

# **Integrated Social Protection Systems**

## **Country Case Study - Moldova**

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# 1 Introduction

## 1.1 Objectives of the case study

**The purpose of this country case study is to document the experience of designing and implementing integrated social protection systems in Moldova.** The case study draws on the conceptual framework developed in the literature review phase of this Project (Sammon et al 2019a), which outlines the key dimensions of integration at the policy, programme, and administrative level, and on the initial insights from a review of regional experiences (Sammon et al 2019b).

**Based on a further country-specific desk review and 3 days of Key Informant Interviews** (see acknowledgements) conducted between 2<sup>nd</sup> to 4<sup>th</sup> March 2020, this study aims to highlight what worked and under what conditions/enabling factors, as well as the challenges and how these are being overcome.

**Specific focus and attention are paid to how social protection policy has evolved over time and whether this has favoured greater integration.** Areas of particular interest in the case of Moldova are the development of community social workers and their role in facilitating entry to service provision, the development of a coherent minimum income policy, as well as the challenges around decentralization and the initial attempts to overcome them.

**Moreover, the country study gives the possibility to put the analysis of the social protection system needs within the specific country context and challenges.** While Moldova shares some of the common features of many countries which used to be part of the Soviet Union, with relatively high, but somewhat unbalanced, spending on social protection, there are also aspects that are very specific to Moldova, such as large out-migration, low wages/capacity, and significant political instability.

## 1.2 Country context and specific challenges

**Moldova gained independence from the Soviet Union in 1991 and adopted a new Constitution in 1994. It inherited from its past a system that used to guarantee full employment and full pension coverage, but it experienced an extremely painful transition.** According to some estimates, GDP in 1994 was only 40 per cent the level of 1990 and touched the lowest level in 1999, as the result of the Russian financial crisis. While there has been sustained economic growth since then, the economy has only now recovered the 1990 GDP level. Such drastic decline caused widespread unemployment and poverty, and led to hunger, cold, and poor health and education services. Moreover, there was also a dramatic impact on family and community relations, which were affected by the dissolution of collectives and the privatization process, especially in rural areas (Soto & Dudwick, 1999).

While in the pre-independence period all people of pension age could receive a pension, and this continued for some years afterwards, the value of their pension was quickly eroded by inflation, and **a new system based on social insurance contributions was put in place from 1999.** Social assistance was directed to specific categorical groups or granted through general subsidies. Finally, social services were limited to domiciliary care for single elderly and the disabled or otherwise provided by full time care in residential institutions.

The system was heavily compromised during transition. It collapsed and was gradually reformed, as we will briefly describe later, but some of the challenges were further exacerbated by new evolving

trends, which remain specific challenges for the country today: informality, adverse demographic trends, migration, low employment rate, and political instability.

**Moldova is characterized by high levels of informality, both in terms of ‘envelope payments’ that complement formal relationships as well as fully informal working relationships, especially in agriculture.** Furthermore, demographic trends show a continuously decreasing fertility rate, a small increase in life expectancy, and an increase in the old age population. The level of wages is very low (with the average wage being at the level of the minimum wage in neighbouring Romania) and the result has been a large out-migration, which has consolidated into what can be considered a permanent departure from the country. This is now recognised in official statistics showing a population decline (while population in 2000 was about 3.6 million, including Transnistria, now it is less than 2.7 million). In addition, employment rates are very low, at only slightly above 40 per cent for the last ten years.

The comparison with other countries of the region in terms of activity rate is startling: Moldova has an activity rate (among the population 15-64) at least 20 percentage points lower than that of Romania, Ukraine, Bulgaria, Serbia, Georgia, North Macedonia, and Armenia (Spatari & Guga, 2019). In this context, another problem is the lack of skilled labour. Finally, the Moldovan political scene has been very unstable with movements between the pro-Europe and pro-Russia sphere of influence.

**The remainder of this report is structured in three main sections looking at the policy, programme, and administrative level of social protection.** A final section provides some thoughts emerging from this overview of the social protection system, possible ways in which to address some of the emerging gaps, and how to continue the gradual process of social protection integration.

## 2 Policy level

### 2.1 Policy, strategy and legislation

**The Annual Social Report, written by the Ministry of Health, Labour, and Social Protection, defines social protection as** “characterized by social programmes that comprise measures and tools aimed at increasing the living standards and improving the life quality, as well as protecting the population from the negative effects of social phenomena, such as: unemployment, poverty, labour force migration, inflation, pauperization, effects that can occur at specific times as a result of different economic and social conditions”.

**Social protection policy clearly comprises social insurance, social assistance, social care services, and active labour market policy.** Furthermore, child protection is intertwined with various social protection policies. All these core elements of the social protection system fall within the responsibility of the Ministry of Health, Labour, and Social Protection.

**The right to social protection is recognized in the second chapter of the Constitution as one of the fundamental rights.** More specifically, article 47 states that “the State shall be bound to take actions in order that every person has a decent standard of living that would ensure him/her and his/her family members health protection and welfare including food, clothing, shelter, medical care, as well as necessary social services”. The same article also declares that “all citizens have the right to be insured in case of: unemployment, disease, disability, widowhood, old age or other situations where, due to causes beyond one’s control, one loses the source or means of obtaining the necessities of life”. Furthermore, articles 49, 50, and 51 speak of the special protection for children and the disabled. Finally, article 43 recognises the right of labour

protection and protection against unemployment, while article 36 speaks of health protection and minimum health insurance.

