

## The policy framework: overview of existing laws and regulations

### A. Introduction

This chapter provides an overview of some of the most important national policy documents relevant to the issues of ageing and older persons in Moldova. The National strategic programme on demographic security for 2011-2025 and the Green Paper of the Population are given the most attention, being those which deal most explicitly with themes relating to ageing. In addition, our bibliography contains a comprehensive list of laws and Government decisions pertaining to the topic areas covered in MIPAA/RIS and in this Road Map.

While this section describes the official policy background, it should be noted that the policy approaches of United Nations resident agencies also play an important role in shaping the direction taken in economic and social development strategies in the country. In this regard it is noteworthy that the United Nations Country Team is in the process of developing a new UNDAF for 2013-2017 (to supersede the current UNDAF whose period of validity has been extended to 2012), and that a new common country assessment is being conducted in preparation for this. It is intended that the UNDAF should be closely aligned with the new National Development Strategy 'Moldova 2020' (discussed later in this chapter), and it is therefore important that the recommendations of this Road Map are considered in the development of both.

### B. National strategic programme on demographic security for 2011-2025<sup>29</sup>

The National Strategic Programme on Demographic Security for 2011-2025 is currently the most important Moldovan policy document relating to population issues. It was drafted under the leadership of the National Commission on Population and Development and then opened for public consultation during 2010.<sup>30</sup> It covers the full range of demographic themes relevant to Moldova, including some sections pertinent to the commitment areas of MIPAA/RIS: population ageing, the social insurance system, emigration, and family policies.

The Strategic programme begins with a description of the demographic situation, a 'Strengths, Weaknesses, Opportunities and Threats' (SWOT) analysis and an outline of the demographic challenges currently faced by Moldova. Problems detailed in this section include

negative population growth; increasing proportions of older persons, especially in rural areas and notably a feminization of older age groups; emigration of people of working age and associated problems of 'brain drain' and family breakdown; and difficulties in financing social protection given these demographic trends. The Strategic programme continues with chapters on strategic directions for policy, adaptation to the new demographic situation, budgets, expected results and risks, and an outline of steps needed for implementation as well as plans for monitoring and evaluation.

While many of the sections focus on statistical elements of demographic change, such as the proportions in the working-age groups, proportions above retirement age, and numbers entitled to pensions, the Strategic programme does also refer to some of the broader qualitative themes related to ageing and older persons. Recognizing through its various projection scenarios that further population ageing is inevitable, the Strategic programme states that Moldova must adapt to these changes in age structure. It specifically notes that the country is engaged in efforts to implement the commitments of MIPAA. Relevant measures referred to in the Strategic programme include, amongst many others: the importance of ensuring equal opportunities for all social groups; increasing the general level of education; enhancing awareness of population challenges; development of intergenerational solidarity; adopting strategies for lifelong learning; active engagement of older persons in the labour force and measures to combat their discrimination in the workplace; removal of incentives for early retirement; creation of enabling environments for work-life balance and family responsibilities; health promotion throughout the life course; and support for family-based care providers. It is suggested that the Government will have to make some unpopular changes such as gradually increasing the retirement age, equalizing the retirement ages of men and women, and introducing private pensions to complement to social insurance pension.

Much of the focus of the Strategic programme is on measures to stimulate increases in fertility. The document notes Moldova's commitment to the Plan of Action of the International Conference on Population and Development (ICPD) and the importance of ensuring that all policies related to population adhere to this; for example, in promoting reproductive health and rights. In this regard it must be emphasized that stimulation of fertility should only be promoted as a policy insofar as it entails enabling couples to fulfil their own fertility desires. Increased fertility cannot prevent population

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<sup>29</sup> National Commission for Population and Development (2011)

<sup>30</sup> See section on institutional framework in Chapter I.

ageing, although it may mitigate its speed and severity; therefore, promotion of fertility should not be viewed as a central component of ageing-related policy, but instead the ability to achieve one's family-building goals should be an end in itself.

## C. Green Paper of the Population<sup>31</sup>

The Green Paper of the Population of the Republic of Moldova, prepared under the leadership of the National Commission on Population and Development with the support of UNFPA, outlines levels and trends of demographic phenomena in Moldova during the period 1990-2008, viewed in the context of broader demographic change in Europe and across the world. It then forecasts demographic developments for the years 2010-2050 and discusses the potential economic and social implications of these developments. The major themes are depopulation and population ageing, caused primarily by a combination of low fertility and emigration.

