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Economic Cost of Gender Inequalities in the Republic of Moldova

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■ Introduction

Gender inequality is one of the key challenges for a sustainable and fair economic growth. Gender inequalities are caused by cultural factors, prejudices and lack of economic incentives. Decrease and elimination of gaps is an objective to both ensure gender equality and harness women's economic potential. For these reasons, achieving gender equality and empowering all women and girls is one of the objectives of the 2030 Agenda for Sustainable Development.¹The final goal of the Agenda is to close the gaps by 2030 and ensure equal participation of women in the economic and politic areas.

Persisting gender inequalities generate enormous economic costs due to the insufficient involvement of women in the economic life. Globally, many efforts were made to measure the economic costs of the gender inequalities in order to understand the scale of the problem and estimate the efforts needed to narrow the gaps, including as part of 2030 Agenda. But the shortcoming of these estimates is that the different studies come up with different estimated costs, depending on the methodology, and some measures are not disaggregated.²The absolute majority of the estimates are made on global or regional level, with no estimates for the national level, especially for low-income countries. These costs vary significantly from one state to another because of the totally different gender inequality circumstances. An estimate of costs and areas with prevailing gender inequalities on the national level contributes to a more efficient use of public funds . This argument is also valid for the Republic of Moldova.

Lack of efficient measures to reconcile family and professional lives is a barrier to gender equality. Harmonisation of professional and family duties is difficult, especially for women, who are primarily responsible for childcare and housework. In these circumstances, women's participation in professional, public and political life is very complicated. Adoption of some effective measures to reconcile family and professional lives will enable women to achieve financial independence and increase their influence in public and political life, as well as on the labour market.

The purpose of this report is to estimate the economic costs caused by gender inequalities in the Republic of Moldova and identify a series of strategic recommendations. This report assesses the latest developments related to gender inequalities in the Republic of Moldova, especially from the perspective of changes in demographical statistics and on the labour market. Economic costs of gender inequalities are calculated on the basis of these developments, taking into account the methodological approaches already applied at the international level. Development of institutional and legal framework concerning reconciliation of family life and professional duties is one of the public policies that could diminish gender inequalities. Good international practices and peculiarities of the Republic of Moldova are analysed in order to identify possible areas of intervention of public authorities. A particular emphasis is placed on the early childhood education and the potential costs for its extension in the Republic of Moldova, aiming at determining to what extent the implementation of this public policy is possible. Finally, this report includes a series of recommendations that could diminish gender inequalities and their economic costs.

¹ <https://statistica.gov.md/pageview.php?l=ro&idc=601&id=6314>

²Q. Wodon et al., 'The Cost of Gender Inequality. How Large is the Gender Dividend? Measuring Selected Impacts and Costs of Gender Inequality', World Bank, 2020.

■ Economic cost of gender inequalities

Gender inequalities measurement

Fair and inclusive social-economic development represents a prerequisite for achieving sustainable outcomes and reducing poverty. Women's less-frequent engagement in social-economic activities as compared to men, which determines significant gender inequalities. These disparities are caused by various cultural and institutional factors, as well as constraints regarding the access to purely economic opportunities.³ Eliminating these constraint factors and achieving gender equality represent one of the Sustainable Development Goals (SDG) of the 2030 Global Agenda that were also nationalised by the Republic of Moldova.⁴ In the context of these international and national endeavours, a large range of public policies are developed and implemented in order to reduce gender disparities.

An important element of the public policies on ensuring gender equality is the analytical toolkit concerning the actual situation in this area. In order to have an impact on the target group, public policies must be based on evidence, including in the gender inequality area. Several tools and analytical frameworks were developed to analyse and measure inequalities. One of the most recognised is the Global Gender Gap Index (GGGI), developed by the World Economic Forum.⁵ The advantages of this index are the multidimensional nature of gender inequalities and an available continuous time series from 2006. The index measures inequalities from 0 (absence of inequality) to 1 (maximum inequality) in the areas – (i) economic engagement and opportunities, (ii) educational inclusion, (iii) health and life expectancy, (iv) political empowerment. The comprehensive nature and continuous time series since 2006 make it possible to analyse the performance of each particular state, including the Republic of Moldova.

The Republic of Moldova has made some progresses in diminishing gender inequality, but some areas can still be improved. GGGI values calculated for the Republic of Moldova have continuously raised from 0.713 in 2006 to 0.757 in 2019, which shows a reduction of gender inequality (Figure 1). Actually, the gap diminishing process has started to increase only since 2011, its performance registering a stagnation until then. This progress also influenced the classification of the Republic of Moldova in comparison with other countries, ranking 23rd of 153 in 2019.⁶ Moreover, the position of the Republic of Moldova in this ranking during the tortuous period under analysis has raised due to the addition of more countries in the calculation process.

In the Republic of Moldova, the problem of gender inequality varies significantly from one domain to another, and the lowest performance is in the area of women's representation in the political process. There are no systemic gaps between men and women regarding health and life expectancy, as well as education. The sub-indices in these areas were constantly close to 1 during the whole period 2006-2019, which means gender equality (Figure 2). In the health sector, the Republic of Moldova ranks the first for several years in the world ranking. This is mainly because the difference in life expectancy of women and men is the biggest compared to other countries, which was also reflected in the composite index of inequalities developed by Expert - Group.⁷ In the economic sector, describing mainly the status of women on the labour market, there are no extreme changes. The sub-index in this area varied between 0.7 and 0.8

³ World Bank, 'World Development Report 2012: Gender Equality and Development', Washington, DC, World Bank.

⁴ <https://statistica.gov.md/pageview.php?l=ro&id=6306&idc=605>

⁵ <https://www.weforum.org/reports/gender-gap-2020-report-100-years-pay-equality>

⁶ According to the GGGI values, no country in the world has achieved a gender parity in the areas of this Index yet. The country that ranks first for several years is Iceland, with a GGGI of 0.877 in 2019.

⁷ I. Morcoțîlo, 'The Composite Index of Inequalities: Methodological note', Expert Grup – 2019.