**The rights defined in the Constitution are legislated in various laws that evolved over time and which are summarised in simplified steps in Figure 1. for social insurance, social assistance, and social care services,** where the aim is to identify the most important legislative changes shaping the social protection system. In general, the legislative changes have gradually transformed the system inherited from the Soviet Union and have been driven both by the new socio-economic environment and by a certain aspiration to the European social protection model. Nevertheless, the legislative body is relatively comprehensive and over time has adapted and moved towards some integration and more coherence, even though it continues to face substantial challenges.

**Within the social insurance, particularly pension policies (old age, survivor, and disability), the 1999 law promoted a system based on Bismarck principles, with a compulsory earnings-related public pension and a minimum pension** (for those with enough years of contributions). The system works on a pay as you go basis, but rules for contributions and social insurance benefits vary for different categories of workers, without being able to overcome the disparity inherited from the soviet system for people who used to work under collective farms and other employees (Hutsebaut, 2006). Amendments to the main law, pension calculations, and different treatments for certain categories of workers were made over the years, but a significant reform took place in 2016 (law No. 290 of 16 December 2016). The reform provided a more transparent way of calculating the pension benefit and an equivalence between contributions and pension levels. There is now the potential to support formalization of partly undeclared wages, creating incentives to contribute, and thereby support the overall financial sustainability of the pension system (Hutsebaut, 2017). There has also been an increase in the minimum pension, which aligned with the level of the minimum income guaranteed for social assistance, a gradual alignment of pension age for men and women, increased number of contributory years and an overall projected improvement in the adequacy of the pension system, addressing significant inequities. The new law established that pensions would increase annually with the consumer price index (CPI), rather than the average of the increase of the wage index and CPI.

**However, amendments that occurred in 2018 cut contribution rates and provided new privileges for special pensions** (military and security forces). Both the financial and social sustainability of the pension system appear once again compromised in the long run (Zhukovskiy, 2019). The lack of financial sustainability is the result of the extremely low economic support ratio of just 1:1 (employed people contributing compared to the number of pensioners), and the unbalance between benefits and contributions<sup>1</sup>. In contrast, the social sustainability is a result of the very large number of people who are not contributing and therefore will not be entitled to a pension when they reach pension age.

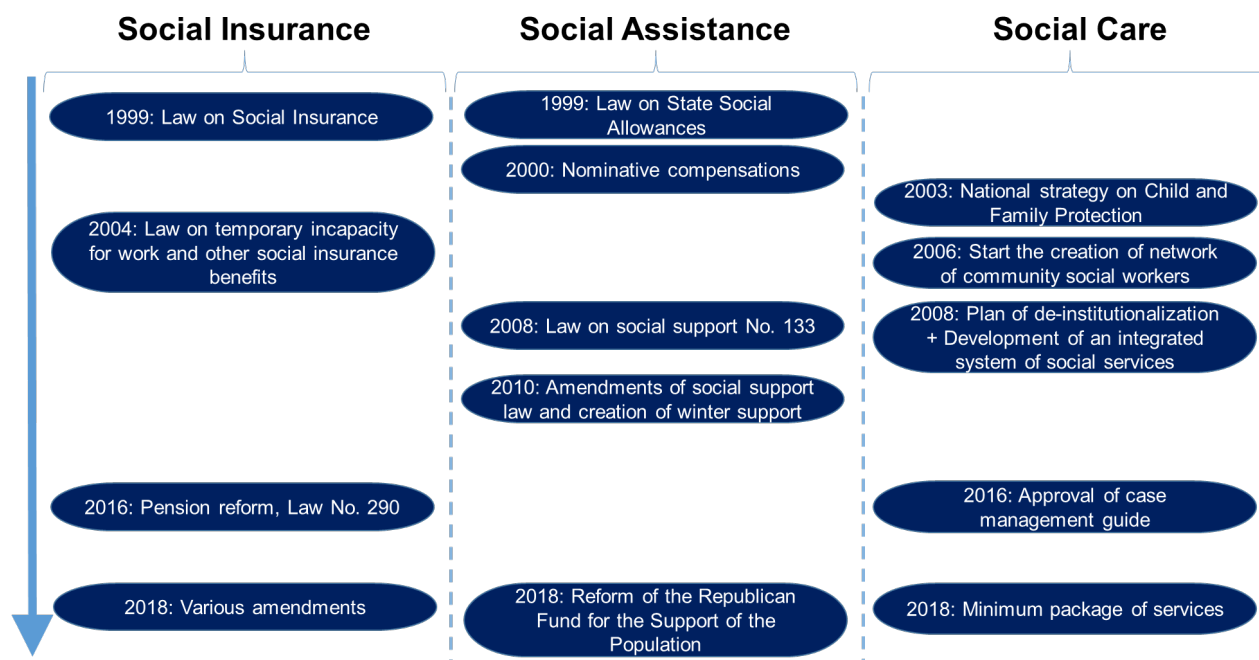
**Concerning social assistance, Moldova inherited a system of allowances for different categories of vulnerable people together with generous energy subsidies.** In 2000 energy subsidies were replaced by nominative compensations for different categories of vulnerable people (primarily disabled, elderly, and war veterans). These quickly became the largest set of social assistance cash transfers, reaching about 20 per cent of the population but providing low amounts, and while progressive, they also reached many relatively well-off households. In 2008 a new law introduced the ajutor social (AS), a minimum income scheme, aimed at replacing nominative compensations, while being better targeted and providing a higher level of support than previous benefits. Nominative compensations were phased out over four years and linked to the AS; another benefit, or winter allowance, was introduced covering a larger number of households than the AS (the eligibility threshold being higher). Finally, in 2018 the Republican Fund for the Social Support of

