to participate in the decision-making process, while about 40 per cent were influenced by all three factors (themselves, decision makers and community/family). Only 3 per cent were influenced by their community/family. The rather small proportion of people taking the decisions themselves tells us that: either people are following the decisions of others to a great extent and they might need support, in terms of empowerment, to be able to take decisions themselves; or that people are indifferent towards community problems and do not engage in decision-making.

About half of the respondents said their contribution to solving problems involved, to an equal extent, money, time/effort, as well as acquaintances/connections. It is interesting to see two other sets of responses: one where participants contributed money to a higher extent; and the second where participants contributed time/effort and acquaintances/connections to a higher extent. It would be interesting to identify if the type of contribution is determined by the type of problem, by people’s resources, by people’s values or by other factors.

Triad 6: How is life? My contribution is in the form of...

The data reported below tells us that the respondents are mostly concerned with problems at the city level. This might imply either that they do not have specific problems related to their neighbourhood, or that their neighbourhood problems are general to the whole city, or that the problems they encounter are not related to a specific area in Chisinau (for instance, education and jobs). We also see that the respondents recognize the negative influence of old practices on people’s lives, which are slowing down change or preventing change from occurring. This might mean that the
respondents themselves are also tapped in old practices and have a fixed mindset.

Figure 7: How is life? Summary of stories

<table>
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<tr>
<th>The encountered problems mostly relate to:</th>
<th>The situation in my story is:</th>
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Source: UNDP Moldova

We asked respondents to rate their level of satisfaction on various aspects of their life in Chisinau. In the graph below, which shows the median indicator, we see that the overall perception is more one of dissatisfaction, on all of the aspects of life offered as response options. Out of all of the different options, respondents were mostly satisfied with housing and less satisfied with civic engagement.

Figure 8: How is life? General level of satisfaction of people.
Source: UNDP Moldova

Expectations regarding how the situation in the respondents’ story would evolve in the long term were rather pessimistic, with many respondents thinking that what is happening today will have a long-lasting negative impact in the future.

Respondents were also asked to rate their expectations regarding how the situation in their story will evolve in the future in terms of five areas: economic, health, social/community, the environment and resilience. The data shows us a general negative perception for all five areas, both as it relates to the impact as well as the effect of future evolutions. Nevertheless, there is a bigger difference between perceptions related to future economic status and those related to resilience: people see a greater negative economic effect but a less negative effect on resilience (Figure 9).

On the other hand, the data in Triad 3 tells us that only a small part of the respondents (about 3 per cent) said that their stories were influenced by the vision of the future. This could mean they lack a vision about their future, thus leading to them feeling uncertain about that future and subsequently seeing it through a rather negative lens.

Figure 9: Respondents’ expectations regarding how the situation described in their stories will evolve in the long run – sense-making data, how is life in Chisinau?
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<th>Social/Community</th>
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**Economy**

Source: UNDP Moldova
Emerging inequalities in rural and urban Moldova: case study of Chisinau

**Key messages**

- Inequalities in both urban and rural Moldova will be intensified by the ongoing internal and outbound migration; the growing number of people living in the capital city will further increase risks of increased non-income and income urban inequalities.
- Elderly people are considered to be the group of the population that are most deprived and the most at risk of unequal access to basic services, particularly in the urban context.
- As a result of growing urbanization, Chisinau is a true pole of attraction for job-seekers, investors, enterprises, etc.; inhabitants of Chisinau have better access to basic services in health and education, and better access to green urban spaces and so on.
- Higher income inequalities in the urban context justify the need for a further in-depth analysis of such trends over time, and cross-generation and development/testing of policy options and alternatives to reduce urban income inequalities.
- The rather equal access to urban green spaces for urban inhabitants in Chisinau is good news; the relatively good access to public transportation nevertheless requires further modernization efforts.
- Inequalities in accessing primary and specialized health care service are notable between urban and rural areas in Moldova, and there is a likelihood of growing inequalities in this respect.
- Existing gender inequalities have a negative impact on sustainable human development in Moldova and could potentially lead to a widening gap in terms of enhanced capabilities for men and women in Moldova.

**Urbanization in Moldova**

Urbanization in Moldova is a continuous phenomenon that is characterized by a growth in the urban population in the context of an overall reduction in the country’s total population. According to the data from NBS, the country’s stable population\(^5\) as at 1 January 2019 was 3542,7 thousand people, a reduction of around 38,400 persons compared to the figure as at 1 January 2007\(^6\). In the same period the population of the municipality of Chisinau increased by 52,600 persons: 37,000 persons in the city

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\(^5\) Stable population – number of persons that have permanent residence on the respective territory, including people that are temporarily missing. NBS, Population and demography, metadata, [http://statbank.statistica.md/pxweb/Database/RO/02 per cent20POP/POP01/Populatia.pdf](http://statbank.statistica.md/pxweb/Database/RO/02 per cent20POP/POP01/Populatia.pdf)

\(^6\) BNS, [http://statbank.statistica.md](http://statbank.statistica.md), Statistica populației
itself (a 5.6 per cent increase) and 15,600 persons in the suburbs (a 12.8 per cent increase). This clearly indicates a concentration of Moldova’s population in the capital city. Based on very preliminary estimates done based on urban mobility and electricity supply data through the UNDP’s big data collaborative platform, the municipality hosts at least an additional 4.5–5 per cent of people who commute to the city each day, consuming electricity, among other things.

Figure 10. Size categories of urban settlements in Moldova by number of inhabitants


Official statistics might be underestimates, given that an important percentage of people migrating to cities (in this case Chisinau, but not only to this city) tend not to update their residence permits, even though they live and work in Chisinau on a continuous basis. A recent analysis

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7 The data collaboration platform is a joint initiative of UNDP Moldova and a myriad of corporate citizens, including in particular Orange Moldova and Premier Energy.

8 Omnibus CBS-AXA, September 2015, 1219 respondents, nationally representative sample
demonstrated that around 15.4 per cent of respondents living in Chisinau have residency outside the capital city.

The elderly are considered to be the most disadvantaged and deprived group of the population. They face stark problems when it comes to surviving in the urban context, particularly as regards covering the cost of commodities and communal services, which take up the largest part of the pensions they receive. The amount of pension payments is small and covers only 83 per cent of the minimum subsistence costs for the total population; the replacement ratio, expressed by the ratio between the average pension and the average salary registered in the economy, represents only 25.5 per cent.

Figure 11: Inequalities of opportunities

Source: Regional ECA Human Development Report 2011. Bar size corresponds to social exclusion level of people with mentioned characteristics.

Different combinations of individual risks, drivers and the local context result in different levels of social exclusion. Economic centres and the capital offer many more opportunities, compared to small

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10 according to the European Social Security Code, this indicator is recommended to be 40% percent; Art. 65, point 1 of the European Social Security Code
towns, resulting in lower social exclusion and promoting migration in the search for a ‘location premium’.

With the ageing of the population, inequalities will further increase – and thus this specific group of the population will become both more numerous and more vulnerable. It is likely that the pensions system will cover the minimum needs of the elderly but will fail to support a decent living for them.

Living in the capital city of Chisinau means having access to better opportunities, as well as specific benefits. The city is a pole of attraction for investments and investors, production inputs, concentrated economic activity and small/medium enterprises, which all contribute to a better development of the city as compared to the rest of the country or towns. It is therefore important to note that Chisinau municipality, which hosts only about 23.5 per cent of the total population of the country, is the ecosystem within which around 58.5 per cent of the total number of registered enterprises in the country operate. Furthermore, the city of Chisinau is host to around 54.1 per cent of total industrial production and about 62.9 per cent of total investments, while accommodating around 48.6 per cent of the total number of employees. The average monthly salary of an employee in Chisinau is on average 19.5 per cent higher than the country average, while the average monthly pension is 48.1 per cent higher than the country average.

The city of Chisinau offers greater opportunities as regards finding a decent job, and educational, recreational and cultural opportunities, and also better opportunities for accessing qualitative health care services, as compared to other areas of interest. For instance, inhabitants in Chisinau can enjoy excellent access to green urban spaces. Recent Earth Observation data and UNDP research shows that 93 per cent of the inhabitants in the researched area of interest in Chisinau can access green urban spaces within 500 metres of their homes (Figure 12).

Figure 12: Degree of access to urban green spaces in Chisinau (our area of interest)

There are several challenges related to finding a job on the local labour market in Chisinau. Statistical evidence suggests a high unemployment rate in the city of about 4.8 per cent\(^\text{12}\) in 2018, with an informal employment rate of 12.7 per cent\(^\text{13}\). In many cases people must either accept low pay that does not correspond to their educational level, technical expertise or skills, or emigrate due to lack of employment. In urban Moldova, only around 58 per cent of active people with higher education are employed in line with their specialization or higher-level education/training; in more than one-quarter of cases employment is not in line with their competences and skills. In the case of those with specialized secondary education, it is over 40 per cent (Figure 13).

Availability of and access to goods and services is much better in Chisinau compared to rural areas and other urban areas\(^\text{14}\). Nevertheless, people are aware of inequalities in accessing such services.