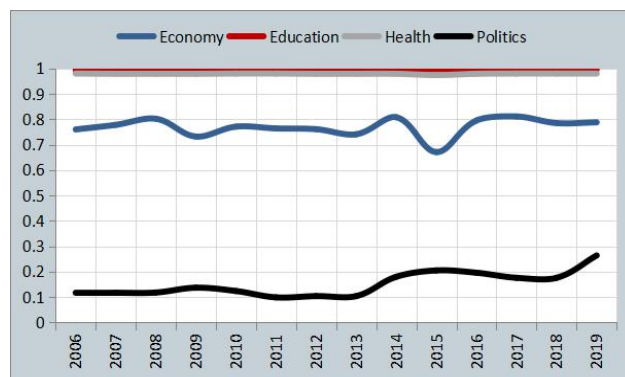
during the analysed period. In spite of these inconclusive trends, in the past years Moldova was in the global top-20 in the economic area (Annex 1). Finally, political empowerment has the lowest score due to the low women's representation in the Parliament and Government. At the same time, the index in this area has raised gradually from 0.117 in 2006 to 0.264 in 2019, which placed our country 45th of 153 in the 2019 world ranking.

Figure 1. GGGI development (left axis) and the Republic of Moldova ranking (right axis)



Source: Calculations based on World Economic Forum data
 Note: Number of countries in the ranking varied over the years

Figure 2. GGGI components progress by areas calculated for the Republic of Moldova



Source: Calculations based on World Economic Forum data

Gender inequalities' measurement highlights the priority areas that need Government intervention. In the Republic of Moldova, economic participation and political empowerment can be considered priority areas, although it is important to continue efforts in all other areas. A fairer representation in political process and management of public institutions could also lead to the adjustment of public policies on gender equality. At the same time, the most tangible results will be noted with the mitigation of gender gaps in the economic area, especially on the labour market. A more active participation of women in the labour market would determine an increase of the well-being of women, as well as of the entire society.

Economic cost of gender inequalities

Gender inequalities generate enormous costs for the society and economy. McKinsey Global Institute (MGI) estimated that complete removal of gender gaps could increase the international Gross Domestic Product (GDP) by approximately 26% until 2025, or USD 28 trillion.⁸ These costs come from different contributions of men and women in the creation of GDP, which are created depending on their engagement on the labour market (Box 1). *Economic participation, number of hours worked and productivity differences due to the uneven distribution by economic activities* represent some of the factors that lead to different contributions of men and women. However, estimated costs vary significantly from one country to another, depending on the women's involvement on the labour market.⁹

Calculation of gaps and costs in the Republic of Moldova is more difficult because of the changes made to the labour market statistics. The main gender indicators of the labour market got worse in the past years, mainly because of the changes made in the Labour Force Survey (LFS). Since 2019, LFS indicators are estimated using the number of people with habitual residence, recalculated for the data of 2014 population

⁸ J. Woetzel et. al. "The Power of Parity: How Advancing Women's Equality can add USD 12 trillion to Global Growth", McKinsey Global Institute, 2015.

⁹ MGI did not publish data disaggregated by countries, only by major geographical regions.

and housing census.¹⁰ Moreover, the employed population began to be estimated in accordance with the new International Labour Standard, which led to the exclusion of households that produce for their own consumption.¹¹ Due to these factors, indicators related to the 2019 labour market cannot be compared to those in the period between 2015 and 2018, that were recalculated in the basis of the population with habitual residence. In spite of these statistical constraints, the existing data can be used to estimate the economic costs of gender disparities.

Box 1. Methodology of estimating economic costs generated by gender inequalities

In order to estimate the economic costs generated by gender inequalities, McKinsey Global Institute used the following model:

$$GDP = (\text{Working-age population}) \times (\text{Activity rate}) \times (\text{Employment rate}) \times (\text{Employment rate in full-time equivalent}) \times (\text{Labour productivity per person employed in full-time equivalent})$$

Where:

- Contributions are calculated for each gender separately;
- It is assumed that there are no major differences between the labour productivity of men and women who are doing the same work;
- Full-time equivalent employment is the average number of part-time employees which translates into the average number of full-time employees proportional to the working time set out in the employment contract (for example: for a part-time worker 0.5 of the working hours is taken into account etc.);¹²
- Employment rate in full-time equivalent is the ratio between the number of full-time equivalent employees and the total number of employees;
- Labour productivity per person employed in full-time equivalent is calculated as a weighted average of economic activities depending on the share of employment by gender.

Gender inequalities of the main labour market indicators got worse also because of the methodological changes. Using the number of people with habitual residence for the calculation of LFS indicators led to the increase of activity and employment rates both for men and women. At the same time, there was a more significant revision for men than for women, which caused an increase of gender gaps for these indicators. The gaps between activity rates of men and women, calculated in accordance with the number of resident population represented around 5-6 p.p. during the period 2015-2018, and increased to 7-8 p.p. for the indicators already calculated on the basis of the number of people with habitual residence (Figure 3). In 2019 the gap for the activity rate increased to 9 p.p, including due to the exclusion of households that produce for their own consumption from the employed population.¹³ Thus, in 2019 the activity rate of men was 47%, and that of women was only 38%. In addition, the gender pay gaps have been maintained during the period under review. The ratio between the net average salary of women remained at 86% of that of men, without recording any positive trends.¹⁴ The new figures on economic activity of men and women will have a

¹⁰ Habitual residence is defined as the location where the person has been living for the last 12 months, regardless of the temporary absences.

¹¹ <https://statistica.gov.md/newsview.php?l=ro&idc=168&id=6468>

¹² https://statistica.gov.md/public/files/Metadata/alte/Anexa_Metodologia_Casti_sal_anual.pdf

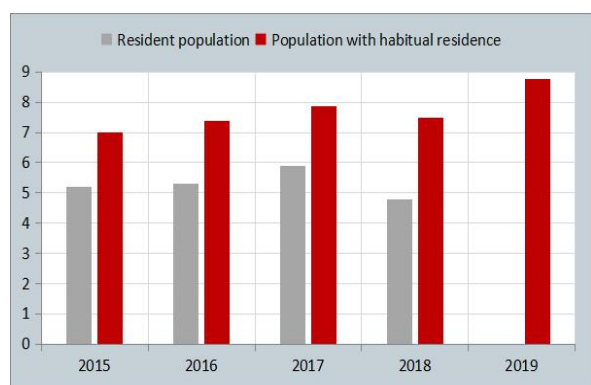
¹³ During 2015 – 2019, the share of households increased from 14.7% to 20% of the total employed population. Moreover, the share of women in the households that produce for their own consumption increased from 46% to 50% in this period.

