

**THE REALITY AND PERSPECTIVES
OF ACHIEVING THE MILLENNIUM DEVELOPMENT GOALS
REGARDING POVERTY IN THE REPUBLIC OF MOLDOVA**

**Lilia GHITIU¹, PhD, Associate Professor,
National Institute for Economic Research, Moldova
Alexandra NOVAC², PhD,
National Institute for Economic Research, Moldova**

**Vitalii GRYGA³, PhD, Senior Research Fellow, Institute for Economics and Forecasting,
National Academy of Sciences of Ukraine, Ukraine**

The novelty of the paper consists in the importance of poverty phenomenon, which has become a serious problem both at national and regional levels in recent years. The main paper objective consists in researching of poverty eradication, which is possible just by finding multilateral and complex solutions, because of the complicated nature of this scourge of society. In this case, the involvement of international organizations has a major importance. According to the EU commitments and of international community, public assistance for development should be increased as soon as possible. But, beneficiary countries, must improve their economic and institutional governance. Thus, the Republic Moldova has aligned itself along with other countries in achieving these objectives. There where used the following research methods: systematic analysis, synthesis, logic, etc. The main scientific results of the authors in this paper are the identification, analysis and systematization of the central elements in fighting with poverty phenomenon in our country taking into account its international character.

Keywords: *poverty phenomenon, poverty eradication, the Millennium Development Goals, multidimensional poverty indicator.*

Actualitatea prezentului articol constă în importanța abordării multilaterale a fenomenului sărăciei, care a devenit o problemă stringentă atât la nivel național, cât și regional. Articolul are ca scop central cercetarea procesului de eradicare a nivelului sărăciei care este posibil doar prin găsirea unor soluții complexe și multilaterale, reieșind din caracterul complicat al acestui flagel din societatea actuală, iar implicarea organizațiilor internaționale este una de o importanță majoră. Conform angajamentelor UE și ale comunității internaționale, nivelul ajutorului public pentru dezvoltare trebuie să fie majorat rapid. Beneficiarii ajutorului trebuie să se angajeze la îmbunătățirea guvernării lor economice și instituționale. Astfel, Republica Moldova s-a aliniat de rând cu celelalte state în atingerea obiectivului enunțat. Metodele principale de cercetare utilizate au fost: analiza sistemică, sinteza, logica, ș.a. Principalele rezultate științifice obținute în articol, urmărirea cercetării, sunt identificarea, analiza și sistematizarea elementelor centrale în lupta cu fenomenul sărăciei în țara noastră luând în considerație caracterul internațional al acestuia.

Cuvinte-cheie: *fenomenul sărăciei, eradicarea sărăciei, obiective de dezvoltare a mileniului, indicele multidimensional al sărăciei.*

¹ © Lilia GHITIU, ghitiulilia@yahoo.com

² © Alexandra NOVAC, alecsandra_novac@yahoo.com

³ © Vitalii GRYGA, olha.krasovska@gmail.com

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Introduction. One of the main trends of research on labour market issues, which has increasingly been of interest among researchers in the last decade, is the effect of educational level on the situation of workers on the labour market and their employment opportunities. Today, education is a specific asset, an element of human capital. The benefits of having education refer both to individuals, who possesses it and are rewarded in proportion to their abilities, as well as their economic environment. Macroeconomic models and management strategies show that the expenditures on human capital development are desirable, because they foster economic growth and the development of various sectors, industries and individual.

The main considerations. Poverty eradication is the greatest global challenge facing the world today and is an indispensable requirement for sustainable development. On 10 September 2014, the UN General Assembly decided that the Report of the Open Working Group on Sustainable Development Goals would be the main basis for integrating the SDGs into the post – 2015 development agenda. The first of the seventeen proposed SDGs is “*End poverty in all its forms everywhere*” [1].

The Republic of Moldova is one of those countries, which have signed agreement regarding achievement of fixed objects and targets included in the Agenda. It also participated along with other countries and came up with a set of proposals which will be included in a UN Joint Action Plan, objectives regarding premiums. Such for our country, poverty eradication, changing unsustainable and promoting sustainable patterns of consumption and production, protecting, managing the natural resource base of economic and social development became the overarching objectives of essential requirements for sustainable development.