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\(^{13}\) Source: BNS, [http://statbank.statistica.md](http://statbank.statistica.md)

\(^{14}\) During the transition period small towns—in Moldova and throughout the region—faced most serious hardship. While big cities offered better opportunities, and rural areas offered a subsistence agriculture safety net of last resort, small towns typically rely on limited number of industries (monocompany towns) and had limited access to
Such access or lack of access influences whether people live longer and healthier lives, but also the choices that they make.

**Income inequalities in Chisinau and outside**

A significant part of the population of Chisinau consider that their income does not cover their minimum requirements (23 per cent in the municipality of Chisinau and 17 per cent in the city itself), while more than 40 per cent consider that their income just covers the minimum requirements. A minority group of around 5 per cent of respondents declare that they can afford more costly goods and services, and can cover their needs without any limitations (Figure 14).

The gap between the rich and the poor is evolving in different ways in rural and urban areas of Moldova. Comparing the average incomes per person in extreme quintiles (Quintile 1 with the lowest incomes; Quintile 5 with the highest incomes), taking into consideration the residence, one can clearly understand the existent gap between the two groups. As compared to the rural areas, in the urban context this gap is considerably higher, and this tendency has remained unchanged for the last five years (Figure 15). Higher income inequalities in the urban context justify the need for a further in-depth analysis of such trends over time, and the development/testing of policy options to reduce urban income inequalities.

The evolution of the structure of available incomes per quintile in the urban context sheds light on important differences. For the wealthier population the income from salaries accounts for more than 60 per cent; 15 per cent comes from pensions; and income from remittances accounts for about 10 per cent. When it comes to the incomes of the people from the poorest quintile, salaries account for about 45 per cent; while an important part of their incomes is derived from social allowances, predominantly pensions, which represent about one-quarter of the total average available incomes for the poorest quintile. This clearly indicates that an important percentage of the population in the poorest quintile is represented by pensioners (Figure 16).

Consumption patterns differ as well, and are related to the wealth distribution. For the wealthiest group, the cost of goods and foodstuffs accounts for around 35 per cent of total consumption expenditures. For the poorest quintile the cost of foodstuffs accounts for more than 50 per cent of total expenditures, and the cost of commodities accounts for more than 20 per cent (Figure 17). The increase in the cost of communal services/commodities has an important negative impact on the poorest.

The high cost of communal services and commodities in the urban context has a negative impact and means that households must meet such costs at the expense of other categories, including nutrition, but also education, medical care, transportation and mobility, recreational activities and so on. It is therefore obvious that the limited incomes in the poorest quintile in the urban context deepen land. As a result, the small towns that form the backbone of the country deteriorated significantly. See the Moldova Human Development Report of 2006 for more details.
inequalities between the rich and the poor, particularly when it comes to accessing social services, urban mobility and similar areas.

**Unequal opportunities in dwelling conditions**

Another important aspect related to urban versus rural inequalities in Moldova is dwellings and dwelling conditions, as well as access to housing (space). In both urban and rural Moldova, the poorest quintile is represented by larger households, the average size of which is 3.2 persons, as compared to 1.8 in the fifth quintile (2018) (Table 1). Therefore, the poorest households are those with many children or those which include young families and pensioners. This group of the population, due to limited incomes and the high cost of real estate, find it difficult to afford enough housing space in the urban context, particularly in Chisinau. In the urban context this form of inequality is particularly pronounced: 7 per cent of households in the urban context and 11 per cent of households in Chisinau cannot afford their own home or apartment and therefore opt for renting housing space (Figure 18). Usually young families with children opt for renting apartments in urban settlements, as they lack the financial resources to buy their own house. With the high and rising cost of rents, as well as limited incomes, the prospect of such families owning their own houses in the future is poor. And even if the family has its own living space, certain discrepancies exist with regard to the availability of housing surface. In Moldova, the norm of a living area of 9 m² for each person is established by law with regard to social housing. Almost 15 per cent of urban households have less than 9 m² per person (Figure 19). The situation is even more difficult in Chisinau, where this share is almost 20.9 per cent, with over 11.5 per cent of households having access to 7m² per person and less.

Access to various commodities and utilities is worse in rural areas: their availability varies at between 6.6 per cent and 52 per cent of the total number of dwellings (Figure 20). In the urban context such endowments are guaranteed for around 73–94 per cent of existing dwellings. Nevertheless, even in the capital city, access to basic services and utilities is not universal.

A still important number of households do not have access to various services – around 10 per cent of dwellings lack running hot water and toilets inside the house; around 10 per cent are not connected to the natural gas network and lack access to heating and hot water. In Chisinau there are still private houses without a connection to the sewerage system and other related commodities.

**Access to public services in the urban context**

\[\text{\textsuperscript{15}}\text{nota-informativa-saracia-si-impactul-politicilor-2014-rom_final.doc,}\]
\[\text{http://mec.gov.md/ro/content/analiza-indicatorilor-saraciei}\]
\[\text{\textsuperscript{16}}\text{LEGEA Nr. 75 din 30.04.2015 cu privire la locuințe, http://lex.justice.md/md/358764/}\]
Measuring access to other services in the urban context requires additional efforts. For instance, measuring access to public transportation requires the use of alternatives to official statistics data and methods. Consequently, UNDP Moldova is now using, for the first time, Earth Observation data in combination with Census data and georeferenced information about the infrastructure of the public transport network to measure indicator SDG 11.2.1 (as proxy). Through GIS-based service area network analysis and analysis of mobility data, we looked into the degree of public transportation infrastructure availability for the population of Chisinau (within the area of interest). As a basis for the analysis, walking distances to bus stations of 250, 500 and 750 metres were chosen. (Such a network analysis can be done with various types of target locations, such as hospitals, schools or other public services, to estimate the proximity of such facilities and the degree of access.)

Figure 21 shows the availability of bus stations within the selected area of interest. In some parts of the city the availability of public transport is quite high, especially in the centre. However, this data does not tell us about the regularity and reliability of bus services. The analysis also reveals large parts of the city that are not at all connected to the public transport infrastructure, especially in the south-western area.

Source: UNDP, ESA
Access to public transportation and urban mobility are interlinked. What we see is a mono-centric city of Chisinau with an important flux of people travelling daily for work from the various districts to the city centre, putting pressure on transportation services and generating congestion, pollution and so on. Using mobility data, kindly provided by Orange Moldova, we were able to demonstrate the above and to carry out a mobility analysis for the city to identify patterns of mobility, and to start using this layer of data to develop and implement urban experiments to decrease congestion and improve public transportation. Our analysis of the intra-city migration patterns shows that a lot of people are commuting across district boundaries to travel to work. Therefore, the lack of reliable urban mobility could be a limiting factor for the labour market. Most people migrate from the Botanica district to the centre. This is followed by movement from Riscani, Buicani and Ciocana. Other top migration destinations are Riscani and Buicani. This is visualized in Figure 22 for a workday (left) and a weekend day (right).

**Figure 22. Intra-City Mobility in Chisinau Based on Mobility Data (Data Collaborative Platform by UNDP Moldova, Orange Moldova, Premier Energy and Others; Data Analysis Supported by the ESA)**

Source: UNDP, ESA, Orange Moldova

**Figure 23: Georeferenced Electricity Consumption in Residential Sector in Chisinau (2016 and 2018)**
Source: UNDP, ESA, Premier Energy Moldova
Access to electricity is close to universal, particularly in urban areas – Chisinau is not an exception. The quality of the provided access and service has increased consistently over time, particularly after distribution services started to be delivered by a private company. Electricity consumption by households has increased over time in Chisinau, with the latest data reflecting an average increase of 4–5 per cent per year. Data provided by the electricity distribution company is visualized in Figure 23. The major concern from the distribution point of view is that such an increase in electricity use in the residential sector is not sustainable and households will have to find ways to decrease consumption while not compromising their standard of living. In partnership with the electricity distribution company, UNDP Moldova has recently implemented the largest behavioural experiment in the region designed to reduce consumption, which yielded positive and encouraging results. Households in a large treatment group reduced their consumption by around 2 per cent\textsuperscript{17}. On the other hand, new investments in infrastructure are required to prepare the network for ‘future’ consumption and further growth, particularly in the urban context.

\textsuperscript{17} \url{https://www.md.undp.org/content/moldova/en/home/presscenter/pressreleases/2019/consumatorii-din-moldova-sunt-dispu-s-economiseasc-energia-elec.html}
Inequalities in accessing job opportunities

In Moldova, inequalities related to opportunities in accessing a source of income are stark. Urban settlements, and Chisinau in particular, offer the best relative opportunities for finding a decent job with decent pay. Activity and employment rates in Chisinau are 5 percentage points higher as compared to the rest of the country, even if the respective gaps are closing. The unemployment rate in Chisinau is higher than the national average, but it has been decreasing consistently since 2010. In 2018, the unemployment rate in the municipality of Chisinau was approximately 5 per cent, while the national average was 4.5 per cent (Table 2). Active policies with regard to the labour market have produced some tangible results, with around 60 per cent of the registered unemployed being reintegrated into the local labour market in Chisinau in 2018 (Figure 24). Nevertheless, unemployment in urban Chisinau is a complex phenomenon and unpacking it requires a deep and comprehensive rethinking of the way the unemployed are supported in their search for a job in both the urban and rural contexts. A recent innovative experiment by UNDP Moldova and the National Employment Agency revealed that the implementation of individual employment plans and tailored consultations increased the speed-to-market by about 5.5 per cent 18.