¹⁴ Data on the remuneration level have not been yet published for 2019.

negative impact on GGI in the following editions and will lead to higher estimated costs, determined by gender gaps.

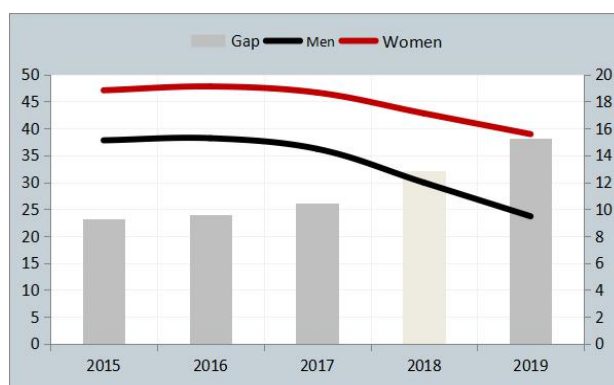
There are major gender differences also in the number of hours worked, that only increased in the last years. In the recent years there was a gradual decrease of the share of the employed population having a working schedule with less than 40 hours per week both among men and women. This decline was probably caused by the increase of the economic activity and of the labour demand. At the same time, the differences between the number of hours worked by men and women increased during 2015 - 2019. In the same period, the share of men with a working schedule shorter than 40 hours per week diminished from 38% to 24%, and for women - from 47% to 39%. Thus, the gap between women and men having such working schedule increased from 9 p.p. in 2015 to 15 p.p. in 2019 (Figure 4). Indicators concerning the working hours and gender gaps were influenced by the methodological changes mentioned above.

Figure 3. Gender gaps for the activity rate, calculated on the base of the resident population and that with habitual residence, p.p.



Source: Calculations based on National Bureau of Statistics data

Figure 4. Share of employed population by gender having a working schedule shorter than 40 hours per week (% , left axis) and difference between women and men (p.p., right axis)¹⁵



Source: Calculations based on National Bureau of Statistics data

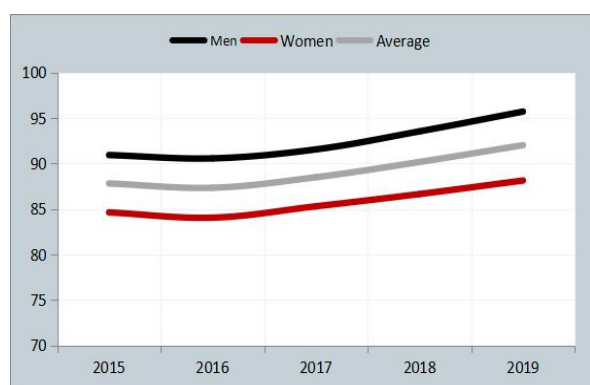
Gender differences related to the economic activity on the labour market and the actual number of hours worked have an impact on employment in full-time equivalent. Employment in full-time equivalent allows comparing the actual number of men and women employed, because it takes into account both the number of employees, and the working schedule. The employment rate in full-time equivalent for men is higher than for women, because men work on average a greater number of paid hours.¹⁶ During 2015 - 2019, the employment rate in full-time equivalent for men increased from 91% to 96%, and for women - from 85% to 88% (Figure 5). Thus, during this period, the gender gap for the employment rate in working hours equivalent increased from 6 p.p. in 2015 to 8 p.p. in 2019. The widening of the gap is due to the increase of the number of employed men with a working schedule of at least 40 hours per week in contrast to women, as mentioned above.

¹⁵ Statistics on hours worked for 2018 is not available. Indicators for these years have been calculated as the arithmetical average of the values recorded in 2017 and 2019.

¹⁶ Men work a greater number of hours only in the context of paid activities. If taking into account the unpaid activities in the households, than the women's cumulative number of working hours will exceed the men's. At the same time, according to the International Standards of Labour Statistics, unpaid economic activities are not considered as employment, and are excluded from gender costs estimation. More statistical details regarding the unpaid work in the Republic of Moldova can be found in the following publication of the National Bureau of Statistics - https://statistica.gov.md/public/files/publicatii_electronice/Utilizarea_timpului_RM/Note_analitice_rom/07_brosur_ROM.pdf

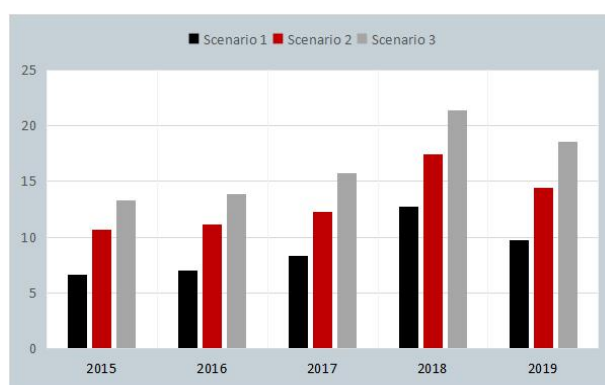
The structure and intensity of employment, which is different for men and women, lead to different average values of labour productivity. There are three main factors that influence the average value of the labour productivity by gender - number of employees, the length of the work week and employment structure by economic activities. Due to the fact that the employment rates of women are significantly lower than of men, the total number of employed women in the context of the national economy is lower than of men, while in 2019 the gap amounted to 20 thousand people in favour of men. This gap is already reaching 22 thousand employees in full-time equivalent, because women work on average fewer hours. Moreover, women are predominantly employed in low-productivity economic activities, e.g. public administration, education, health and social assistance. These factors contribute differently, but not significantly, to the aggregated labour productivity. In nominal terms, the gap in labour productivity by gender increased from MDL 7.6 thousand in 2015 to MDL 17.5 thousand in 2019.