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<sup>1</sup> In the EU, in 2010 the average ratio was 2.38, and even in Italy, the country with the highest ratio, it was 1.81. The lower the ratio the more difficult it is to provide a reasonable pension and the higher are the current taxes on companies, affecting the competitiveness of the economy.

the Population was reformed to create a minimum package of services administered at Raion (district) level.

**Figure 1. Key legislation shaping the social protection system**



**Regarding social care, the system under the Soviet Union included domiciliary care of single elderly and disabled as well as institutional care, and there was a large gap in provision of community level services. This started to change with the introduction of some strategic documents on child and family protection, a de-institutionalization plan and development of an integrated system of social services.** Moreover, strategic in the development of district and community level services was the creation of a new workforce of community-based social workers. An evaluation of the strategy conducted in 2012 by UNICEF revealed that the number of children in institutions decreased by 54 per cent compared to a 2007 baseline (Evans, 2013) and overall the process of de-institutionalization has been considered successful. With the enhanced decentralization (UNICEF, 2018), it became essential to find ways to support social services, and in 2018 legislation was enacted to develop a minimum package of services across the whole country.

Finally, an employment agency was created in 2003 focusing primarily on passive labour market policies, and although active labour market policies are gaining some importance, the initiatives remain relatively small compared to those promoted by other countries.

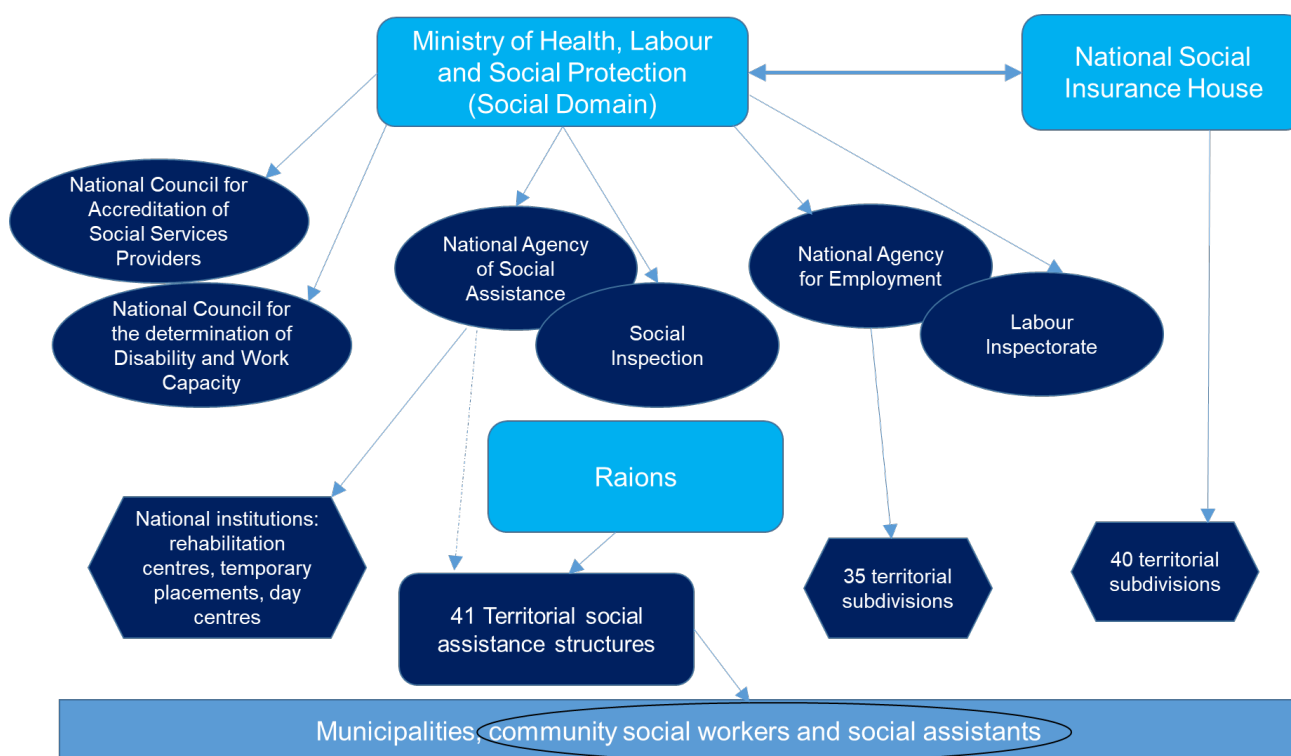
Although no document or vision was found that speaks explicitly about integration, in various reports (for example the 2015 Annual Social Report) there are references to the need for inter-agency collaborations to tackle complex social problems. Moreover, the overall trajectory and motivation of reforms often include elements aimed at strengthening coherence and coordination within social protection programmes.