The differences in incomes and remuneration in different sectors of the economy lead to discrepancies and inequalities in relation to income opportunities. In urban Moldova, approximately 26 per cent of the population is employed in trade and services and around 22 per cent is employed in public administration and the social sphere, with a significant number of employees in sectors like education, health and social assistance (Figure 25). These are the sectors that offer on average the lowest pay/remuneration. In 2018 the gross monthly salary in the budgetary sector 19 was around 5,700 Moldovan Leu (MDL), the net salary being approximately MDL 4,700. The monthly gross salary of the employees in defence and compulsory social insurance sectors was MDL 20,000 on average, and the net salary was MDL 17,000; in the financial and insurance sector, and in the ICT and energy sectors, the gross remuneration stood at around MDL 12,000 (MDL 10,000 net) 20 (Table 3).

Informal employment, which is characteristic of the agricultural sector in rural areas in Moldova, is omnipresent in cities as well. During the last five years the percentage of informally employed people has grown, accounting for about 10 per cent, including around 5 per cent in enterprises within the formal sector. Following the agricultural sector, which is not characteristic for urban settlements, the

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19 Budgetary sector – all the units financed from the state budget, the state social insurance budget and the budgets of the administrative-territorial units, and from special means, regardless of the subordination of the branch.
The highest informal employment rate is registered in the construction sector (around 50 per cent), while it is 12 per cent in trade and around 10 per cent in transportation and communication. To highlight that informal employment continues to persist in enterprises within the formal sector (Figure 26), the IMF estimated the shadow economy in Moldova at 39.68 per cent in 2015.

Informal employment in cities persists among both men and women, though with a more pronounced number of men having informal jobs. Thus, 52.9 per cent of all men working in the informal sector and 20.8 per cent of women, in commerce – 14.0 per cent men and 10.3 per cent women, in transport and communications - 12.6 per cent activate informally. Men and 1.1 per cent women. It is worth mentioning that the agriculture sector remains the most affected by informal employment, with 73 per cent of men and 84 per cent of women working in this sector being employed informally (Table 3). Informal jobs present dangers. On the one hand, they offer employment opportunities in a restricted environment but, on the other hand, the Regional Human Development Report 2011 showed a strong correlation between informal employment and social exclusion. Informal jobs further deteriorate the Government’s ability to raise taxes to fund important social and infrastructure projects, while also promoting a culture of tax evasion and corruption. The sector can also trap people in low-quality and low-effectiveness activities. Anecdotal evidence relating to public transportation in Chisinau is of interest here. The price of transportation has remained very low for decades (MDL 2 – 10 eurocents – for a bus and trolleybus ride, and MDL 3 – 15 eurocents – for a marshrutka ride). This undermines the ability to invest in infrastructure and buses. All attempts to increase prices result in a deadlock of low incomes, bad service quality and low expectations. At the same time, however, public and private companies have continued to function, suggesting that business remains profitable.

The sociodemographic potential in the urban and rural areas of the country differs. The reduced possibilities of developing activities to obtain incomes, and of employment, in rural areas, as compared to cities, continue to amplify the phenomenon of internal migration, especially of people moving to cities. It is known that after graduating at the average level of education a significant proportion of the people who travelled away to cities to study do not return to their villages but remain in urban areas. Chisinau is the preferred destination for pursuing studies.

Thus, the labour force in cities is younger and more educated compared to that in the rural environment. Among economically active persons, in 2018 in Chisinau municipality over two-thirds had completed secondary vocational studies and above (in rural areas the figure is below 50 per cent), among which 48 per cent had completed higher studies. Young people aged 15–34 accounted for 40 per cent of the population in Chisinau in 2018, compared to 28 per cent in rural areas (Figure 27). These discrepancies are also sharpened by the migration abroad by the labour force, which is more pronounced in rural areas.

Demographic challenges

The resident population (with usual residence)\(^{22}\) of Chisinau municipality, estimated based on Census and dwellings data from 2014, as well as based on administrative data, represented about 676,000 people in that year. By 2019 the population of the municipality had increased, reaching 691,000 people\(^ {23}\).

At present, the demographic potential of Chisinau municipality is underpinned by the internal migration of the Moldovan population (from rural and other areas to the capital city), particularly the working-age population. This contributes to the growing number of inhabitants of Chisinau. At the same time, in the medium term the negative demographic trend at the national level\(^ {24}\) will inevitably affect the evolution of the number of people in Chisinau municipality.

Projections of the number and structure of the population in Chisinau municipality for the period 2019–2034\(^ {25}\) highlight that the positive demographic trends of the recent period will end and there is a high chance of demographic decline and reduction of the population (S-I scenario below). This risk is underpinned by the fact that in recent years the evolution of the population of Moldova has been following the vector of the low scenario of demographic evolution\(^ {26}\). The average and high scenarios are only possible if demographic indicators (fertility rate, mortality rate and migration) significantly improve.

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\(^{22}\) *Usual residence* – the place where the person has lived predominantly in the last 12 months, regardless of temporary absences (for the purpose of recreation, holidays, visits to relatives and friends, business, etc.).

\(^{23}\) Estimates by the Center for Demographic Research.

\(^{24}\) Situation Population Analysis in the Republic of Moldova. DRC, UNFPA, Chisinau, 2016, p. 56.

\(^{25}\) **The low scenario (S-I):** the total fertility rate (TFR) will remain at the level of the last years – 1.08 children per woman of reproductive age – until the end of the forecast period; life expectancy at birth will increase for men from 68.8 to 72.4 years, and for women from 76.8 to 78.9 years; and the migration rate will decrease from 6.7 per cent to 4.2 per cent.

**The average scenario (S-II):** the TFR increases from 1.08 children per woman of reproductive age to 1.54 in 2034; life expectancy at birth increases for men from 68.8 years to 73.2 years, and for women from 76.8 to 80.2; the migration rate increases in the range of 6.7–5.3 per cent.

**The high scenario (S-III):** the TFR increases from 1.08 children per woman of reproductive age to 2 children; life expectancy at birth increases for men from 68.7 to 73.7, and for women from 76.8 years to 80.8 years; the migration rate increases to 6.7–6.3 per cent.

\(^{26}\) Situation Population Analysis in the Republic of Moldova. DRC, UNFPA, Chisinau, 2016, p. 56.
In the next period, especially after 2024, the flow of internal migrants to Chisinau municipality is likely to see a significant reduction, due to a decrease in the number of people in the younger age groups within the total population of the country. Thus, the resources for maintaining or increasing the population in Chisinau municipality through internal migration will be considerably reduced over time. At the same time, demographic ageing will increase within the municipality: the share of the population aged 60 years and over will grow steadily from 18.2 per cent in 2019 to 25.3–24.2 per cent in 2034.
Inequalities in accessing educational services

The country’s problems in terms of people’s access to education, including preschool education, indicate that there is a high chance of future inequalities in this area, particularly in the urban context. The statistical data suggests there is an insufficient number of places in preschool institutions in cities throughout the country, and particularly in Chisinau. For instance, for the 100 available places in preschool units in Chisinau there are around 103 children registered. For the last three years this indicator has been decreasing (Figure 30).

The educational reforms carried out during recent years have contributed to the orientation for studies towards cities, especially towards the capital. The number of students at educational institutions in Chisinau has increased (by 7,100 students), with a considerable reduction in the number of those from rural areas (-50.3 students). There has also been a general reduction in the number of students in the country, which could be a result of migration. Thus, compared to education year 2011/2012, in 2017/2018 the number of students per 10,000 inhabitants decreased in total by 125 persons (Table 4). Although it has improved over recent years, the unequal distribution of educational services in the Republic of Moldova is still an issue of existing economic realities, especially in rural areas. The following may be mentioned among the main causes:

- Access by the rural population to quality education continues to be a problem and is determined, first of all, by parents’ inability to procure additional textbooks and necessary supplies because of households’ low incomes. Transportation is also an issue and is a barrier to accessing education services.

- With its obsolete infrastructure, the system of educational services continues to incur significant expenditures. Irrational use of resources within the educational system has led to the appearance of some informal methods of additional financing, such as parents’ associations, which represent a real inequality pole in some educational institutions, hence contributing to groups/classes having different technical endowments, with diverse attitudes towards pupils, including differences in the quality of school meals.

- Lack of teaching personnel for basic subjects, especially in rural schools, creates preconditions for inequality of chances to emerge among pupils, depending on their area of residence (rural/urban). The decreasing number of teaching personnel in primary and secondary education institutions has an impact on quality of education, as well as on beneficiaries’ (children and parents’) expectations related to alignment with the corresponding educational standards. The reduced employment rate among young graduates may also be explained by a lack of dwellings, especially in rural localities. The salary level for teaching personnel is low. There is no attractive performance-based wage package and no efficient state policy to provide social support to teaching personnel. Teaching is perceived as a socially vulnerable professional category. Therefore, the motivation of employees working in education and the aspiration of young people to pursue these professions are dramatically dropping, hence leading to a huge
turnover of beginning teachers. All of these factors generate inequalities and unfairness in education, which is more severe in rural areas. The ageing profile of teaching personnel really stands out against this background of a decreasing number of teachers in primary and secondary education: the average age of teachers is 45 years, and is continuously climbing.