Figure 5. Development of the employment rates in full-time equivalent by gender, %



Source: Calculations based on National Bureau of Statistics data

Figure 6. Cost of gender inequality calculated depending on the scenario, % of registered nominal GDP



Source: Calculations based on National Bureau of Statistics data

The existence and widening of gender gaps on the labour market are manifesting in a foregone macroeconomic potential. One of the consequences of gender inequalities is a lower GDP than the potential one, that can be achieved if there are no gender gaps. The magnitude of possible losses and the impact on the GDP can be estimated for each inequality component analysed above, highlighting three following scenarios:

- 1. Scenario 1. Closing the gaps related to the employment rates of women and men.** This scenario estimates the degree to which GDP would increase if the employment rate of women was equal to that for men, keeping all other factors and gaps unchanged;
- 2. Scenario 2. Closing the gender gaps related to the employment rates and the number of hours worked.** This scenario estimates the degree to which GDP would increase if the employment rate and the average length of the work week of women were equal to those for men, keeping all other factors and gaps unchanged. Equalising employment rate and length of work week is the same as equalising employment rates in full-time equivalent by gender;
- 3. Scenario 3. Closing the gaps related to the employment rates, working hours and labour productivity.** This scenario estimates the degree to which GDP would increase if the employment rate, the average length of the work week and the labour productivity of women were equal to those

for men. Equalising labour productivity would imply a more even distribution of men and women per economic activities.

We note the significant and increasing nature of the macroeconomic impact of inequalities, regardless of the scenario applied. In case of Scenario 1, the economic cost increased from 7% in 2015 to 10% in 2019 of the GDP value for the respective year. In case of Scenario 2, the estimated cost increased, in the same period, from 11% to 15% of the GDP value in the respective year. Finally, Scenario 3 generated an increasing estimative cost, from 13% to 19% (Figura 6). In this manner, closing the main gender gaps in the economic area would add about 20% to the existing GDP. At the same time, these figures shall be addressed only as maximum thresholds resulting from removal of gender inequalities, because this process is long-lasting, and no country in the world has achieved full gender symmetry in the labour market and in economy yet. In the case of the Republic of Moldova, economic growth can also be boosted by intensifying both women's and men's participation in the labour market.

■ Measures to reconcile family life and professional duties

Economic cost of gender inequalities demonstrates the importance of women participation on the labour market. The Government's ability to increase the share of employed women depends, to a great extent, on the actions taken to reconcile professional and family lives, and on the existence of childcare services.

According to the 'Men and Gender Equality' survey¹⁷, the share of men who are currently taking care of children daily is very low. Even though several men have mentioned that their families of origin taught them to do household activities, distribution of responsibilities in the newly-created families/couples is worrying. Thus, 90.5% of men and 81.5% of women consider that the most important thing for a woman is to take care of the house and cook for the family. The share of men considering that changing diapers, washing and feeding children are women's responsibilities is even higher - 95%. One of the women interviewed for this report confirmed these findings and noted that *'...the problem could result from the prejudices prevailing in the society and the role of the man in the family. Thus, the man who takes a childcare leave could be mocked by colleagues/friends or even relatives'*. Hence, the lack of well-defined and implemented measures to reconcile private and professional lives affect women's professional training and development, as well as the engagement of men in the family life.

Good practices for reconciling private and professional lives

Poor and inefficient mechanisms for reconciling paid work and family responsibilities have contributed to the decline of fertility in many countries.¹⁸ In addition, lack of these measures have a negative impact on certain gender-related aspects, such as economic empowerment of women and their participation in the decision-making process. Effective actions for ensuring the balance between the paid work and family responsibilities had positive results for the employers, including from the perspective of individual performance, dedication and decrease of employees' absence from work.

There is no universal solution for the reconciliation of maternity and work obligations. A combination between the measures that can be taken by the Government, coupled with actions of the civil society and employers should serve as a tool in solving the challenges related to the return of women on the labour market after having a baby. The measures aimed to reconcile maternity with employment should also take into account the anatomic aspects related to the delivery and raising of children, as well as social and cultural aspects. Family-friendly measures should be implemented along with measures aimed to support mothers in order to eliminate the stereotype that only women have the obligation to take care of children. In order to encourage men to assume their social role of caregiver, it is necessary to create preconditions allowing them to balance their roles of father and employee.

Understanding the needs of women and families at every stage of child raising is essential for the development of useful and efficient measures that would help women to get employed easier. Several examples of such measures and practices applied at international level are outlined below.

1. Policies in the field of childcare and maternity/paternal leaves

Parents from **Denmark** are entitled to 52 weeks of paid leave. According to a general rule, the mother has the right to four weeks of paid leave before the due date and other 14 weeks of leave after they give birth. The

¹⁷ Men and gender equality, Women's Law Center, Sociopolis, Chisinau, 2015.

¹⁸ Beyond maternity and back to work: Coping with childcare. Maternity Protection Resource Package. Module 11. Available in English on: https://www.ilo.org/global/publications/ilo-bookstore/order-online/books/WCMS_193968/lang--en/index.htm.

father has the right to two weeks of leave during the first 14 weeks after the birth of the child. After that, the mother and the father are entitled to 32 weeks of leave that they can share between them. They can choose to be on leave at the same time or one after another. The right to paid leave (barseldagpenge) is applied during the entire period of 52 weeks. The leave can be extended by 8 or 14 weeks, but the amount of the allowance will be smaller.¹⁹

Starting with 2021, **Finland** will offer paid leave to all the parents regardless of their gender identity or status of biological parents of the child or not. According to the new law, each parent will have the right to 164 days (approx. 7 months). A single parent can claim the period of leave to which are entitled both parents, that is, 328 days.²⁰

Parents from **Sweden** are entitled to 480 days of leave and an allowance of 80% of the salary. Mothers are entitled to 18 weeks of leave and after that parents can share the days of leave. Sweden is the only country that applies the practice to reserve 90 of the 480 days of leave exclusively for fathers to ensure the connection between the father and the child.²¹

Parents from **Iceland** can share their leave of 12 months to which they are entitled after the birth of the child. Mothers and fathers are entitled to five months of leave each and the remaining two months can be shared between them. Such approaches allowed the Government to make sure that both parents can get back to work and children have the possibility to spend time with both of them.²²

The system from **Norway** is flexible and generous. Mothers can benefit from a 49-week leave with 100% paid salary, or a 59-week leave with an 80% paid salary. Fathers are entitled to 0 - 10 weeks of leave, depending on the income of the mother. Both parents can additionally benefit from other 46 weeks of leave with 100% paid salary or 56 weeks and 80% paid salary.²³

Mothers from **Estonia** are entitled to 140 days of maternity leave starting 30-70 days before the planned delivery date. Fathers from Estonia are entitled to two weeks of paid leave. When the maternity leave ends, both parents can additionally receive 435 days of leave and the allowance is calculated on the basis of the average income of both parents.²⁴

2. Flexible time for women and men at the workplace

In most EU countries, the arrangements concerning the flexible working hours are set by the management of the companies/enterprises. However, several countries adopted national laws to this end that are applied to all the employees and specifically target the working parents. These measures were mainly aimed at ensuring the reconciliation of private and family lives.