As it is known, the Millennium Declaration was adopted in September, 2000 at the Millennium Summit by 191 countries including the Republic of Moldova, which such other countries set the targets of the Millennium Development Goals (MDGs). This Declaration is the only global development agenda over which represent a result of reached agreement at the highest level between most countries of the world. At the Millennium Summit, Member states have set a number of 8 essential goals (the Millennium Development Goals) with fitting targets which should be achieved by 2015. Among the eight Millennium Development Goals, first is regarding *poverty eradication* and it is called “*End poverty in all its forms everywhere*”. This goal includes:

- ✚ by 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day. (Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation to provide adequate and predictable means for developing countries, in particular LDCs, to implement programs and policies to end poverty in all its dimensions).
- ✚ by 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions. (Create sound policy frameworks, at national, regional and international levels, based on pro-poor and gender-sensitive development strategies to support accelerated investments in poverty eradication actions).
- ✚ implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable.
- ✚ by 2030 ensure that all men and women, particularly the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership, and control over

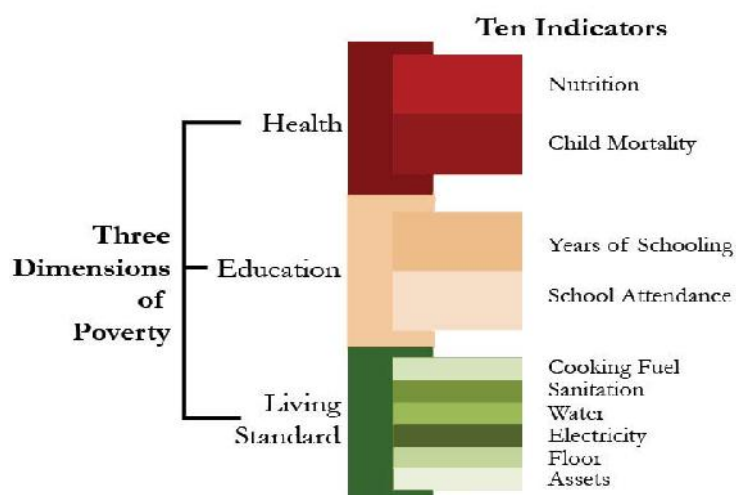
land and other forms of property, inheritance, natural resources, appropriate new technology, and financial services including microfinance.

- by 2030 build the resilience of the poor and those in vulnerable situations, and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters [2].

It should be mentioned, that the global Multidimensional Poverty Index (MPI) is an international measure of acute poverty covering over 100 developing countries. It complements traditional income-based poverty measures by capturing the severe deprivations that each person faces at the same time with respect to education, health and living standards. The MPI assesses poverty at the individual level. If someone is deprived in a third or more of ten (weighted) indicators (see left), the global index identifies them as ‘MPI poor’, and the extent – or intensity – of their poverty is measured by the number of deprivations they are experiencing. Therefore, lower level of MPI is associated with lower poverty.

The MPI can be used to create a comprehensive picture of people living in poverty, and permits comparisons both across countries, regions and the world and within countries by ethnic group, urban/rural location, as well as other key household and community characteristics. This makes it invaluable as an analytical tool to identify the most vulnerable people – the poorest among the poor, revealing poverty patterns within countries and over time, enabling policy makers to target resources and design policies more effectively.

The global MPI was developed by OPHI with the UN Development Programme (UNDP) for inclusion in UNDP’s flagship Human Development Report in 2010. It has been published in the HDR ever since.



Sursa: [3] <http://www.ophi.org.uk/multidimensional-poverty-index/>

According to the latest data (for 2012) of the Oxford Poverty and Human Development Initiative the MPI for Moldova was 0.0027, that is one of the best level among post Soviet countries [4]. Notably, Moldova outperforms even its neighbor, Ukraine (0.0043) mainly due to lower share of population in poverty. But if we compare “quality” of life of such population, Moldova is still behind Ukraine. It should be noted that overall dynamic is positive, that means countries are moving in right directions, but current developments both international and domestic: political crisis in Moldova, refugee crisis in the EU, low oil prices, Russian-Ukrainian conflict have led to increasing risks of poverty expanding. Thus it should be get more attention of national bodies and international organization to the issue to intensify governmental efforts.