- The education system is severely affected both by demographic processes (the number of children enrolled in education institutions is continuously decreasing) and migration processes (mass migration of teaching personnel, and children forming part of migrating families). UNDP and UNICEF analysis back in 2006 showed that the migration of a mother often results in the non-performance of crucial roles related to child development, e.g. supervision of learning or bringing children to see a doctor.

- Although all schools in the country have access to the Internet it is not accessible for use in each classroom / school subject, which would make the teaching process more efficient and interactive. In addition, not all schools are equipped with the interactive blackboards/educational software required for modern teaching. Many institutions lack teaching labs equipped with the necessary materials for science lessons (biology, chemistry, physics, etc.). Sports halls are missing or are poorly equipped. Hence, schools can become technologically uncompetitive, with unattractive and outdated theory-based teaching processes, without practical application in labs, field visits, etc.

Alongside the above-listed causes, it is worth mentioning the rigidity of educational policies promoted at the central level, which have not been properly updated to account for changes in society and the labour market. The educational process is not innovative, and the teaching plans and curricula focus on the problems of yesterday and not those of today (not even mentioning those of tomorrow).

As a result of all of these factors, significant differences are registered in students’ school success between rural and urban lyceums.

Moldova also lags behind the EU-28 on PISA scores, although it does perform better than Western Balkan countries.

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Figure 31: PISA scores in Moldova

Another problem in the Moldovan educational system is children dropping out and engaging in absenteeism in order to carry out domestic work and to assume responsibilities within the household. This is more of a problem in rural localities. Children from disadvantaged families – especially rural families with many children – are particularly involved in this phenomenon, while boys are absent more frequently than girls.

Another issue in the education system is the decline in the net enrolment rate in schools over recent years, as a consequence of emigration.

The massive concentration of youth in higher education institutions is explained by the fact that the labour market highly values higher education qualifications, and that a multitude of central and local public institutions demand specialists with higher education, but also by the fact that the vocational training system requires modernization. At the same time, there is an extremely high share (about 23.8 per cent in 2018) of NEET young people – not in education, employment or training.

Alongside inequalities related to gender and area of residence, graduates are subject to inequalities related to access to the labour market. As more young people with higher education enter the labour market, the labour force of the Republic of Moldova has become highly qualified, but most of the employment opportunities are offered to vocational training graduates.

Children with special needs face an inequality of chances in regard to access to education. The educational system provides only a limited range of opportunities enabling the intellectual, physical and cultural development of children with special needs. Teaching personnel and parents both lack special training in regard to the social integration of children with special needs.
Inequalities in accessing health care services

Access to medical services and health care in Moldova is guaranteed through the system of mandatory public medical insurance. According to 2018 data from the National Medical Insurance Company, 88.2 per cent of people in Moldova had medical insurance and this number is growing. This is an indication that existing inequalities in accessing medical care are generally low, yet the number of people without medical insurance is still large. The data of the National Medical Insurance Company will be reviewed in view of the revised Census data. The availability of a mandatory medical insurance system is one of the factors determining the access of the population to medical care for all groups. A recent study in this area states that people with medical insurance have benefited from medical care much more than people without such insurance. The difference in 16 percentage points is particularly important in the urban context (28 per cent for insured persons and 12 per cent for those without health insurance). Fewer people from Quintile 1 have health insurance as compared to Quintile 5.

Access to health care services is directly linked to people’s income and wealth. People in the poorest quintile and the least insured (Quintile 1) more frequently visit family doctors (71 per cent in Quintile 1 versus 54 per cent in Quintile 5), whereas the wealthiest people and the better insured more frequently access the services of specialized doctors (22 per cent in Quintile 1 versus 40.2 per cent in Quintile V). People in urban settlements in Moldova get more frequent access to specialized doctors, whereas people in rural areas access the services of family doctors. This is an indicator of existing inequalities when it comes to access of the population to primary health care and to specialized care.

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30 Ibidem: in the last four weeks before the research.
'Leaving no one behind' and the role of social protection

Undoubtedly, public support for the most vulnerable groups of the population is extremely important. Currently, the major factors that define the vulnerability of groups of people to social exclusion are age, education, health, employment, income and area of residence. UNDP Moldova conducted extensive research on social exclusion and possibilities to promote the inclusion of the most vulnerable\(^\text{31}\) and found that individuals are excluded for various reasons:

- because of their personal characteristics (elderly people, ill people, people with disabilities, the poor, immigrants, vulnerable women and children); or
- because of their social/cultural characteristics (such as religion, race, ethnicity, class, language, etc.)

In the current context of the Republic of Moldova, several groups of people are particularly disadvantaged and are at risk of complete exclusion and marginalization. Whereas in rural areas and smaller urban settlements people source their food from their own households (subsistence), pensioners are the most vulnerable urban group, having no other possibilities but to purchase foodstuffs from outside their households. As was noted earlier, the pension they receive usually does not cover the minimum requirements for living in an urban context. Significant discrepancies exist when it comes to the pension’s quantum, depending on the specific group of beneficiaries of the pension (Figure 32). Particularly disadvantaged are pensioners with disability degrees: this specific group receives an average pension that is around half the average pension of former public employees. The differences are even sharper if compared to the quantum of pension for other groups. It is important to highlight that such groups of pensioners are the most numerous and constitute around 96 per cent of all pensioners (75 per cent – old-age pensioners, and 18 per cent – pensioners with a disability)\(^\text{32}\).

Besides the elderly, young people are also particularly vulnerable in both urban and rural contexts. In an urban set-up, low incomes or a lack of income for this group translates into poor access to existing services, poor housing conditions and so on. The rate of youth not in employment or formal training is among the highest in the region (and compared to the EU average), with a NEETs rate of more than 40 per cent (2016)\(^\text{33}\). This means that nearly every second young person in the country is not in employment, education or formal training. The NEETs group unfortunately receives little support, both because of the difficulty of identifying and targeting such beneficiaries but also because of the lack of uniformity of the group and its high propensity to migrate abroad.

\(^{32}\) MMPSF, Raportul social anual 2018
\(^{33}\) https://www.md.undp.org/content/dam/moldova/docs/Publications/Inclusion_youth_NEET_EN_web.pdf
Environmental inequalities

Environmental inequalities are a relatively new topic for Moldova. Given the lack of quality data, and the only partial availability of data of any kind in this area, it is difficult to properly analyse the economic and social impact that climate change and environmental risks have on already existing inequalities. Such inequalities are the expression of an environmental burden that is carried primarily by those already disadvantaged, such as minority populations suffering from poverty and exclusion. 34

In urban areas like Chisinau, these inequalities affect the majority of the population due to their concentration in a limited but highly urbanized space. In urban areas, there are low levels of ecosystem services, a continuous degrading of green zones, increasing air, soil and water pollution, internal migration, excessive density of construction, an unbalanced concentration of jobs and services, limited public transport and poor quality road infrastructure, as well as limited socioeconomic and cultural capital. At the same time, citizens who suffer from poverty, or are part of a group which is more sensitive to risks, such as disabled people, children and the elderly, often lack the financial or physical assets to address these risks.

As harms due to climate change are increasingly felt, especially in urban area (e.g. heatwaves, flash floods, epidemiological issues due to the high density of the population, etc.), and considering the projections that indicate an intensification of climate change phenomena, it is very likely that climate impacts will worsen the overall living conditions of vulnerable people primarily.

Climate change will have profound impacts on a broad spectrum of infrastructure systems (water and energy supply, sanitation and drainage, transport and telecommunications), services (including health and emergency services), the built environment and ecosystems services. 35

Current and potential future urban environmental inequalities could be caused by some of the following environmental problems:

- **Access to clean water and sanitation services.** There are water shortages due to economic and transboundary problems (conflicts between hydropower, irrigation and the drinking water supply), and there is limited application of IWRM and protection

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35 https://www.ipcc.ch/site/assets/uploads/2018/02/WGIIAR5-Chap8_FINAL.pdf
measures. The tariff for water is subsidized and does not cover the operation and
development costs of the water supply and canalization services. Central water supply
and sanitation services do not cover the whole population (in Chisinau only 88.1 per
cent of the population is covered by the water supply and 81.4 per cent by canalization
services)\(^36\)\(^37\). Climate change is affecting water reserves and this could contribute to a
hydrological crisis, as well as an increased cost of bottled drinking water.

- **Exposure to polluted air.** Private and public transport contribute to air pollution and
this is exacerbated by the poor road infrastructure in the cities. Uncontrolled burning of
vegetal and municipal waste for heating is another practice that causes pollution in the
country. The volume of emissions of pollutants in the air (carbon dioxide, nitrogen
oxides, aldehydes, particulate matter etc.) has significantly increased since the 1990s. In
the capital city, monitoring results periodically show a concentration of pollution that is
three to four times above the acceptable limit for certain pollutants\(^38\). Wind and water
erosion, combined with improper soil management across the country, has overall
contributed to an increase of pollution due to particulate matter. It should be noted that
the city centre of Chisinau, as well as several other areas suffering from heavy traffic,
are not covered by the existing air pollution monitoring network.

- **Exposure to noise (indoor and outdoor) and electro-magnetic radiation** is another
characteristic of densely populated areas. Uncontrolled and unchecked, this has a
negative impact on health and the quality of life of the population exposed to it.

- **Improper waste management system.** There is limited waste recycling, and waste
facilities in the city are poorly maintained.