In **Germany**, each employee who has been working for 6 months in an institution with at least 15 employees, has the right to apply for part-time working time. **Denmark** introduced in 2002 the right of the employer and employee to sign an agreement on part-time working time. In **Portugal**, the parents of children aged up to 12 (or without any age limit in case of chronically ill children), have the right to part-time working hours and flexible work schedule. In **Norway**, according to the Working Environment Act, the employees have the right to reduced working hours, if such a schedule does not create inconvenience to the company. The parents of

¹⁹ <https://www.oresunddirekt.se/en/working-in-denmark/family-and-parenting/parental-leave-when-working-in-denmark>.

²⁰ <https://www.businessinsider.com/countries-with-best-parental-leave-2016-8#finland-1>.

²¹ <https://www.businessinsider.com/countries-with-best-parental-leave-2016-8#sweden-4>.

²² <https://www.businessinsider.com/countries-with-best-parental-leave-2016-8#iceland-5>.

²³ <https://www.businessinsider.com/countries-with-best-parental-leave-2016-8#norway-7>.

²⁴ <https://www.businessinsider.com/countries-with-best-parental-leave-2016-8#estonia-9>.

the children aged up to 10, who want to spend more time with their children are privileged in this respect. The employer that refuses to provide reduced working hours is obliged to justify the refusal.

Belgium developed an innovative program entitled 'career break', which provides the following options: a) fully suspend or reduce by half the working time during one year throughout the career; this term can be extended through a collective employment contract for a maximum period of five years; these possibilities are valid for all the employees regardless their age; b) reduce the working time by 1/5 during five years throughout the career; this possibility is available for all the employees regardless of their age; c) reduce the working time by half or 1/5 without a maximum duration for employees aged over 50, with a length of service over 20 years.

The role of the employer in ensuring the reconciliation of private and professional lives is also very important. In **Belgium**, one in five organisations provide the opportunity to work remotely to at least half of their employees. Remote work is available in public and non-profit sectors. In the **Czech Republic**, the flexible work schedule is the most commonly applied in administrative professions and small organisations with up to 50 employees. Remote work started to scale up in certain areas and particularly, in companies with a small number of employees (up to 10)²⁵.

3. Accessibility of ante-preschool childcare services

Ensuring quality nursery services is a basic element of an appropriate support for the protection of maternity and paternity. Various researches proved the vital role of nursery services in providing support, particularly to women, in order to formally employ after giving birth. If quality and financially accessible nursery services are missing, women are most likely to get employed informally, to engage in unpaid labour (to perform household work). Additionally, nursery services increase the employment opportunities of certain categories of employees, which help create new jobs, particularly for women and girls.²⁶

Since 1990, children from **Finland** aged up to 3, have been guaranteed a place in municipal nursery services, regardless the status of parents on the labour market. In **Belgium**, approximately 30% of children aged 0-3 benefit from nursery services. Starting with 2005, municipalities from **Denmark** are obliged to guarantee places in nurseries and kindergartens for children aged between 9 months and 6 years. If the municipality does not provide such a guarantee, parents have the right to a compensation in the amount that is sufficient to pay for private childcare services.

In **Sweden**, all the children aged between 1 and 12 years have the right to childcare services: preschool children aged 1-5 benefit from full or partial childcare services and children aged 6-12 benefit from after-school services. The number of preschool children that attend nurseries and kindergartens is continuously growing, in the context of the new right of children with unemployed parents or parents on paternal leave to attend nurseries/kindergartens. **Iceland** ensures the social right of children aged 0-2, given that 38% of children of this age attend preschools institutions and other 16% – privileged houses registered by municipalities²⁷.

Various countries that develop childcare supportive policies give more emphasis to vulnerable groups. **Costa Rica** institutionalised the National Child Care and Development Network. The beneficiaries of the program

²⁵ Reconciliation of work and private life: A comparative review of thirty European countries, EU Expert Group on Gender, Social Inclusion and Employment (EGGSIE), Luxembourg: Office for Official Publications of the European Communities, 2005.

²⁶ Occupational health protection. Maternity and paternity at work. International Labour Organization, 2010. p. 111. Available in English on: https://www.ilo.org/global/publications/ilo-bookstore/order-online/books/WCMS_242615/lang-en/index.htm.

²⁷ Reconciliation of work and private life: A comparative review of thirty European countries, EU Expert Group on Gender, Social Inclusion and Employment (EGGSIE), Luxembourg: Office for Official Publications of the European Communities, 2005.

are children aged 0-7 from vulnerable families and with single mothers. The program aims at promoting the labour of parents and child development. The service lasts 10 hours per day and covers about 32,000 children through a network of 852 centres established by public and private institutions on the basis of the principle of co-responsibility. In 2014, the Government of Costa Rica invested USD 36 million in order to increase the number of places, buildings, for restructuring and childcare equipment. In **Chile**, the 'Chile Grows with You' Program provides childcare services for children from vulnerable families. The program covers 40% of the vulnerable population. The number of public nurseries increased from 700 in 2006 to more than 4,000 in 2009. More than 70,000 children are placed in nurseries.