## 2.2 Organisational structure and coordination

As mentioned earlier the policy remit of social protection falls under one Ministry in Moldova, the Ministry of Health, Labour, and Social Protection, which has the mandate of setting policy, regulations, and guidelines, providing inspections and monitoring and evaluation. However, implementation is conducted by different agencies, some of which are subordinated to the Ministry, while others are independent. Notably, the National Social Insurance House (NSIH) is an autonomous body that reports directly to the Government and has the responsibility to manage the social insurance fund and implement the policies set by the Ministry. The Minister is the chairman of the board of directors of the NSIH. In the decentralized system of government, Raions are also independent government units as are municipalities. While, both for the NSIH and the National Employment Agency, administration is done through subordinated territorial units that implement national policies, social assistance services are provided by territorial social assistance structures (TSAS) that report to Raion governments. In this context there is a technical support and training provided by the National Agency for Social Assistance to TSAS, which in theory could cover all aspects of social assistance and social services.

Finally, it is significant to note that while community social workers and social assistants are placed in the municipalities, they are hired and paid by TSAS (Figure 2. depicts graphically the organizational structure for social protection). The National Agency for Social Assistance was only created in 2017 and has the responsibility to also oversee the implementation of the minimum package of services (OPM and P4EC, 2017).

**Figure 2. Organisational structure for social protection**



In general, horizontal coordination is achieved through formal mechanisms of consultations whenever significant legislation is produced, involving other key Ministries, in particular the Ministry of Finance. For vertical coordination with lower levels of implementation, most social protection policies remain central government programmes for which policy and budget are also provided centrally. However, social care services are now funded by district level governments and this is seen by the central Ministry and those responsible for such services as a significant threat to

their sustainability, since their importance is often misunderstood or not given the right priority by Raion Governments. It was specifically for this reason that the minimum package of services was put in place.

## 2.3 Financing and sectoral M&E

**As already mentioned, financing of most social protection programmes comes from the Central Government, while for some of the social services the budget comes from the local Government.** There are limitations when programmes work across different sectors since there is a lack of experience of financing joint programmes, and some of the parties are essentially asked to cooperate on a 'voluntary' basis (for example this occurs for programmes related to non-communicable diseases, where TSAS provide essentially voluntary contributions in terms of information campaigns and referrals).

**While the Ministry has a significant role to play in monitoring and evaluation, there is scope to strengthen such functions, which appear to be primarily sponsored by external donors.** The Ministry produces annual social reports that provide information on the main programmes, coverage, and spending (though the last published report was for the year 2017 (MHLSP, 2018)). A monitoring system of major programmes, such as for the AS and winter support was put in place, but the current Management Information System (MIS) is unable to provide adequate reports, even though efforts are underway to ensure that these will be generated regularly. Concerning social services there has been some work to develop a MIS and related indicators, but with even less success (see section 4.2).

In the past the Ministry commissioned an evaluation of the social assistance reform (namely the introduction of AS and winter support), a beneficiary satisfaction survey, and a survey on employment services among social assistance beneficiaries. These studies were all supported through a World Bank project.

**Efforts to create a monitoring and reporting system for TSAS were not successful,** and although the system was developed it is not used by TSAS and the Ministry. The National Agency for Social Assistance is now considering developing new systems for reporting on the minimum service package.

## 3 Programme level

### 3.1 Range of programmes offered

**In line with the legislation briefly described in the previous section, Moldova has a wide range of social protection programmes, which can be described following the life cycle, and which are also summarised in Table 1.**

The first benefit to mention is the **maternity benefit** granted if either the mother or the father is insured. Secondly, a **birth grant** is provided universally to all children, and given as a one-off payment. This is then complemented by a monthly **childcare benefit**, aimed essentially at covering the first 1000 days, but which has different rules depending on whether the parents/child carer are insured or not. For an insured person in a formal working relationship the benefit lasts until the child reaches the age of three and the amount depends on their salary (30 per cent of salary) but is never less than a certain amount. For the uninsured the benefit lasts until the child reaches the age of two (it increased from 1.5 to 2 years in 2016) and the amount is fixed.

For children older than three there are **social allowances for children with disabilities and orphans** (the latter can continue up to the age of 23 if the person enrolls in higher education). Similarly, there is **special cash support for adopted children or those in kinship care**.

For those of working age there is an **accident and sickness insurance** as well as **unemployment benefits** for those with a contributory history. There are also **social allowances for persons who have a disability** from birth or for those without the required number of years of contribution. Otherwise social insurance pensions are provided as well as survivor pensions (**disability and survivor pensions**). There are also **state monthly allocations** (*alocatii lunare de stat*) for war veterans and other special categories of people, which can be combined with different social insurance benefits and social allocations. It is important to highlight that, while state monthly allocations were dwindling year by year, since they were primarily provided to veterans from the Second World War, an enlargement of categories of people entitled to these allocations occurred in 2012 and 2013, increasing the number of beneficiaries. The new categories include participants in various war activities at the time of the USSR (Afghanistan war), certain types of military personnel, and rehabilitated victims of political repression between 1917 and 1990

Finally, while we mentioned the passive employment policies (mainly unemployment benefits), it is important to recognise that there are also some **active labour market policies**, in particular mediation services and, on a relatively limited scale, professional training and public works.