A section of the Green Paper is devoted to the older population and the social insurance system. It is noteworthy, however, that the focus is very much on statistics; that is, on the proportions of older persons in the population, the percentages receiving pensions, and the ratios of older persons to those in the working ages. The quality of life and well-being elements of MIPAA/RIS are not discussed in any depth, except with reference to the need for prolonged working lives and healthy, active ageing in order to reduce dependence on the social protection system. A recommendation of this section is that a private pensions system should be introduced.

The Green Paper concludes with a call for the development of a national population strategy focusing on three strands of action; fostering increases in fertility, reducing mortality, and bringing migration down to "acceptable levels".<sup>32</sup> It emphasizes that such objectives can be met only through broader social objectives such as improving levels of health, education and environmental quality. It adds that the establishment of a National Demographics Centre and a national school of demography will be crucial to building capacities to monitor and improve the country's demographic situation. The Green Paper recognizes that fulfilling these objectives will be expensive, and argues both for the redirection of resources and for a focus on economic growth in order to create more resources.

Whilst the Green Paper gives an extremely thorough demographic analysis of Moldova's population, it is important to recognize that the health, economic

stability, social inclusion and overall well-being of older persons (or indeed of any population group) cannot be secured by favourable demographic ratios alone. The focus of the Green Paper is on tackling changes in the age structure through measures to enhance fertility, limit emigration etc., which are indeed important elements of a comprehensive demographic strategy. However, as the following sections of this Road Map discuss, such a strategy must also include components relating to social inclusion, health, counteracting stereotypes, and fostering positive intergenerational relationships, which depend more on social attitudes and priorities than on age structure.

## D. Other policy documents

### *Preceding policy documents*

The current institutional framework builds upon the foundation of preceding strategies which have shaped the national development agenda of Moldova. These include the Economic Growth and Poverty Reduction Strategy (EGPRSP) 2004-2006,<sup>33</sup> followed by the National Development Strategy 2008-2011,<sup>34</sup> both developed in conjunction with the IMF. These two strategies comprised overarching plans for development in the medium term, setting out principles for sustainable economic growth as the fundamental pillar of poverty reduction. They both provided analyses of the prevailing situation, including identification of vulnerable groups, and put forward recommendations for action. The National Development Strategy also considered what it termed 'negative demographic trends'; that is, demographic ageing and the concomitant problems of ratios of working people to pensioners, and financing of healthcare. It reported that pension reforms since 1998 had not yet met the expected objectives, and that pensions remained very small. Some of the recommendations proposed in these two strategy documents were specific or relevant to older persons, such as efforts at deinstitutionalization of older persons and increased use of community-based care where possible; extension of home-based care services beyond those living alone; and the broadening of social guarantees, medical and educational services.

The Annual Social Reports published by the MLSPF,<sup>35</sup> whilst reporting on the current situation rather than being policies in themselves, do nevertheless constitute a part of the institutional framework for ageing-related policymaking insofar as they contain recommendations

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<sup>31</sup> Matei et al. (2009)

<sup>32</sup> Ibid. p.35.

<sup>33</sup> Government of Moldova (2004)

<sup>34</sup> International Monetary Fund (2008) and Law no. 295-XVI (21 December 2007)

<sup>35</sup> The latest Annual Social Report 2010 was published by MLSPF in late autumn 2011 after the Road Map document was finalized.

from the ministry relating to the social situation and social protection system. The Annual Social Report 2009,<sup>36</sup> for instance, summarizes a decade of reforms of the Moldovan social protection system. Analyzing each different element of the social protection structure and evaluating its impacts, the report finds that the difficulties of the transition period continue to present complex problems. The report reviews the various components of social insurance and social assistance, assessing their evolution over time and reporting on numbers of beneficiaries. A chapter devoted to the pension system finds that the current system is unsustainable without a significant increase in the number of contributors and/or their incomes. It reports that the size of pensions is insufficient to meet minimum subsistence levels; the replacement rate of pensions is decreasing over time; and the system is unduly complex. Recommendations include the removal of the special pension regime accorded to agricultural workers; the recalculation of old age pensions for those who continue to work beyond the statutory retirement age; and the simplification of formulas for the calculation of pension entitlements.

### **Activity Programme 2011-2014 “European Integration: Freedom, Democracy, Welfare”<sup>37</sup>**

The Government Activity Programme for 2011-14 supersedes the programme of the same title developed for the period 2009-2013. Unlike the previous document, this new strategy contains multiple explicit references to issues of direct relevance to the Road Map for Mainstreaming Ageing. The introductory section on overall priorities states that the Government “will create economic and social opportunities for both young and elderly people”,<sup>38</sup> and the sections on social assistance and social insurance list priority actions which are closely aligned with those identified in the following chapter of the present Road Map.