In **Mexico**, a Federal Day Care Program for Working Mothers was approved. The Program aims at removing directly the gender inequalities determined by family responsibilities. It provides nursery services for children aged 1-4 from families that earn six times less than the minimum salary per economy. Single parents who work are eligible for this service. Also, the Program includes financial support for the establishment of day care services. In 2009, this program costed less than 0.01% of the Mexican GDP; it covered 261.728 children and generated 45.000 jobs for caregivers and nurses from those institutions. The services are available eight hours a day, five days a week.²⁸

The lack of Government support in form of subventions, tax exemptions and inappropriate regulatory framework/provisions of collective contracts limit the desire of the companies to introduce measures ensuring the balance between the private family and work lives.²⁹ For this reason, it is important for the Government to have coherent policies that stimulate the employers to put in place measures aimed to reconcile the obligations of taking care of children and work obligations.

In **Greece**, the systems of public and private services that have at least 300 employees are obliged to offer to their children a space for nurseries/kindergartens, while in **Netherlands**, the provision of institutionalised childcare services are considered to be the responsibility of the Government, employer and employees. In **France**, most companies provide or take part in ensuring child care services. Some examples are banks, university hospitals, Michelin and Post Office. In total, 224 nurseries established by companies offer 15,000 out of 200,000 nursery places in France.³⁰

4. Setting up spaces for breastfeeding and/or for expressing breast milk and its storage in order to subsequently give it to children

The Government could ensure the right to breastfeed by recognising as working time the periods when women breastfeed, as recognised by the law in **China** and **Philippines**.³¹

In **Slovenia**, for example, employers are obliged to provide a room with a bed for pregnant women and for women who breastfeed. In **Columbia**, each employer should set up, in the premises where mothers work, rooms for breastfeeding or spaces suitable for taking care of children. Similar provisions exist in **Belgium**, **Costa Rica**, **Latvia**, **Netherlands**, **Nicaragua** and **Nigeria**.³²

²⁸ Occupational health protection. Maternity and paternity at work. International Labour Organization, 2010. p. 112. Available in English on: https://www.ilo.org/global/publications/ilo-bookstore/order-online/books/WCMS_242615/lang-en/index.htm.

²⁹ Ibid., p. 111.

³⁰ Reconciliation of work and private life: A comparative review of thirty European countries, EU Expert Group on Gender, Social Inclusion and Employment (EGGSIE), Luxembourg: Office for Official Publications of the European Communities, 2005.

³¹ Occupational health protection. Maternity and paternity at work. International Labour Organization, 2010. p. 103. Available in English on: https://www.ilo.org/global/publications/ilo-bookstore/order-online/books/WCMS_242615/lang-en/index.htm.

³² Ibid., p. 109.

To prevent women who work from travelling long distances to breastfeed their children and stimulate the breastfeeding even when children cannot be brought to the workplace of the mother, certain employers created conditions for expressing breast milk at the workplace and for its storage in order to give it later to the child. **Brazil** has a 'sanitary rule' implementing the breastfeeding. **Peru** has law according to which all institutions belonging to the public sector employing at least 20 women of reproductive age, have to set up a facility of around 10 square metres for the sole use of expressing milk. In **Philippines**, the Expanded Breastfeeding Promotion Act of 2009 provides that the lactation stations shall not be located in the toilet and shall be adequately provided with the necessary equipment for the expression and storing expressed breast milk and with a seat and a table for the expression and storage of the milk. In **Cambodia**, the employers who employ minimum 100 women should establish in their institutions and nearby, rooms for breastfeeding or day centres for children over 18 months. Women can leave their children in day centres and the expenses are covered by the employers. There is a similar arrangement in Brazil for companies employing more than 30 women.³³

Measures of reconciling private and professional lives in the Republic of Moldova

The Labor Code provides that one of the employer's obligations is to ensure equal conditions for women and men that would allow reconciling the professional and family lives. Nonetheless, a significant number of women continue to be economically inactive due to family responsibilities, including those that are linked to taking care of children.³⁴ Giving birth forces women to exit the labour market. This is due to insufficiency of policies focused on the reconciliation of family life and work duties, as well as the lack of childcare services that would allow young women reconcile the family responsibilities, child-rearing and the professional life (e.g. insufficient number of nurseries) particularly in the rural area.

A quite large set of tools on reconciliation of the family life and professional duties was implemented in the Republic of Moldova. The main tools are – the maternity leave, paternal leave and partially paid leave for childcare up to the age of 3, plus childcare services provided through early education institutions.

Maternity leave includes prenatal leave of 70 calendar days (in case of pregnancies with three or more fetuses – 112 calendar days) and paid postnatal leave for a period of 56 calendar days (for complicated births or birth of two or more children – 70 calendar days). The father of a newborn has the right to paternal leave of 14 calendar days. After the expiry of the maternity leave, a partially paid leave for childcare up to the age of 3 is granted with the payment of the allowance from the state social insurance budget.³⁵ If the mother does not use her leave, the law allows granting partially paid childcare leave to the father, to one grandparent or another relative directly involved in caring for the child, as well as to the guardian.³⁶

Given that according to the law the employer shall maintain the workplace of the employee for a period that exceeds the EU terms, the employers prefer to employ men to the detriment of women, as evidenced by the share of women in the labour market in the previous chapter.

At the same time, the legislation of the Republic of Moldova, even if it contains provisions concerning the paternal leave and the right of fathers to childcare leave, cannot ensure the legal right of both parents to take care of the child. The law does not motivate fathers to get involved in taking care of children. The national legislation does not provide for a period of leave exclusively for fathers, which would be sufficiently

³³ Ibid.

³⁴ Over the last years, the share of this category of women has remained stable around 11% of the total of inactive women in the Republic of Moldova, which accounts for about 130-140 thousand individuals.

³⁵ Article 124(2) of the Labor Code of the Republic of Moldova No 154 of 28.03.2003 // OG No 159-162, Article 648.

³⁶ Article 124(4) of the Labor Code of the Republic of Moldova No 154 of 28.03.2003 // OG No 159-162, Article 648.

flexible in order to provide the parents with the possibility to use a part of the partially paid leave after the child turns 3. The person that benefits from the partially paid leave does not have the right to choose a shorter period of leave and get a higher allowance. The national legislation does not contain provisions that would encourage mothers and fathers to share the childcare leave.

