

# Moldova

## Beneficiary Assessment — Summary Note

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## Introduction<sup>1</sup>

The Ministry of Social Protection, Family and Children (MSPFC) is undertaking a strategic review of social assistance design and delivery. The new social assistance policy will provide targeted cash transfers and social services to the poorest and most vulnerable sections of society. It aims at providing people with a safety net to prevent them from falling into, or *deeper into*, poverty and where possible a springboard that supports their efforts to move out of poverty.

As part of this reform process the MSPFC commissioned a Beneficiary Assessment to elicit insights about the relationship between vulnerability and existing social assistance services “on the ground”. The Beneficiary Assessment, which included both beneficiaries and non-beneficiaries of social services and social transfers amongst the poor and vulnerable, was carried out in urban and rural communities in four raions across Moldova, with focus group discussions conducted with representatives of four different types of vulnerable group:

- the elderly;
- families with children at risk;
- disabled (or carers of disabled); and
- young people<sup>2</sup>.

*“In soviet times we had money, but there were no goods to buy with that money. Now there are a lot of goods, but we don’t have the money to buy them.”*

—Key informant, rural Cahul

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<sup>1</sup> For the full details of the Beneficiary Assessment see Moldova Social Assistance Reform Beneficiary Assessment Final Report (October 2007).

<sup>2</sup> In some cases an alternative fourth group comprised people aged 45-58 years who were not working but who had not yet retired.

In addition, key informant interviews were completed with individuals with in-depth specialist knowledge from government, social service providers and civil society. The Beneficiary Assessment focussed on three main research questions:

1. Who is vulnerable?
2. How do people cope with or adapt to risk?
3. What can be done to reduce vulnerability and reduce risk?

## Objectives and methodology

The objective of this Beneficiary Assessment was to provide information that will assist in the design and implementation of the social assistance policy framework. The aim is not to produce statistically representative data (as is already provided with the Household Budget Survey), but rather to gain insights into the everyday experiences of poor people in order to understand the problems they face, the strategies they use to deal with these problems, and their experiences with social assistance and services. This will help us to understand how social assistance services can help those most in need.

The study methodology involved selecting a small number of research sites, identifying vulnerable groups (including both beneficiaries and non-beneficiaries) and conducting separate focus group discussions with representatives from each type of vulnerable group. These included the elderly, families with children at risk, disabled (or carers of disabled), and young people or people of pre-pension age (45-58).

*“Practically, if you have two children, you cannot afford to send them to kindergarten or to school.”*

—Key informant, Orhei

A focus group typically comprised 4-8 people and two moderators who used a semi-structured questionnaire to guide the discussion. Case studies were developed from the individual life stories of selected participants.

In addition, a small number of key informant interviews were conducted in each site with individuals from government, service providers and civil society. These included social workers, psychologists, doctors and other medical workers, representatives from Territorial Social Insurance House, leaders of agricultural associations, NGOs and other civic organisations, school directors, and representatives from the primaria and local councils.

Four raions were selected to ensure a regional balance across the country. Within these, two sites were randomly selected, one rural and one urban. The four raions were: Cahul (South), Orhei (Centre), Soroca (North) and Chisinau.

*“Going to the doctor makes you more ill. You have to go from one doctor to another, it is very stressful. You have to pay for everything. If you run out of money, the doctor will no longer treat you.”*

—Elderly FGD participant, rural Chisinau

## Perceptions of poverty

Poor people across Moldova make distinctions between the poverty status of different groups, households and individuals within their communities. Focus Group Discussion participants tended to divide their communities into three or four poverty categories that usually equated to “wealthy”, “middle”, “poor” and “very poor”.

Participants identified specific characteristics of these groups, listing the types of assets, opportunities and activities associated with people in each category. These characteristics varied across communities and across focus groups, with the biggest distinctions emerging between rural and urban contexts. The “very poor” group typically made up between 10-20 per cent of rural and urban communities. These people were seen as destitute

and unable to cope, and were identified in two separate sub-categories: the “undeserving poor”, including alcoholics and vagrants, who were perceived not as victims but as the architects of their own downfall, undeserving of sympathy and support; and the “deserving poor”, including the elderly and disabled, a group perceived to have slipped into poverty through no fault of their own.

*“It’s useless to go to the social assistance department, they told me, ‘You can work, you have two arms and legs!’”*

—Families with children FGD participant, rural Orhei

## Coping and adapting strategies

When poor people experience uncertain events, or “risks”, in their households and communities, they adopt different strategies to cope with or adapt to these events. While the better-off can rely, for example, on savings and insurance mechanisms to deal with more difficult times, shocks can have serious consequences for the poor and more vulnerable. These events could be one-off shocks, such as the death of an income earner or a health shock, cyclical events such as droughts or political elections, or trends such as increasing out-migration or price inflation.

Faced with price inflation or other events that reduce income, poor households adopted strategies that helped them to cope, but at the cost of eroding their asset base (i.e. drawing down on savings or selling assets such as cattle). In some cases households were able to adapt and manage their assets sustainably, but in many cases they were not. Coping strategies typically included eating cheaper food or eating less frequently, while some people might also pursue various channels to borrow money, including village loan organisations, private individuals, banks/credit unions or local shops. Going into debt appeared to be a common coping strategy.

Households also changed family structures to get by: parents were increasingly supporting their children for longer, while those who could not cope were putting their children into state institutions as a coping strategy.