Within the chapter on social policies, a section is devoted to demographic policies. An objective is formulated as follows:

“Consistently address the demographic challenges in order to reduce population decline and create conducive conditions for population growth, in terms of quantity and quality, making the link between the demographic security and the economic and social security for development purposes.”<sup>39</sup>

Specific actions identified include, amongst others, the approval and implementation of the National strategic

programme on demographic security for 2011-2025; efficient management of population ageing; promotion of intergenerational solidarity and gender equity; improved and formalized methods for production of demographic projections; enhancing the institutional framework for demographic policymaking, implementation and monitoring; and the establishment of a Demographic Centre in the Academy of Sciences.

### **National Development Strategy ‘Moldova 2020’ for 2012-2020<sup>40</sup>**

The formulation of the second National Development Strategy, following the precedent set by the Economic Growth and Poverty Reduction Strategy and the first National Development Strategy, is set to take place in a framework of broad public consultation. Indeed, the establishment of a National Council for Participation was mandated in 2010<sup>41</sup> to facilitate the inclusion of stakeholders in development of the strategy. Online consultation, public debates and seminars, and targeted consultation with identified stakeholder groups aim to make the process fully participatory with the intention that the resultant strategy should be comprehensive and widely accepted, with a sense of national ownership. The strategy will be designed as a long-term planning tool; hence it will cover the period 2012-2020, roughly in line with the EU budget cycle which runs from 2014-2020.

At the time of writing, planning for the creation of this strategy had progressed as far as the identification of seven priority areas and a one-page summary for each of these areas, outlining the issue, the goals, the actions needed, likely monitoring indicators, and the main entities responsible. The intention is to adapt and flesh out these according to the feedback received through public consultation.

The seven priority areas currently planned for inclusion in the strategy are: education, roads, finance, business, energy, social insurance and justice. In the initial stages, a one-page summary of the key issues, actions, goals, monitoring indicators and implementing bodies is given for each priority area. As pointed out in a position paper drafted by the United Nations resident agencies in Moldova (UN Moldova 2011), these priority areas are focused primarily on the economic aspects of development, leaving the issues of social inclusion, social justice, human rights and freedom largely out of the picture. The position paper, responding to these omissions, stresses that a comprehensive approach to development “should establish a vision which is not limited narrowly

<sup>36</sup> MLSPF (2010)

<sup>37</sup> Government of the Republic of Moldova (2011)

<sup>38</sup> Ibid. p.6

<sup>39</sup> Ibid. p.67

<sup>40</sup> For current status of formulation of the strategy and to see documents open for public consultation see <http://www.cancelaria.gov.md> and <http://particip.gov.md/2020>.

<sup>41</sup> Government Decision no. 11 (19 January 2010)

to economic development, but recognizes the value and importance of social, human advancement, justice and freedom aspects of development”.

The priority area on social insurance, in its initial formulation presented by the Government for consultation, focuses exclusively on pensions (Government of the Republic of Moldova, 2011). It explains that a move from an unfunded scheme based on the principle of solidarity to a funded, personalized scheme is necessary but will bring high transition costs, which will need to be financed somehow. It adds that the development of private pension funds is necessary to make the system viable. It identifies important monitoring indicators including the effective age at retirement, the average pension substitution rate, and the ratio of employed people to those drawing pensions. It notes that a sustainable scheme must create incentives for employed people to declare their incomes and contribute to their own future pensions.

The new National Development Strategy is forecast to be submitted to Parliament for approval by the end of 2011. The feedback given by the United Nations Country Teams and others will, it is hoped, contribute to giving it a broader developmental scope so that the needs of vulnerable groups, including older persons, are better accounted for.

## E. Conclusion: ageing in the Moldovan policy agenda

Ageing is clearly a central topic on the Moldovan policy agenda. The creation of the National Commission on Population and Development, the preparation of the National strategic programme on demographic security for 2011-2025, and the inclusion of ageing-related themes in other policy documents makes this clear. The continued willingness of United Nations resident agencies to include references to the needs of older persons in their ongoing strategic planning backs up this impression. The multiplicity of laws and Government decisions pertaining to social protection, pensions and health confirm that the Government is committed to reducing poverty and vulnerability amongst older persons. The issue, then, is to ensure that ageing is viewed holistically, in terms that recognize the challenges faced by older persons themselves and the contributions they could make to society if it is set up to welcome such contributions, as well as in a way that accepts that ageing is an ongoing process throughout the life course, rather than an either/or state triggered by a person reaching a particular age or life transition. This means that the Moldovan policy agenda must be broadened to extend beyond what is often principally a consideration of age structure, demographic rates and economic imbalances. It is hoped that this Road Map, based on the commitments of MIPAA/RIS, will bring such issues into the foreground.



Older people... alive under wrinkled skin  
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