Although from the legal point of view men are also entitled to partially paid leave for childcare up to the age of 3, statistically, their number is much lower as compared to women. According to the data provided by the National Social Insurance House (NSIH), as of 1 January 2020, from the category of socially insured individuals, **39,458** mothers and **7,136** fathers were on partially paid childcare leave and were receiving monthly childcare allowance. This discrepancy between men and women can be explained by their decision to choose the childcare leave that is mainly influenced by the perceptions and stereotypes concerning the role of women in the family and in the society and their household duties.

As regards the use of partially paid childcare leave for uninsured individuals, the number of men who benefit from monthly allowance is even lower. In 2019, this type of leave was used by **37,835** uninsured mothers, who receive monthly childcare allowance in the amount of MDL **640**, compared to **206** fathers (Table 1). As a result, the data show that men mainly use the childcare leave when they are insured.

Table 1. Number of beneficiaries of monthly childcare allowance in 2019

	Mothers	Fathers	Other individuals	Total
Insured individuals (children up to 3 years)	39,458	7,136	335	46,929
Uninsured individuals (children up to 2 years)	37,835	206	25	38,066

Source: NSIH

Even if the law provides for quite long periods of childcare leave, the average amount of monthly childcare allowance is very low and in 2019 it amounted MDL **1,846.48** for insured individuals and MDL **696.35** for uninsured individuals. Of the total number of women who use the partially unpaid childcare leave, **49%** are uninsured and benefit from minimum monthly allowance of **MDL 640**, which represents a vulnerability factor. These realities reveal that the incidence of poverty among women on childcare leave is increasing, particularly among single mothers or women who raise their children without the support of the child's father or partner.

Flexible working hours for women and men at the workplace: The normal number of working hours per day in the Republic of Moldova is 8 hours. The number of working hours per day may not exceed 10 hours, with 40 working hours per week.

The insufficiency or the lack of flexible working schedules such as remote working, flexible schedule, part-time work, can determine the individuals who take care of other individuals, particularly the women, to drop out of the labour market.

The national law provides for the possibility to employ individuals part-time, the actual duration of the working day in case of part-time work being specified in the individual employment contract. Special provisions target the pregnant women, employees who have children under the age of 10 or children with disabilities, or employees who take care of an ill member of the family according to the medical certificate, when the employer is obliged to set for them a part-time working day.

At legislative level, unlike certain European countries, the flexible working program is not regulated in the Republic of Moldova, except the provisions according to which the employer can set, with the written consent of the employee, individual working programs, with a flexible working schedule and working hours, if this is provided for in the internal regulation of the unit or in the collective or individual employment contract. The national law lacks provisions that would allow the employees to work remotely/from home. In the Republic of Moldova, the arrangements concerning the flexible schedule are set by the management of the companies/enterprises, at their discretion or taking into account the provisions of collective employment contracts.

Accessibility of ante-preschool childcare services: To facilitate the resumption of professional activity after the childcare leave it is recommended not only to amend the regulatory framework in terms of options of getting the allowance, but also to establish childcare services. The shortage of such services amplifies the vulnerability of women, affecting their professional training and development, as well as their participation in the labour market.

The Education Code of the Republic of Moldova defines early education as a component of the education system of the Republic of Moldova, with the aim to ensure the holistic development of the child and to prepare the child for integration in the school activity.³⁷ Early education is conducted in nurseries, kindergartens, early education community centres or in other institutions that provide services in compliance with the state educational standards.³⁸ It can also be organised in residential institutions – for orphans or for children left without parental care, in sanatoriums for children with chronic diseases, as well as in special education institutions, in penitentiaries and in healthcare facilities. Early education is considered to be the level zero (according to international classification ISCED) of the education system from the Republic of Moldova, which is structured in two cycles: ante-preschool education and preschool education.

Ante-preschool education is intended for children aged up to 2.³⁹ Ante-preschool education is conducted in the family, but at the request of the parents, local public authorities can organise the ante-preschool education, financed from local budgets, including through nursery services.⁴⁰

Another service that provides ante-preschool education are social nurseries. Social nurseries are created by the local public administration or by NGOs and are aimed at preventing the separation of children from parents. Social nurseries accept children aged between 4 months and 3 years, from socially disadvantaged families, in order to provide care and education services. At the time the study was developed, three social nurseries were identified in Chisinau municipality, of which two social nurseries are funded from public sources, and one is was established by the Social Mission 'Diaconia'. Children are enrolled in the public social nursery on the basis of the endorsement of the Commission for the Protection of the Child at Difficulty. The capacity of social nursery service is 12 children. When the child is accepted in the service, parents sign an agreement, which is reviewed once in six months. During the first two months after the child was accepted in the social nursery, the parents should present the evidence of employment. The failure of the parents to get employed can serve as ground for expelling the child from the service.

The regulatory framework allows setting up private early education services, provided that they meet the national educational standards. The educational process is compulsorily conducted in all the institutions of early education services, regardless of their form of organisation, educational program and type of

³⁷ Article 23(1) of the Education Code of the Republic of Moldova No 152 of 17.07.2014 // OG No 319-324, Article 634.

³⁸ Article 23(3) of the Education Code of the Republic of Moldova No 152 of 17.07.2014 // OG No 319-324, Article 634.

³⁹ Article 20(1)(a) of the Education Code of the Republic of Moldova No 152 of 17.07.2014 // OG No 319-324, Article 634.

⁴⁰ Article 24 of the Education Code of the Republic of Moldova No 152 of 17.07.2014 // OG No 319-324, Article 634.

ownership – on the basis of the curriculum and standards approved by the Ministry of Education, Culture and Research.⁴¹ Early education institutions, upon request, may implement educational programs alternative to the state ones: Waldorf educational program, Montessori educational program, Frene, provided that they were first approved by the Ministry of Education, Culture and Research.

Children with special needs face a range of difficulties in accessing education services. Thus, in the 2019 report, the Council for Preventing Discrimination and Ensuring Equality⁴² identified the following issues: lack or insufficient number of support teachers and certain professionals (psychologists, educational psychologists, speech therapists); barriers related to the attitude of teachers during the integration of children with special educational needs; allocation of insufficient financial resources for education; the need to inform continuously teachers how to interact with children with disabilities, particularly, with mental disabilities.