The Republic of Moldova took commitment to reduce along with other signatories of the Millennium Declaration in 2000, and has pledged to reduce by the end of 2015 poverty and hunger. To achieve their Moldovan Government has outlined to achieve the following targets:

- To reduce the population rate which consumption is under \$ 4.3 per day /per person which was in 2006 – 34,5%, in 2010 – 29% and in 2015 was 23%.

- Decrease the share of population which is below of absolute poverty level, from 4,5% in 2006 to 4% in 2010 and 3,5% in 2015.

Regarding the degree of population rate reduction whose consumption is under \$ 4.3 per day/ per person from 34.5% in 2006 to 29% in 2010 and 23% in 2015, our country has managed to achieve the final target set for 2015 since 2012, and in 2013 advanced further in terms of reducing poverty according to international threshold of \$ 4.3 per day/per person. The international poverty threshold of \$ 4.3 per day/per person decreased from 34.5% in 2006 to 20.8% in 2012 and up from 15.8% in 2013, such it was exceeded the final target of 23.0% for 2015.

By 2006, as an international monitoring indicator of poverty in the Republic of Moldova was used “the people share with an income below \$ 2.15 per day/per person from whole purchasing power parity (PPP)”. If in 2006 this indicator was 13.2%, then in 2012 dropped significantly up to 5.5%. According to MDG targets, it was decided to shift to a higher standard for poverty measuring – the international poverty threshold of \$ 4.3 per day /per person from PPP and the use of consumption instead of income to assess population welfare, taking into consideration that consumer spending is a more accurate indicator in the Republic of Moldova.

By analyzing the overall adoption by each country the related MDG targets specific to national context, it was created a monitoring progress mechanism at national, regional and global levels. In the Republic Moldova, the monitoring is done by the Government, with the support of UN agencies in Moldova and nongovernmental organizations. Thus, globally, over one billion people live on less than a dollar per day. Malnutrition is the main cause of death among children. Therefore, the dual commitment is to halve by 2015, the number of people whose income is less than one dollar per day. The level of extreme poverty decreased from 1/3 of world population in 1990 to 1/5 in 2004. If this trend will continue, the MDG poverty reduction target will be achieved at global and regional levels.

In the context of decreasing the share of population below the poverty line from 4.5% in 2006 to 4% in 2010 and 3.5% in 2015 our country has achieved impressive progress in fighting with extreme poverty, within which dropped to 0.3% in 2013. Comparing the extreme poverty level fixed in predetermined targets for 2010 and 2015 can be concluded that both targets have already been achieved. In this context, it is important do not allow the upward trend of this indicator, and to make all possible poverty eradication and hunger.

It should be mentioned that in the first National Report on the Development Objectives of the Millennium in the Republic Moldova elaborated in 2005, reflected the country’s performance and identified the main problems in human development, relating that at that time poverty remained a multidimensional phenomenon in Moldova. The Second National Report on Millennium Development Goals in Moldova, elaborated by the Government with UN assistance in 2010, identified a progress in eradicating poverty process, by reducing child and maternal mortality, expanding of state protected areas and of information technologies development.

Such, after outlining of national development context, focusing on global turmoil and internal challenges, the authors of the Report emphasize that reducing of extreme poverty and hunger is a success, but meantime exists a deep concern regarding the equity. In the report is stipulated that despite of the accentuated decreasing of poverty, it is regrettable that more than half a million of Moldovan citizens still are qualified as being poor.

It should be related that despite the successes achieved by our country, the rural poverty remain still a worrying problem, thus, if in big cities the absolute poverty rate decreased between 2008 and 2012 more than doubled (from 10.9 to 4.3%), while in villages it was decreasing slower (from 34.6 to 22.8%). Therefore, there is an increasing gap between the levels of living in villages and cities: if in 2006, 75.7% of the poor population lived in villages; in 2012 this share was 79.1%.

Summary. At the moment, it was initiated a consultation process by the main actors, regarding the future of the Republic of Moldova and for its citizens after 2015. This document was entitled “Development Agenda post-2015”, which contains a real picture of today’s and future’s concerns and aspirations of Moldovan population after the deadline of achieving the Millennium Development Goals by our country.

We can conclude that poverty is a very complex problem and for its total eradication just general solutions are not enough. In this context, it is necessary to elaborate and implement step by step a detailed Program and Action Plan post-2015, taking into consideration all national specific aspect in all fields and wide use of social innovations development.

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