- **Limited access to low-emission and urban public transport.** Old urban, sub-urban and
inter-urban transport and minibuses, including diesel-fuelled vehicles, circulate within
the city. Combined with subsidized tariff, the public transport system limits sustainable
development\(^39\). Only a small number of public transport options that are less polluting
exist, such as electric and hybrid transport.

- **Limited mobility.** Today, citizens find the public transport system inefficient and
time-consuming due to traffic jams and inadequate road connections. The limited
transport alternatives have led to a high number of private vehicles in the country.

\(^{38}\) http://mediu.gov.md/sites/default/files/document/attachments/Buletin per 20şi per 20hărţi per
cent2027.09.2019.pdf
• **Degraded green areas, high pressure on existing recreational areas and loss of biodiversity.** In Chisinau, the total area made up of green spaces is 16.7 per cent of the city's total area, around 52 m² per capita\(^{40}\). The most attractive and popular green parks, like the Botanical Garden, Dendrarium and Valea Morilor Parks, are unevenly distributed among city districts. Inequalities are further exacerbated as there is a lack of transportation and parking infrastructure around the parks, which are in need of redesign, along with other improvements. Some forest parks within the city are not suitable for recreation due to poor infrastructure, uncontrolled waste dumping and low investment by public authorities in green space management.

• **Limited access to environmental education.** Environmental education is not mandatory in primary schools in Moldova and is practised by only 3–5 per cent of teachers. The lack of knowledge sharing and transfer activities for youth and children in environmental and climate education has led to a reduced level of environmental knowledge and awareness among the public. In turn, the lack of knowledge in the subject further fails to incentivize the public to adopt more environmentally friendly behaviours and to seek opportunities arising from the need for social change in the face of the environmental and climate crises.

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Gender inequalities at the national and urban level

Key messages:
- Urbanization and cities offer different conditions and have different impacts on women and men, girls and boys, who benefit differently from the opportunities available therein.
- Mainstreaming gender equality into urban planning, legislation, finance and economic development can contribute to the integration of women’s and men’s specific needs in the economic, social, political and cultural life of cities.
- Given the connection of women's needs with the family, but also security issues, a solution for reconciling the professional and family lives for women who travel from villages to work in cities would be an improvement in the road infrastructure and inter-urban transport.
- Gender stereotypes and education services deficiencies and associated time burdens can limit income generation among women, and thus urbanization should take into consideration gender needs.

During recent years, the Republic of Moldova has made progress in the field of gender equality. According to the data of the Global Report on the Gender Gap Index, the evolution of the country has been positive but uneven (Table 1).

Table 5. Index of gender disparities (Gender Gap Index) for the Republic of Moldova

<table>
<thead>
<tr>
<th>Gender Gap Index (year)</th>
<th>Overall place</th>
<th>Economic participation</th>
<th>Achievements in education</th>
<th>Health and survival</th>
<th>Political empowerment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018 (out of 149 countries)</td>
<td>35</td>
<td>18</td>
<td>69</td>
<td>1</td>
<td>72</td>
</tr>
<tr>
<td>2017 (out of 144 countries)</td>
<td>30</td>
<td>11</td>
<td>66</td>
<td>1</td>
<td>72</td>
</tr>
<tr>
<td>2016 (out of 144 countries)</td>
<td>26</td>
<td>15</td>
<td>52</td>
<td>40</td>
<td>58</td>
</tr>
<tr>
<td>2015 (out of 145 countries)</td>
<td>26</td>
<td>18</td>
<td>50</td>
<td>42</td>
<td>58</td>
</tr>
<tr>
<td>2014 (out of 142 countries)</td>
<td>25</td>
<td>11</td>
<td>56</td>
<td>37</td>
<td>59</td>
</tr>
<tr>
<td>2013 (out of 136 countries)</td>
<td>52</td>
<td>32</td>
<td>74</td>
<td>34</td>
<td>87</td>
</tr>
</tbody>
</table>
Despite the progress, the education sector indicators show delays in ensuring equal opportunities for girls and boys in education, and also in the field of participation in the decision-making process.

The legislative framework of the Republic of Moldova stipulates the promotion of equality between women and men in accordance with international commitments. Relevant policy/strategy/legal documents/measures include the strategy for ensuring equality between women and men in the Republic of Moldova for the years 2017–2021 and the Action Plan on its implementation, the National Programme for the implementation of United Nations Security Council Resolution 1325 on Women, Peace and Security for the years 2018–2021, and Law No. 71 of 14 April 2016 for the modification and completion of certain legislative acts, which provides for the introduction of a 40 per cent gender quota, parental leave, non-sexist advertising, etc.

However, the major challenge is the implementation of these documents, and also the persistence of traditional stereotypes, which affect the lives of women and men alike, limiting the opportunities for personal and professional development. "Moldova is still a patriarchal society, in which men dominate at home, at work and in the public sphere," according to the OSCE study.

Gender inequalities in Chisinau

According to the data of the National Agency for Employment, on 1 January 2019 there were 2,919 registered unemployed people in Chisinau, every second being made available from the economic units. Of the total number of unemployed, 48.8 per cent were women.

Women mainly work in education and the services sector. With regard to the number of employees distributed across economic activities and by sex, we find a significant gender discrepancy: women, accounting for 50.8 per cent (51.0 per cent – 2018) of the total workforce, predominate in education (73.8 per cent) and services (52.0 per cent), with all other domains being dominated by men (Table 6).

Table 6. The number of employees distributed across economic activities and sexes on 01 January 2019, persons

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41 GENDER BAROMETER How do women and men participate in politics and decision-making? Chisinau, 2017 https://www2.unwomen.org/-/media/field per cent20office per cent20moldova/attachments/publications/2018/barometru per cent20de per cent20gen_rom.pdf?la=ro&vs=5209
<table>
<thead>
<tr>
<th>Category</th>
<th>Total</th>
<th>Including:</th>
<th>Per cent of the total:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Women</td>
<td>Men</td>
</tr>
<tr>
<td>Employees – total</td>
<td>359,491</td>
<td>182,686</td>
<td>176,805</td>
</tr>
<tr>
<td>Agriculture, forestry and fishing</td>
<td>3,751</td>
<td>1,302</td>
<td>2,448</td>
</tr>
<tr>
<td>Industry and construction</td>
<td>72,955</td>
<td>28,621</td>
<td>44,328</td>
</tr>
<tr>
<td>Public administration and defence; compulsory social insurance</td>
<td>21,188</td>
<td>9,847</td>
<td>11,342</td>
</tr>
<tr>
<td>Education</td>
<td>32,999</td>
<td>24,299</td>
<td>8,701</td>
</tr>
<tr>
<td>Other services</td>
<td>228,597</td>
<td>118,617</td>
<td>109,986</td>
</tr>
</tbody>
</table>

Source: NBS

At the national level, women earn on average 13 per cent less than men; in Chisinau they earn 15.4 per cent less. Reiterating that Chisinau offers more employment opportunities (in the vision of more women and men), there are visible gender discrepancies in the average monthly earnings in the economy. Thus, in 2018 women’s average wage constituted 84.6 per cent (85.3 per cent / 2017) of that of men. In industry and construction the figure was 81.5 per cent (82.9 per cent / 2017); in education it was 85.9 per cent (81.5 per cent / 2017); in service activities it was 83.8 per cent (86.2 per cent / 2017). In agriculture, forestry and fisheries and public administration and defence; compulsory social insurance – the discrepancies were smaller, respectively 91.5 per cent (95.6 per cent / 2017) and 98.0 per cent (93.0 per cent / 2017).

According to statistical data, and as already touched on above, in Chisinau there are problems with access to kindergartens since 103 children are seeking a place but there are only 100 places available. Considering the lack of places at preschool institutions, and also that childcare is traditionally the responsibility of women, this situation affects the possibilities of women in the labour market.

Thus, mothers with young children face particular difficulties with regards to finding employment: they are affected on the one hand by the insufficient development of childcare services and the insufficiency of places in kindergartens, especially in nursery groups, and, on the other hand, the persistence of stereotypes (e.g. concern among employers that mothers may be frequently absent from work due to children’s illness).

46 Ibidem, p. 28.
Thus, for women aged 25–49 with at least one child (aged 16 and under) the employment rate is 49.2 per cent, while for women without children the employment rate reaches 54.1 per cent.\(^{48}\) Resultantly, education service deficiencies and associated time burdens can limit income generation among women.

Despite some progress compared to the national level, women continue to be under-represented in the decision-making process at the municipal level: for example, following the local elections of 2019, out of 51 municipal councillors (Chisinau) 16 are women (31.37 per cent) and 35 are men (68.63 per cent).\(^{49}\) At the country level, women make up 27.1 per cent of the members of the district and municipal councils.\(^{50}\)

Furthermore, women and men use urban spaces in different ways, due to traditional gender roles. Women tend to have a more mixed use of urban spaces than men. Thus, the priorities of women in Chisinau may include employment in the field of work (income earners), household management and childcare (unpaid work), social activities at school / kindergarten, housing associations, etc. (largely unpaid work).

Finally, the security of public space remains a challenge in relation to the development of the municipality. Referring to public spaces, girls and boys (respondents in our research) showed common visions, as well as some differences. Both groups indicated that the streets should offer them safety: at the same time, girls mentioned the importance of safety on public transport and in the street (as regards sexual harassment), while boys mentioned safety from physical aggression from other boys / men more often.