**People who look after children with severe disabilities, persons with disabilities since childhood and blind persons are also entitled to care allowances**, which since 2014 are expressed as a percentage of the guaranteed minimum income (GMI) and therefore updated with the CPI every April. These are additional benefits, which can be combined with other assistance/pensions.

**Old age pensions** are granted to all those with the minimum years of contributions. Moreover, before the 2016 pension reform was applied, those receiving a pension below 1,500 lei per month were entitled to a monthly **state financial support**, which they can continue to receive, but no new applicants can enter the scheme. For those reaching pension age, but without the minimum years of contribution, there is a **social pension**. The **death allowance** is a universal benefit provided to remaining household members who incur expenses to cover funeral costs. It is provided either through social insurance or social assistance.

**Table 1. Range of programmes offered: main examples**

(values and numbers are for 2015 and 2017)

Programme name	Eligibility	Life-cycle focus	Means tested?	Frequency	Unit	Recipients <sup>2</sup>	Amount (average)	Implementing agency	Linkage to other programmes
<b>Birth grant</b>	All born children	Birth	No	One-off	Person	32,400	5,300	NSIH	Once people apply it can also trigger a childcare grant application
<b>Childcare grant</b>	Based on contributions, but also for others at lower amount and shorter period	0-3 (0-2 if uninsured)	No	Monthly	Person	80,527	>=540 (at least)	NSIH	
<b>Ajutor Social</b>	Income below GMI	Throughout	Yes	Monthly	Household	56,000	829	TSAS	Same application as winter support, link to health insurance and registration to employment office
<b>Winter support</b>	Income below multiple of GMI (higher than GMI)	Throughout	Yes	Monthly (November to March)	Household	162,000	315	TSAS	Same application as ajutor social
<b>Social allowances for children (disability /orphans)</b>	Children with disability and orphans (uninsured)	Children	No	Monthly	Person	16,669	525	NSIH	
<b>Unemployment benefits</b>	Insured people who lose jobs	Working age	No	Monthly (short period)	Person	4,500	1,376	NEA	
<b>Social allowances for persons with disability</b>	Based on disability without insurance	Throughout	No	Monthly	Person	36,934	454	NSIH	

<sup>2</sup> This is not an indicator of coverage of the relevant targeted category, but a very broad indication of coverage of the national population for international comparisons. The total across all benefits will not add up to 100 per cent and is not a relevant number as many benefits intentionally overlap.

Programme name	Eligibility	Life-cycle focus	Means tested?	Frequency	Unit	Recipients <sup>2</sup>	Amount (average)	Implementing agency	Linkage to other programmes
<b>Disability and survivors' pensions</b>	Insured people based on disability and loss of breadwinner	Working and old age	No		Person	141,580	1,113	NSIH	
<b>State monthly allocations</b>	War veterans and other categories with special merits	Working and old age	No	Monthly	Person	34,128	156	NSIH	
<b>Active labour market policies</b>	Unemployed	Working age	No	Ad-hoc	Person	42,100	-	NEA	Linkage to ajutor social
<b>Care allowances</b>	Parents looking after children with a disability, people with severe disabilities, blind	Working age	No	Monthly	Person	15,062	770	NSIH	Amount defined as a percentage of the GMI
<b>Old age pensions</b>	People reaching pension age with minimum years of contributions	Old age	No	Monthly	Person	532,976	1,457	NSIH	
<b>State financial support</b>	Pensioners, with pension below certain threshold	Old age	Yes, pension	Monthly	Person	159,121	120	NSIH	This benefit is automatically computed based on pension values
<b>Old age social pension</b>	People of pension age without pension	Old age	Yes, pension	Monthly	Person	7,421	154	NSIH	Provided based on a pension test
<b>Death allowance</b>	Family person incurring funeral expenses for deceased	Death	No	One-off	Person	4,555	1,100	NSIH	

Source: (MHLSP, 2018) and (MHLSP, 2016)