One common strategy was to migrate and generate remittance flows as an income supplement for the whole family. The impact of migration on those left behind was mixed, challenging the widespread assumption that if people go abroad their families are automatically better off and therefore do not need support (or even should not get support when needed). Certainly, many families were benefiting from remittance flows, but even in cases of financial benefit (and there were many examples given of people not benefiting financially from migration), there were widely perceived negative social consequences of migration, including family break up and alcoholism.

**Table 1** Types of risk

<b>Shocks</b>	Health shock Death of income earner/beneficiary Drought (rural communities) Family break-up Loss of job
<b>Cycles</b>	Life changes (e.g. having children, entering/graduating education, retirement) Political cycles
<b>Trends</b>	Price inflation Declining social capital

*“Our children cannot play and have fun with other children; they cannot move. Nobody comes to see them or play with them. My child stays inside all the time because since he grew up I cannot lift him, and do not have a wheelchair to carry him in.”*

—Mother of disabled FGD participant, urban Soroca

For those left in the towns and villages, their small plots of land enabled them to get by in difficult times, although the threat of drought or other natural calamities, combined with the high costs of inputs, discouraged poor people from investing in their land. Some people were put off starting small businesses because of what they perceived to be a prohibitive tax and regulation structure governing commercial enterprises.

*“We are ashamed to go and ask for support; if you don’t have money, no-one will help you.”*

—Families with children FGD participant, rural Orhei

Often the state had an important role in supporting coping and adapting strategies (though not always acknowledged as such by beneficiaries themselves), most significantly through reliable and predictable cash transfers. Those focus group participants who did receive benefits relied heavily on these cash transfers to make ends meet. In some cases they could use this reliable, if small, income stream more strategically to make investments, or more often simply as a way of acquiring goods on credit. Indeed, for those without a remittance stream from family members living abroad, pensions were very often considered to be the most significant source of income.

**Table 2 Coping and adapting strategies**

<b>Coping</b>	<ul style="list-style-type: none"> <li>Changing consumption patterns</li> <li>Borrowing money/going into debt (e.g. with the utility companies)</li> <li>Help from family and neighbours</li> <li>Changing family structures</li> <li>Selling assets</li> <li>Begging</li> <li>Using children to help work land or provide care services</li> <li>Putting children into institutions</li> </ul>
<b>Adapting</b>	<ul style="list-style-type: none"> <li>Migrating and remittance flows</li> <li>Borrowing money for investment</li> <li>Renting out land</li> <li>Renting out living space</li> <li>Gaining credit against cash benefits</li> </ul>

## Experiences with social assistance

Focus group participants were asked about their experiences with social assistance, including their experiences in accessing benefits and services and the extent to which this social assistance impacted on their coping and adapting strategies.

In rural areas participants described their frustration at their lack of access to relevant information about their entitlements, while urban participants of all categories tended to be better informed.

This lack of knowledge regarding rights and entitlements was compounded by the perceived negligence, indifference, and sometimes outright hostility of institutional staff. Focus group participants feel that the cost of applying for and accessing social services is often inordinately high, Petty corruption was perceived to be rife.

These perceptions added up to a profound lack of confidence and trust in the system. When asked, people overwhelmingly felt that the only thing one could rely on was oneself (and God!). When asked what the state could do for them in the way of social services, the predominant reaction was to request greater levels of cash benefit so that people were better able to support themselves. There was very little conception of other types of benefits and services that the state might usefully provide.

*“The rich stole the property from the cohort at the end of the end of the Soviet Union... They sometimes hire us to work their land, but then they don’t pay us. They give us bad food.”*

—FGD participants, rural Orhei

## Emerging challenges for social assistance reform

A number of key challenges relating to accessibility, inclusion, delivery and impact of social assistance were identified from the Beneficiary Assessment.

### ACCESSIBILITY

Accessibility means making sure that those people that are entitled to social assistance are able to access those transfers and services. Elements of accessibility that need to be addressed include: simplifying bureaucratic procedures, changing attitudes and behaviour, improving outreach and information sharing, and reducing scepticism while building trust.

*“People working abroad are not rich, they are not favoured. They are cheated, sick, beaten, disdained. Their families are destroyed. Their children left on their own.”*

—Pre-pension age FGD participant, urban Chisinau

### INCLUSION

Inclusion means making sure that the social assistance system does not reinforce existing attitudes and behaviour that excludes groups of people from claiming their entitlements and participating fully in society. Three priorities for broadening inclusion are: including the “undeserving poor” (e.g. alcoholics and drug addicts) as vulnerable groups deserving of social assistance, challenging the concept of “irrecoverable” people (e.g. the “bedridden”), and including disabled people in the mainstream by building their skills and creating the kinds of opportunities that allow them to live and work alongside the rest of society.

*“I have spent half my life working in rehabilitation, but what have I now?”*

—Elderly FGD participant, urban Cahul

### DELIVERY

Delivery means designing systems and partnerships between the relevant organisations that deliver social assistance in the most efficient and effective way possible. There are four elements of delivery that need to be addressed: building competencies amongst officials, making systems more efficient, identifying and building partnerships with civil society, and linking social assistance with other government policy areas, such as public healthcare, education and employment creation.

### IMPACT

Finally, impact means ensuring that social assistance reform keeps more people out of poverty than before and enables people to become independent. There are three elements of impact that need to be addressed: not pushing people into poverty through the shift to income-based targeting (that is, making sure that those vulnerable people who need assistance still get it, even though they may be above the poverty line); helping beneficiaries to break out of dependency on cash transfers by supporting their efforts to move out of poverty; and building capacity for Monitoring and Evaluation within the various institutions delivering social assistance.

*“If we buy some clothes, we have nothing to eat. If we buy food, we have nothing to wear.”*

—Disabled FGD participant, rural Soroca