\(^{48}\) [Link](https://statistica.gov.md/newsview.php?l=ro&id=6288&idc=168)

\(^{49}\) [Link](http://alegeri.md/w/Alegere_locale_din_2019_per_centC3_per_centC4_en_municipiul_Chi_per_centC8_per_cent99in_per_centC4_per_cent83u)

\(^{50}\) [Link](http://alegeri.md/w/Rezultatele_alegerilor_locale_generale_din_2019)
This paper puts forward the following *general policy recommendations*:

- Incorporate the objective of reducing inequalities into the existing policy and policy implementation frameworks in the areas of social protection, inclusion, non-discrimination, business development, health, education, mobility, etc. Special attention should be paid to intersecting inequalities and factors driving inequalities (e.g. rule of law, territorial disparities, mobility barriers to opportunities, etc.). This can be achieved only through integrated policies and implementation mechanisms, which understand and address the causes of inequality in a comprehensive yet pragmatic way.
- Support the development and implementation of policies to promote social inclusion and shared economic growth (including local economic growth), without increasing fees and income taxes (if operating within the existing fiscal space is desired). Support implementation of policies so that to reduce or minimize territorial disparities and inequalities.
- Municipalities should design and consult on local development strategies to localize the SDGs, also making sure that such strategies address existing and possibly emerging inequalities in the urban context.
- Anticipate and develop scenarios for fighting emerging forms of inequalities, in particular in urban contexts, driven by food and energy poverty.
- Ensure the principle of equity and equality for all in strategies and programmes related to the promotion of lifelong learning and access to education without any discrimination. Develop policies to foster increased access to vocational education programmes and requalification, and the validation of previous studies, particularly for socially vulnerable groups.
- Develop targeted policies for the inclusion of NEETs in education programmes and the job market.

More *specific recommendations* that would contribute to increasing living standards and to decreasing inequalities, particularly in the urban context, are listed below.

In relation to income inequalities:

- Decreasing income-based inequality would significantly reduce other types of inequality and minimize risks of inequalities in the future, particularly in the urban context. In this connection, ensuring decent salaries in the public system and ensuring the accountability of private employers are important in decreasing salary-based discrepancies. Another area of
activity is the provision of an enabling environment for the development of small and medium enterprises, as well as the creation of well-remunerated jobs, which can provide opportunities to the population to obtain the incomes that are necessary to live.

- Developing and implementing a new generation of policies to increase companies’ competitiveness by encouraging a spirit of innovation, the use of efficient energy technologies, and the use of modern ICTs, and to increase export production competitiveness, are pre-requisites for growth in the number of jobs and in remuneration.
- Supporting employers who provide jobs to persons from vulnerable groups, including young people who lack work experience, persons of pre-retirement age, and mothers with small children, etc. is crucial to ensure the labour market integration of such groups and their access to income.
- Increasing access to social security by diminishing informal employment is an important option that so far has not been fully explored.
- Establishing new forms of counselling and support for the elderly, particularly by connecting the private sector and creating new services for the elderly (e.g. daycare centres, social canteens, etc.) is important, particularly in urban but also in rural areas. The ex officio assistance provided by social workers and assistants in the provision of such services would be very important in this context. These measures would increase the level of information of persons from groups which need assistance regarding the available services, as well as the conditions for accessing such services.

To reduce other forms of non-income inequality:

- Harnessing the compulsory health insurance system by guaranteeing access to the services covered in the Single Programme, and improving the quality of such services, would reduce the additional expenditures incurred by the population when accessing health care services.
- Reducing informal payments in accessing services is also one of the preconditions for diminishing inequality, especially in Chisinau. Increasing citizens’ confidence in the system of combating corruption through non-selective and efficient actions would diminish the practice of making informal payments to receive public services in different areas, including in education and health.
- Establishing clear procedures for children to access preschool services, including children without residence in the respective locality, is crucial. Informing parents how to enrol their children in kindergartens and assuring the transparency of the process by publishing waiting lists is likewise very important.
- Difficulties in accessing dwellings, and poor housing conditions, especially in Chisinau, deepen inequality between different groups. Young families, especially with members employed within state institutions, should benefit from support to ensure they obtain a dwelling space – for instance, by providing social dwellings they can occupy during their activity,
providing a bonus to assist in paying the rent, or identifying an attractive and functional mechanism for procuring a dwelling.

- Improvement of the infrastructure quality in the capital city is also important for most of the population, especially those with a lower-than-average standard of living. Access to quality public transportation is problematic, with specific areas of interest in cities having limited or no access to such services. Available options for urban development include the repositioning of public transportation stations, the modernization of itineraries and the design and implementation of modern urban infrastructure conducive to the use of public transportation.

- The provision of further support to behaviour experiments and testing of social norms to reduce pollution in both urban and urban settlements is important. Achievement of the SDGs in the areas of sustainable cities and responsible consumption requires new approaches and to work with residents and non-residents to improve consumption behaviours.

- Improving infrastructure and the provision of services in rural areas could eventually decrease the migration flow towards the cities, including the capital city. The majority of villages in the Republic of Moldova are not attractive for young persons, and this imposes socioeconomic pressure on urban areas, especially Chisinau municipality.
**Figure 13.** Matching of employment to the level of education in urban areas, per cent, 2014, 2017

**Figure 14.** Perceptions regarding coverage of needs by household income


*Source: Barometer of Public Opinion from January, 2019, IPP*
**Figure 15. Dynamics of the Evolution of Average Income per Person for Quintiles 1 and 5, 2006–2014**

Urban

Rural

Source: NBS, HBS, [http://statbank.statistica.md](http://statbank.statistica.md)

**Figure 16. Evolution of Disposable Income Structure for Quintiles 1 and 5, Urban Areas, 2006–2014**

<table>
<thead>
<tr>
<th>Quintile 1</th>
<th>Quintile 5</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="chart1.png" alt="Graph of income structure for Quintile 1" /></td>
<td><img src="chart2.png" alt="Graph of income structure for Quintile 5" /></td>
</tr>
</tbody>
</table>
**Figure 17. Evolution of structure of consumption expenses for quintiles 1 and 5, urban areas, 2006–2014**

**Quintile 1**

**Quintile 5**

Source: NBS, HBS, http://statbank.statistica.md

**Table 1. Average size of households in quintiles 1 and 5, area of residence, 2006–2018**
<table>
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</tr>
</thead>
<tbody>
<tr>
<td>Urban</td>
<td>Q1</td>
<td>3.5</td>
<td>3.3</td>
<td>3.1</td>
<td>3.1</td>
<td>3.4</td>
<td>3.5</td>
<td>3.2</td>
<td>3.3</td>
<td>3.5</td>
<td>3.1</td>
<td>3.2</td>
<td>3.0</td>
</tr>
<tr>
<td></td>
<td>Q5</td>
<td>2.4</td>
<td>2.3</td>
<td>2.3</td>
<td>2.2</td>
<td>2.1</td>
<td>2.1</td>
<td>1.9</td>
<td>1.9</td>
<td>2.0</td>
<td>1.8</td>
<td>1.8</td>
<td>1.7</td>
</tr>
<tr>
<td>Rural</td>
<td>Q1</td>
<td>3.7</td>
<td>3.5</td>
<td>3.4</td>
<td>3.6</td>
<td>3.5</td>
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<td>3.3</td>
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<td>3.2</td>
<td>3.3</td>
<td>3.2</td>
</tr>
<tr>
<td></td>
<td>Q5</td>
<td>2.3</td>
<td>2.2</td>
<td>2.2</td>
<td>2.3</td>
<td>2.2</td>
<td>2.1</td>
<td>1.9</td>
<td>2.1</td>
<td>2.0</td>
<td>1.8</td>
<td>1.8</td>
<td>1.7</td>
</tr>
</tbody>
</table>

Source: NBS, HBS, [http://statbank.statistica.md](http://statbank.statistica.md)