**Granted irrespective of age and throughout the life cycle are the following benefits:**

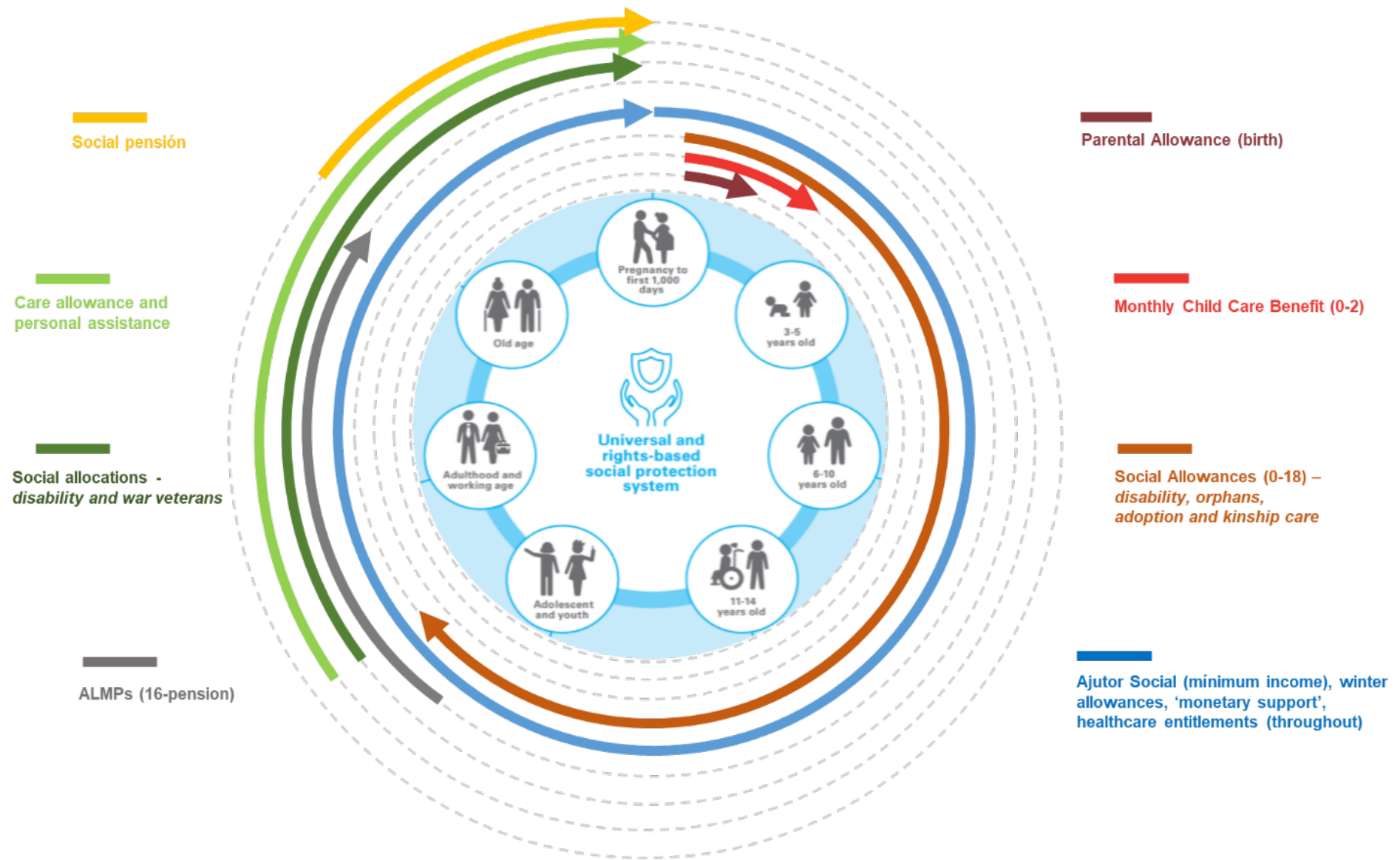
- The **ajutor social**, a minimum income scheme, whereby households with an income lower than the GMI are provided with cash support that allows them to reach the GMI.
- The **winter allowance**, a household fixed level monthly cash allowance during the five coldest months (from November to March), which works both as a top-up to the beneficiaries of AS and as a separate benefit for those with a relatively low income, but higher than the GMI.
- The **monetary support benefit** provided on a one-off basis. This used to be part of a type of benefit provided through the Republican Fund for the Social Support of the Population (called material aid), and provided food items, prosthesis, etc., as well as supporting people with chronic diseases. The scope of this fund was revised in 2018 with the decision that it should be used to support the presence of a minimum package of services in every Raion.

**Therefore, the package of services currently provided consists of only three services: the monetary support, the family support, and the personal assistance programme.** The monetary support is a one-off transfer aimed at supporting families to overcome a specific need or emergency. The family support is a service that combines cash support and social care to prevent the breaking up of a family and ensure the protection of children. The cash support does not entail going through a standardized means test assessment. The provision of family support requires maintaining a case management file. The personal assistance programme is granted to people who look after a person with severe disabilities and provides them both with a stipend and the guarantee that years spent on this assistance are recognised in their contributory history towards pension rights, though it is not always clear how in some cases it overlaps with care allowances.

Other services provided at local level include social canteens, foster care programmes, family type homes, etc., but these services vary significantly depending on TSAS capacity and expertise. It is expected that some of these services might be included in the minimum package of services, though their financing will also need to change.

**Figure 3. shows graphically the coverage of social assistance cash benefits across the life cycle.** There are no significant gaps emerging across the life cycle, with completeness of support relying on programmes that are valid throughout the life cycle, in particular the AS and winter allowances. However, a number of studies have shown that there are a significant number of households who would be eligible to receive support but fail to receive it (Carraro, 2014), and this is more likely to happen whenever there are household members of working age, including households with children. Moreover, the latest poverty analysis (Carraro, 2020) shows how households with three or more children show a considerable concentration of poverty. All this suggests that there should be some form of support for households with low incomes and three or more children, perhaps through simplified procedures as compared to the application for AS (Zhukovskyi, 2019).