**Figure 18. Share of households living in rented dwellings, 2006–2018**

**Figure 19. Share of households having dwelling surface of 9m² and less, per cent, 2006–2018**

**Figure 20. Access to utilities by area of residence, per cent, 2018**
**Table 2. Labour force indicators, 2007–2018**

<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>Total country</strong></td>
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<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Activity rate</td>
<td>44.8</td>
<td>44.3</td>
<td>42.8</td>
<td>41.6</td>
<td>42.3</td>
<td>40.7</td>
<td>41.4</td>
<td>41.2</td>
<td>42.4</td>
<td>42.6</td>
<td>42.2</td>
<td>42.8</td>
</tr>
<tr>
<td>Employment rate</td>
<td>42.5</td>
<td>42.5</td>
<td>40</td>
<td>38.5</td>
<td>39.4</td>
<td>38.4</td>
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<td>40.3</td>
<td>40.8</td>
<td>40.5</td>
<td>40.9</td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>5.1</td>
<td>4</td>
<td>6.4</td>
<td>7.4</td>
<td>6.7</td>
<td>5.6</td>
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<td>4.9</td>
<td>4.2</td>
<td>4.1</td>
<td>4.5</td>
</tr>
<tr>
<td><strong>Urban</strong></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activity rate</td>
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<td>47.1</td>
<td>47.4</td>
<td>47.2</td>
<td>48</td>
<td>47</td>
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<td>44.9</td>
<td>45</td>
<td>44.5</td>
<td>43.6</td>
</tr>
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<td>43.8</td>
<td>44.5</td>
<td>43.6</td>
<td>42.7</td>
<td>44.1</td>
<td>43.6</td>
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<td>42</td>
<td>42.3</td>
<td>41.9</td>
<td>42.8</td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>6.9</td>
<td>5.5</td>
<td>8</td>
<td>9.6</td>
<td>8.2</td>
<td>7.3</td>
<td>6.3</td>
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<td>6.4</td>
<td>6</td>
<td>5.7</td>
<td>1.8</td>
</tr>
<tr>
<td><strong>Chisinau mun.</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Activity rate</td>
<td>52.8</td>
<td>53</td>
<td>54</td>
<td>52.9</td>
<td>54.2</td>
<td>54</td>
<td>53.3</td>
<td>51.6</td>
<td>51.3</td>
<td>49.7</td>
<td>48.4</td>
<td>48.6</td>
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<tr>
<td>Employment rate</td>
<td>49.3</td>
<td>49.9</td>
<td>49.4</td>
<td>47.4</td>
<td>49.2</td>
<td>49.6</td>
<td>50.0</td>
<td>48.5</td>
<td>47.8</td>
<td>46.9</td>
<td>45.6</td>
<td>46.3</td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>6.5</td>
<td>5.9</td>
<td>8.6</td>
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<td>6</td>
<td>7</td>
<td>5.7</td>
<td>5.8</td>
<td>4.8</td>
</tr>
</tbody>
</table>


**Figure 24. Unemployment and placement on the labour market in Chisinau, 2014–2018**
FIGURE 25. DISTRIBUTION OF EMPLOYED POPULATION BY ECONOMIC ACTIVITIES, URBAN AREAS, PER CENT, 2018

<table>
<thead>
<tr>
<th>Sector</th>
<th>Budgetary sector</th>
<th>Real sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, forestry and fishery</td>
<td>3721,8</td>
<td>4202,4</td>
</tr>
<tr>
<td>B+c+d+e industry</td>
<td>3345,3</td>
<td>6492,1</td>
</tr>
<tr>
<td>Construction</td>
<td>-</td>
<td>6198,2</td>
</tr>
<tr>
<td>Other activities</td>
<td></td>
<td>5068,6</td>
</tr>
</tbody>
</table>


TABLE 3. MONTHLY AVERAGE EARNING BY SECTORS, MDL, 2018
<table>
<thead>
<tr>
<th>Economic Activities</th>
<th>Male</th>
<th>Female</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>G wholesale and retail trade; maintenance and repairing vehicles and motorcycles</td>
<td>-</td>
<td>-</td>
<td>5414,9</td>
<td>4444,3</td>
</tr>
<tr>
<td>H transportation and storage</td>
<td>6455,9</td>
<td>5346,2</td>
<td>5985,1</td>
<td>4893,2</td>
</tr>
<tr>
<td>I activities of accommodation and public food service</td>
<td>3495,6</td>
<td>2928,9</td>
<td>4266</td>
<td>3553,2</td>
</tr>
<tr>
<td>J information and communication</td>
<td>...</td>
<td>...</td>
<td>13624</td>
<td>11315</td>
</tr>
<tr>
<td>K financial and insurance activities</td>
<td>-</td>
<td>-</td>
<td>12090,2</td>
<td>9494,5</td>
</tr>
<tr>
<td>L real estate transactions</td>
<td>3112,9</td>
<td>2558,6</td>
<td>5162,2</td>
<td>4245</td>
</tr>
<tr>
<td>M professional, scientific and technical activities</td>
<td>5873,9</td>
<td>4787</td>
<td>8741,8</td>
<td>7012,6</td>
</tr>
<tr>
<td>N administrative service activities and support service activities</td>
<td>2698,5</td>
<td>2315,4</td>
<td>5030,6</td>
<td>4148,5</td>
</tr>
<tr>
<td>O public administration and defence; compulsory social insurance</td>
<td>8232</td>
<td>6767,8</td>
<td>20979,8</td>
<td>16551,9</td>
</tr>
<tr>
<td>Q health and social assistance</td>
<td>4087,4</td>
<td>3432,2</td>
<td>6713,3</td>
<td>5493</td>
</tr>
<tr>
<td>R art, recreation and leisure</td>
<td>3166,5</td>
<td>2687,5</td>
<td>5223,2</td>
<td>4299,1</td>
</tr>
<tr>
<td>S other service activities</td>
<td>...</td>
<td>...</td>
<td>6823</td>
<td>5554</td>
</tr>
</tbody>
</table>

**Figure 26. Informal Employment in Urban Areas, Per Cent**

Total, 2003–2018

By economic activities, 2014, 2018


**Table 4. Employment and Informal Employment in Urban Areas by Sex, 2018**
<table>
<thead>
<tr>
<th>Economic activities - total</th>
<th>Th. persons</th>
<th>per cent of total</th>
<th>Th. persons</th>
<th>Per cent of total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>264,4</td>
<td>46,2</td>
<td>271,5</td>
<td>28,3</td>
</tr>
<tr>
<td>Agriculture, hunting, fishery</td>
<td>13,4</td>
<td>9,8</td>
<td>11,5</td>
<td>9,7</td>
</tr>
<tr>
<td>Industry</td>
<td>53,7</td>
<td>3,1</td>
<td>38,9</td>
<td>1,3</td>
</tr>
<tr>
<td>Construction</td>
<td>28</td>
<td>14,8</td>
<td>2,4</td>
<td>0,5</td>
</tr>
<tr>
<td>Wholesale and retail trade, Hotels and restaurants</td>
<td>60,8</td>
<td>8,5</td>
<td>77</td>
<td>7,9</td>
</tr>
<tr>
<td>Transport and communication</td>
<td>38,2</td>
<td>4,8</td>
<td>17,5</td>
<td>0,2</td>
</tr>
<tr>
<td>Public administration, education, health and social assistance</td>
<td>38,6</td>
<td>0,3</td>
<td>81,2</td>
<td>1,0</td>
</tr>
<tr>
<td>Other activities</td>
<td>31,7</td>
<td>4,9</td>
<td>42,9</td>
<td>7,6</td>
</tr>
</tbody>
</table>


**Figure 27. Distribution of economically active population by areas of residence, 2018, per cent**

**By levels of education**

**By age groups**

**Figure 30. Children per 100 places in preschool institutions, 2011–2018**

![Graph showing children per 100 places in preschool institutions from 2011 to 2018.](image)

Source: NBS, Education and science, [http://statbank.statistica.md](http://statbank.statistica.md)

**Table 5. Dynamics in number of pupils in schools, gymnasiums, and lyceums, day training, thousand persons, 2011–2018**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>380,2</td>
<td>366</td>
<td>352</td>
<td>339,9</td>
<td>333,4</td>
<td>333,7</td>
<td>335,6</td>
<td>-44,6</td>
</tr>
<tr>
<td><strong>Rural</strong></td>
<td>220,2</td>
<td>208,2</td>
<td>196,4</td>
<td>185,7</td>
<td>177,5</td>
<td>173,2</td>
<td>169,9</td>
<td>-50,3</td>
</tr>
<tr>
<td><strong>Urban</strong></td>
<td>160,0</td>
<td>157,8</td>
<td>155,6</td>
<td>154,2</td>
<td>155,9</td>
<td>160,6</td>
<td>165,7</td>
<td>5,7</td>
</tr>
<tr>
<td><strong>Chisinau mun.</strong></td>
<td>79,1</td>
<td>78,8</td>
<td>78,8</td>
<td>79,4</td>
<td>80,9</td>
<td>83,2</td>
<td>86,2</td>
<td>7,1</td>
</tr>
<tr>
<td><strong>Number of pupils per 10,000 population, total</strong></td>
<td>1071</td>
<td>1032</td>
<td>993</td>
<td>959</td>
<td>941</td>
<td>940</td>
<td>946</td>
<td>-125</td>
</tr>
</tbody>
</table>


**Figure 31. Quantum by main categories of beneficiaries, MDL, 2014, 2018**

![Graph showing quantum by main categories of beneficiaries from 2014 to 2018.](image)
### Annex A

<table>
<thead>
<tr>
<th>Indicator used</th>
<th>Link to the SDG target or proxy SDG target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Matching of employment to the level of education in urban areas, per cent, 2014, 2017</td>
<td>SDG targets 4.3, 4.4</td>
</tr>
<tr>
<td>Perceptions regarding coverage of needs by household income</td>
<td>SDG target 10.2, 2.1</td>
</tr>
<tr>
<td>Dynamics of the evolution of average income per person for quintiles 1 and 5, 2006–2018</td>
<td>SDG target 1.2, 10.1/2</td>
</tr>
<tr>
<td>Evolution of disposable income structure for quintiles 1 and 5, urban areas, 2006–2018</td>
<td>SDG target 1.3</td>
</tr>
<tr>
<td>Evolution of structure of consumption expenses for quintiles 1 and 5, urban areas, 2006–2018</td>
<td>SDG target 3.8, 10.1</td>
</tr>
<tr>
<td>Average size of households in quintiles 1 and 5, area of residence, 2006–2018</td>
<td>SDG target 11.1</td>
</tr>
<tr>
<td>Category</td>
<td>SDG Target</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>Share of households living in rented dwellings, 2006-2018</td>
<td>11.1</td>
</tr>
<tr>
<td>Share of households having dwelling surface of 9m² and less, per cent, 2006–2018</td>
<td>11.1</td>
</tr>
<tr>
<td>Access to utilities by area of residence, per cent, 2018</td>
<td>1.4, 6.1, 6.2, 7.1</td>
</tr>
<tr>
<td>Labour force indicators (activity rate, etc.), 2007–2018</td>
<td>8.5</td>
</tr>
<tr>
<td>Unemployment and placement on the labour market, 2014–2018</td>
<td>8.5</td>
</tr>
<tr>
<td>Monthly average earning by sectors, 2018</td>
<td>8.5</td>
</tr>
<tr>
<td>Children per 100 places in preschool institutions, 2011–2018</td>
<td>4.2</td>
</tr>
<tr>
<td>Dynamics in number of pupils in schools, gymnasiums, and lyceums, day training, thousand persons, 2011–2018</td>
<td>4.5</td>
</tr>
<tr>
<td>Quantum by main categories of beneficiaries, MDL, 2014, 2018</td>
<td>1.3</td>
</tr>
<tr>
<td>Degree of access to urban green spaces in Chisinau (AOI)</td>
<td>(11.7)</td>
</tr>
<tr>
<td>Access to public transportation</td>
<td>11.2.1</td>
</tr>
</tbody>
</table>
Annex B

Defining inequalities—beyond income, beyond averages and beyond today

**Key global messages from the Global Human Development Report and what these mean for Moldova**

“In every country many people have little prospect for a better future. Lacking hope, purpose or dignity, they watch from society’s sidelines as they see others pull ahead to ever greater prosperity. Worldwide many have escaped extreme poverty, but even more have neither the opportunities nor the resources to control their lives. Far too often gender, ethnicity or parents’ wealth still determines a person’s place in society.” (Global Human Development Report, 2019)

What do we mean by inequalities? It is important to give a broad definition of inequalities in order to frame the further discussion about income and non-income inequalities and emerging new forms of inequality. Some 40 years ago the founding father of human development, Professor Amartya Sen, when discussing the idea of equality, asked the very simple question: equality of what? He answered with equal simplicity: equality of the things we care about to build the future we aspire to.

From such a definition of inequalities it is obvious that much of the analysis of inequalities at global, regional, national and subnational levels regarding the countries in our region has an important limitation, i.e. a narrow focus on income inequalities, on averages and on ‘yesterday’. As the 2019 Global Human Development Report mentions, it is time to take a step forward and to look at the new forms of inequality from a sustainable human development perspective, going beyond disparities in income and wealth. In the 2019 Global Human Development Report, a fresh perspective on inequalities in the context of human development is analysed. This includes three key new elements:

- **Inequalities are much more than disparities in income and wealth:** A comprehensive assessment of inequality must consider income and wealth, but it must also understand differences in other aspects of human development, and the processes that lead to them.

- **Inequalities are a ‘moving target’; these accumulate over time and result from a multitude of discrepancies faced by people in the past, present and future:** Inequalities in human development today will shape the prospects of people who may live to see the twenty-second century.
‘Things’ are unequal for many individuals, groups of people and societies in a myriad of ways, including new ways: The analysis of inequalities in human development must go beyond summary measures of inequality that focus on only a single dimension.

The Global Human Development Report highlights five key global messages that are to a large extent relevant to the local and regional context. Below we present our understanding of these messages, given the specific characteristics of the region and the country context.

Figure 3. Key global messages from the Human Development Report

Source: Global Human Development Report, 2019

**Key message 1:** Disparities in human development remain widespread, despite achievements in reducing extreme deprivations

The twenty-first century has witnessed great progress in living standards, with an unprecedented number of people around the world making a “great escape” from hunger, disease and poverty—moving above minimum subsistence. The HDI shows impressive improvement on average, reflecting dramatic improvements in achievements such as life expectancy at birth, driven largely by sharp declines in infant mortality rates. However, many people have been left behind, and inequalities remain widespread across all dimensions – some relate to life and death, while others relate to access to knowledge and life-changing technologies.

**Key message 2:** A new generation of inequalities is emerging, with divergence in enhanced capabilities, despite convergence in basic capabilities
As we enter the 2020s, a new set of capabilities is becoming fundamental to modern life in the new era, sometimes called the ‘new machine age’. Inequalities in regard to these enhanced capabilities show strikingly different dynamics from those in basic capabilities. These inequalities in regard to enhanced capabilities are at the root of a new generation of inequalities. Globally, as the Global Human Development Report states, the inequalities in enhanced capabilities are widening. For instance, based on available data, estimates suggest that the gain in life expectancy at age 70 from 1995 to 2015 in very high human development countries was more than twice that in low human development countries. There are stark discrepancies when it comes to access to knowledge, skills and new technology, as well as ability to practise those skills and so on. For example, the proportion of the adult population with tertiary education is growing more than six times faster in very high human development countries than in low human development countries, and fixed broadband subscriptions are growing 15 times faster in those same countries. Differences do not exist only between countries and regions: there are also important growing discrepancies within countries. We will further analyse such discrepancies in the Moldovan context, based on our recent research on the future of skills and jobs and the future of (higher) education. We will analyse urban inequalities in the city of Chisinau, the capital of Moldova and largest urban area in the country, to unveil new forms of emerging inequalities that are underpinned by uneven distribution of income, but also by unequal access to certain basic services, and we will analyse the impact on overall human development.

**Key message 3:** Inequalities accumulate through life, often reflecting deep power imbalances
Inequalities have a cumulative effect on human development. This means that different inequalities interact over time, while at the same time their size and impact may shift over a person’s lifetime. Policymakers wishing to consistently tackle economic inequality need to identify and consider options to address social norms, policies and institutions that are formed over long periods of time, as well as people’s perceptions, stereotypes and so on. Inequalities are also linked to people’s area of residence (urban or rural in Moldova), and start at birth—or even before that. Thus, a boy or a girl born in Moldova will face unequal conditions that are dictated by the social, cultural and economic status of their families, their health status and their access to education and other basic services. Such disparities are compounded and accumulate over time, leading to income and non-income inequalities that may last for life – what we can call persistent inequalities. Gender inequalities are a form of inequality that require special attention, including in the Moldovan context, where we witness a compounding effect of unequal conditions at birth – or, again, even before birth – and the emanation of lifelong forms of inequality between men and women.

**Key message 4:** Assessing and responding to inequalities in human development demands a revolution in metrics
Averages can mask big differences. As the Global Human Development Report mentions, existing standards and practices for measuring inequality are inadequate to inform public debate or to support decision-making. Researchers and policymakers, and indeed all stakeholders, must investigate new metrics that can be used to assess, understand and react to existing and emerging forms of inequality. This demand for new metrics is obvious as we plan to unpack the complexity of
inequalities among different groups of a population (horizontal inequalities) or among individuals (vertical inequalities) since official statistics are not enough. There are inequalities within countries (between urban and rural areas, within urban areas and within rural areas, district inequalities and emerging geographic discrepancies in access to services, etc.). Inequalities of opportunities are contrasted to inequalities of outcomes. Intergenerational inequalities are becoming more evident, especially in contrast with current equity concerns—in what shape will the country we leave to our children be, and what are the ways of achieving well-being in the present? The Global Human Development Report calls for more engagement in innovation and experimentation work to collect and make sense of new evidence on the ‘things’ or lack of ‘things’ that people care about as regards living long and productive lives in their communities. We need both ‘big’ and ‘thick’ data. At UNDP Moldova, together with a myriad of private sector companies and local public authorities, we have embarked on a very interesting initiative to collect and make sense of new highly granular evidence on people’s behaviour when it comes to the consumption of different items, the use of public transportation and mobility, the use of electricity and so on. Such new evidence will be further used by UNDP and partners to understand inequalities within the urban context, going beyond income, averages and ‘today’.

**Key message 5:** We can redress inequalities if we act now, before imbalances in economic power become politically entrenched

At the core of this last message is the idea that nothing is inevitable as regards many forms of social and economic inequality. There are multiple options, policy choices and alternatives that societies have at hand to prevent, kerb or eliminate inequalities. What is important is to go beyond averages, beyond income and today, and to unveil such strategic options for further action. The Global Human Development Report puts an emphasis on integrated policies and provides specific examples of how taxes on income/wealth or consumption, for instance, can help reduce inequalities and benefit poor and marginalized groups of individuals. But these are just so-called post-market policies. The Report strongly encourages governments to think beyond today and to investigate pre-market and in-market policies.

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51 Big data refers to extremely large data sets that may be analysed computationally to reveal patterns, trends and associations, especially relating to human behaviour and interactions. Thick data is data that uncovers people’s emotions, stories and models of their world, and that is brought to light using qualitative and ethnographic research methods. Usually this comes to us in the form of a small sample size; in return we get an incredible depth of meanings and stories. Thick data can rescue big data from the context loss that comes with the processes of making it usable—normalizing, standardizing, defining, clustering—all processes that strip the data set of context, meaning and stories. See https://medium.com/ethnography-matters/why-big-data-needs-thick-data-b4b3e75e3d7