**Figure 3. Key social assistance cash benefits along the life cycle**



## 3.2 Explicit linkages across programmes

**Social protection programmes in Moldova have a number of explicit linkages across programmes that support the integration and coordination of the system.** The key linkages are the following:

- **A linkage between AS and winter allowances:** beneficiaries of AS are automatically entitled to winter support. The application process is the same but the income threshold of eligibility for winter support allowances is expressed as a multiplier of the GMI. This has the advantage of supporting coverage for AS, since sometimes households apply for winter allowances, and then also find themselves eligible to AS;
- **A linkage between AS and health insurance:** recipients of AS do not need to pay for health insurance, and they are entitled to the benefits of the health insurance package: free access to an essential package of outpatient and inpatient services. It is also important to remember that since 2010, emergency and primary health care is free of charge for everyone regardless of health insurance status;
- **A link between receipt of AS and registration to employment services:** all people of working age and able to work (excluding persons with disabilities and caregivers of children under the age of three, persons with disabilities and the elderly) need to register with the local employment agency and make efforts to take up jobs;
- There are a number of **rules establishing the coordination between social insurance and social assistance support**, so that social assistance intervenes whenever people fail to acquire social insurance benefits. More specifically, social allowances and social pensions (for disability, survivor, old age) are granted to substitute social insurance when people do not have the required contributory history. However, there are also some contradictory cases, whereby people can receive both social insurance pensions and state monthly allocations/care allowances;
- There are also **inter-sectoral collaborations**: collaboration on non-communicable diseases, effort to reduce infant and child mortality, and a multidisciplinary team approach to ensure child protection (based on Government decision No. 143 of 12 February 2018);
- Finally, there is an increasing **linkage of benefit amounts in relation to the guaranteed minimum income**. In particular, the minimum pension has been increased to match the GMI, and other benefits (care allowance) are expressed as a fixed percentage of the GMI. Since the GMI increases every year with the CPI, this means that all other benefits linked to the GMI are now uprated in line with inflation.

## 3.3 Broader incentive structures and implicit linkages

**In order to maintain a fundamental, adequate structure of incentives, it is important to ensure a hierarchical consistency between the social assistance threshold, minimum pension, and minimum wage.** In fact, there are some fundamental rules that should be respected in the relationship between these different minimum standards:

- The minimum wage should always be above the social assistance GMI, since if a person is able to work and finds a job, their income should be higher than that which social assistance can give;
- If a person has worked and reached pension age, it would be expected that the minimum pension should be at least equal to the GMI. If the minimum pension is lower than the GMI it would imply that having worked for many years does not provide any extra benefit than social assistance payments.

**As highlighted earlier, the social protection system in Moldova is moving towards a more consistent relationship between these different minimum standards and is also reinforcing**

**the relationship between social insurance contributions and pension values, as part of the 2016 pension reform.** Moreover, while there is no economy wide minimum wage, as different standards exist for agriculture, the reference wage in the private sector (the minimum quantum in the real sector) was increased significantly in 2015 in an attempt not only to push up low wages, but also to support formalization. Analysis of household budget survey data reveals some evidence that this has partially occurred.

## 4 Administrative level

### 4.1 Front-office: Integrated Case Management

**In terms of administration and front-office entry into social protection services, the key aspect that has changed and improved the administration was the creation of the workforce for the community social workers.** As reported in Figure 1. this started in 2006, and by 2008 a national network of community social workers was present across almost every municipality. The deployment and training of this new workforce was seen as fundamental to the implementation of the de-institutionalization policy and the creation of community level services.

Moreover, community social workers also became the crucial point of administration for the nascent Ajutor Social programme. Before the creation of this new workforce at the community level there were only domiciliary social assistants providing support to the single elderly and persons with disabilities. To apply for any cash transfers people had to go to territorial social insurance houses and, for a limited number of services and for material aid, to the departments of social assistance (also at district level). Instead, now the community social workers are the main entry point to the system either through some direct provision of service or through referrals and case management.

**Crucially, social workers at municipality level are those processing applications for the main flagship programmes: AS and winter allowances, as well as for monetary support, family support and personal assistance.** Fundamental to the institutional introduction of the community social workers is that they are paid and managed by the district level family and social assistance departments. This seems to better ensure their presence across municipalities as well as a more professional and integrated link with Raion level departments. Nevertheless, there are also some challenges since community social workers do also need to report to mayors. Domiciliary social assistants are also directly hired and managed by district level family and social assistance departments.

The territorial social insurance houses at district level remain the point of entry for all social insurance related benefits, but also for childcare allowances, social allowances, monthly state allocations, and care allowances.

Finally, all employment services are provided through the network of district level offices.

### 4.2 Back-office: Integrated information system

**Before 2008 the only existing information system was available at the NSIH and linked all of the territorial social insurance structures. With the creation of the AS a new information system started to be developed leading to the social assistance structures becoming what is currently known as the Social Assistance Automated Information System (SAAIS).** The system that was initially developed to process and support the applications for AS, now also supports the

processing of the linked winter allowances, a module for social inspection practices<sup>3</sup>, and the disability assessment as part of the determination of disability benefits, which is done at national level.

**The AS/ winter allowance module exchanges data with the Registry of the population, the NSIH, and the National Employment Agency.** Data exchange is possible through a unique personal identifier, the IDNP, and because Moldova has developed a platform for the exchange of data across institutions. In fact, the E-Governance Agency manages the interoperability governmental platform M-Connect to facilitate the exchange of data and improve the quality and delivery of public services (<http://www.egov.md/en/projects/mconnect>). The SAAIS also developed the possibility to accept and process applications through the phone, but unfortunately this component and mode of processing applications has never been implemented (this could be extremely useful in the current circumstances imposed by COVID-19). One of the drawbacks of the SAAIS is its inability to date to generate adequate monitoring reports. While these were computed and used at an early stage of the system, they are currently not available<sup>4</sup>, apart from a basic report on number of beneficiaries and budget. Even though technically it was confirmed that they are close to finding a solution to the problem, a bigger constraint seems to be the relatively low demand and capacity to analyse such data.

**More modules were created in SAAIS for: social services, the management of sanatorium placements, adoptions, management of grievances, monitoring module for the performance of the regional departments, and training modules for the National Agency for Social Assistance.** A module was also created to interrogate the system and bring together all types of benefits and services received by a certain person, which could be very useful. However, for various reasons<sup>5</sup> these are not currently used, and interviews have revealed that there are now plans to generate separate information systems for child protection services and for the management of the minimum package of services by the National Agency for Social Assistance.

Recently the NSIH has developed a system to facilitate online applications to some of the allowances (maternity allowance, childcare allowance, and care allowance). The pilot was rather successful, and the intention is to expand the list of benefits for which people can apply for online.

## 4.3 Capacity of the social worker workforce

**Adequate training and capacity of the workforce has been an area of attention since the creation of the role of community social workers, and a considerable investment is being made in trainings** (some of them supported by UNICEF). The new Agency for National Social Assistance has the specific task to develop and provide continuous training to the workforce and TSAS. However, one of the main challenges has been staff retention as staff turnover has been and still is quite high because of relatively low wages and the demanding work (a survey in 2013 found that turnover among community social workers was about 20 per cent (Barca, et al., 2014)). Nevertheless, there are TSAS which are able to better motivate and retain staff, and overall community social workers are a very valuable resource in every municipality.

**Staff retention and capacity constraints are also a significant challenge at Ministry and national agency level. Perhaps one of the most significant challenges is to source qualified personnel to perform monitoring and evaluation analysis.** There are a number of vacant

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<sup>3</sup> The role of the Social Inspection Agency is to verify that the implementation of social protection programmes conforms to the regulations, as well as fraud prevention. Personnel in the agency use a specific module in the SAAIS to manage their inspections and reporting. This also includes the selection of AS applications that are considered at higher risk of having some irregularities, based on a pre-defined risk profiling.

<sup>4</sup> There seems to be a problem with the increased size of the database and the way information is stored.

<sup>5</sup> In some cases, the system was designed before changes in the regulations and implementation of certain services, making the module outdated, in other cases it did not fully reflect demand from users or there was some lack of coordination across departments within the Ministry and with the TSAS.

positions both at Ministry level and in the Agency for National Social Assistance. In general, staff capacity constraints and human resources management issues have also been identified in other studies (Maniuc, 2019).

## 5 Conclusions and way forward

**Moldova has made significant progress in building a more integrated social protection system, and particularly crucial in this development has been the creation of a network of community social workers who are the main point of entry in the system linking cash assistance with social care services.** Over the last ten years significant reforms have been made to the pension system, the system of cash benefits, and the creation of services which have created the opportunity for an effective de-institutionalization, as well as the creation of some active labour market policies.

Nevertheless, there remain significant challenges both for the integration and the overall development of the social protection system. In terms of integration these are to:

- recognize at a higher level the need to develop an integrated system, highlighting what has already been achieved and the remaining gaps;
- develop approaches to support inter-agency collaborations financially to ensure their success;
- reconsider the benefit of developing integrated systems that can triangulate information on cash benefits and social services;
- address inconsistencies whereby social assistance and social insurance pensions can be combined together in the case of monthly social allowances; and
- look at the possible overlap between care allowances and personal assistance.

Broader challenges for the development of the social protection system are:

- the sustainability and adequacy of the pension system is limited by the very low employment rate and adverse demographic profile.
- while the current programmes theoretically cover persons across the life cycle there are significant gaps in the way some of the key programmes which do this are implemented (in particular the AS and winter support), leaving out or not providing the required coverage to households with three or more children.
- there are still some inconsistencies in which social assistance and social insurance pensions can be combined in the case of monthly social allowances.
- the overall expenditure, efforts and efficiency of active labour market policies is still relatively limited, and more could be done to invest in this given the low employment rate.
- further development of the system is constrained by low capacity, and also the lack of adequate management of human resources.

**The out-migration and ‘loss’ of population is starting to put some pressure on wages, which need to increase, and companies will need to invest in their workforce since the high turnover is a cost not only in the public, but also in the private sector.** Ideally, this should introduce an auto-corrective mechanism that should result in increasing wages and higher employment rates.

However, social protection policies and donor support should further strengthen such mechanisms, ensuring continued investment in critical skills within key social protection institutions.

In order to support this process, one possibility to improve coverage of households with three or more children **could be the creation of child allowances linked to the application of AS, to**

**which households could be eligible if their income falls below a multiple of the GMI**, similar to how winter allowances are currently allocated. Within this framework child allowances could partly support low wages whenever a family has few children. In this context, the Ministry is also considering the possibility to increase the equivalence scales of children, thus partly achieving the same objective.

Moreover, support should ensure the continued creation of consistent and integrated systems for the management of information. This applies specifically to the current plans for developing separate systems for the Agency of National Social Assistance and social care services.

Finally, there is room for significant improvement of systems and scope of policies in the employment agency.

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