Although the Moldovan authorities took a series of measures and implemented specific mechanisms aimed at ensuring the reconciliation of family and professional lives, the good international practices and the recommendations of the European Union in this regard reveal the need for additional measures that would lead to a more active involvement of women in the professional life, management positions and in the public life: adjust the legal framework on childcare leaves, working schedule of employed parents, set up spaces for breastfeeding, support the employers with subventions or tax exemption in order to create conditions that will allow to balance the professional and family lives, increase the number of ante-preschool institutions and adopt coherent policies in order to stimulate the employers to create childcare services.

⁴¹Article 51(1) of the Education Code of the Republic of Moldova No 152 of 17.07.2014 // OG No 319-324, Article 634.

⁴² https://egalitate.md/wp-content/uploads/2016/04/Brosura_ro.pdf.

■ Access to ante-preschool education in the Republic of Moldova

Demand for ante-preschool education services

In 2019, the Republic of Moldova had two nurseries and both of them were located in the urban area. The number of available places in the public nurseries is not enough to cover the existing demand. These two nurseries admitted 149 children, even if their capacity is only 118 places (Table 2). At the same time, according to the information submitted by the National Bureau of Statistics, 829 nursery-kindergarten institutions operated in 2019, with a total number of 16,799 children aged 1-2 years attending nurseries and nursery-kindergartens in the urban area and 8,570 children – in the rural area. According to the age distribution, a share of 23.0% of children aged 5 were enrolled in early education institutions, followed by 22.7% of children aged 4, 21.1% of children aged 6 and 20.8% – aged 3. The proportion of children aged up to 3 years represented 11.2%, and of children aged 7 and over – 1.2%.⁴³

Given that 32.6 thousand children were born in 2018 and 34.1 thousand – in 2017, the number of ante-preschool education institutions and available places are obviously insufficient.

Table 2. Nursery institutions, by area of residence in 2019

	Number of institutions	Places	Groups	Children
Nurseries (Urban)	2	118	7	149

Source: NBS

The individual interviews conducted as part of the survey have confirmed that the access to nurseries is a problem (methodological aspects in Box 2). In the rural area, the lack of nurseries is a real issue for families with children. Because of the lack of nurseries, only the family (especially women) or other relatives are taking care of children. Setting up nursery services would ensure the children's access to better services and would improve the financial situation of the families in rural areas. The interviewed women mentioned that *'...it would be better to have nurseries in villages too, because not all women have retired mothers who can help them to take care of children. If they do not have a husband, they have to experience material limitations, try to find day work and to leave the children with neighbours or with the elder children...'*

The social nurseries are a viable solution for the families with children in rural area, but these are located in cities and are not accessible for the rural population.

Private nursery services do not solve the issue of the lack of public nurseries, because the cost of these services is not affordable for many families. The interviews revealed that women did not use the private nursery services because of the high costs that exceed the families' revenues. The interviewees declared that they considered the private nursery services attractive due to the low number of children, endowment, preparation of the teaching staff, but they did not use them because services were expensive. The interviewed women said that the cost for private nursery services varies between MDL 5,000 and 6,000. According to them, this amount is too high compared to the salary they could receive in case of returning to work.

⁴³ <https://statistica.gov.md/newsview.php?l=ro&idc=168&id=6662>.

Box 2. Characteristics of the sample used for interviews

In order to identify the gaps in the childcare system, interviews with 22 women on childcare leave were conducted. The key features of this sample are:

- **Area of residence.** 10 women from rural area (45%) and 12 women from urban area (55%);
- **Age group.** Aged 23-39.
- **Area of residence.** Women from Centre (18), North (1), South (2) and ATU Gagauzia (1) participated in the interviews;
- **Level of education.** 12 women with higher education (55%), 2 women who have completed the post-secondary vocational education (9%), 6 women who have completed secondary technical and vocational education (27%) and 2 women with secondary education (9%);
- **The period of childcare leave.** As many as **8 women** (36% of the respondents) are on childcare leave for a period of 1-2 years, **6 women** (27%) – for 2-3 years, **5 women** (23%) for less than a year, and **3 women** (14%) reported other periods.

Among the causes determining the lack of nurseries, the participants in the interview named the lack of public financial resources required to fund these services, the parents' mistrust in the quality of the services provided by public nurseries in terms of care, nutrition, preparation of the staff, etc., and also the stereotypes and preconceived ideas that mothers should take care of their children. In this context, an interviewed woman mentioned *'...In our culture, the mothers who send their little children to a nursery are viewed as bad mothers. I sent my elder child aged 1 year and 8 months to a nursery in another settlement, because I started to work, and the majority of the relatives criticised me for that. In my opinion, many mothers would like to access nursery services, if there were any, but due to the social pressure, they relinquish and give up on their professional career'*.

As opposed to the public nurseries, that are insufficient, the number of kindergartens has grown. Compared to 2017, this number increased by 26 units or 1.8%, and by 103 units or 7.5% compared to 2010.⁴⁴ According to the statistics provided by the National Bureau of Statistics, **829** nursery-kindergartens were operating in the Republic of Moldova in 2019, with **110,951** children enrolled. Out of the total nursery-kindergarten institutions, a share of **530** is located in the rural area and **299** in the urban area. The statistics reveal that in the rural area, the number of places in nursery-kindergartens is insufficient in relation to the number of children. The **299** nursery-kindergartens in the urban area have a total capacity of **64,506** places, but **66,432** children are enrolled (Table 3).

Table 3. Nursery-kindergartens institutions, by area of residence in 2019

Nursery-kindergartens	Number of institutions	Places	Groups	Children
Total	829	122,355	4,608	110,951
Rural	530	57,849	1,989	44,519
Urban	299	64,506	2,619	66,432

Source: NBS

The statistical data reveal the existence of discrepancies between the coverage of children with early education in urban and rural area. The coverage of ante-preschool education children (1-2 years) in urban area was by 13.4% higher compared to the rural area, and the coverage of children in preschool education (3-

⁴⁴ The activity of early education institutions in 2018, <https://statistica.gov.md/newsview.php?l=ro&idc=168&id=6342>.

6 years) – by 38.3%. A prevalence of children aged 4 was noted in the age distribution of children enrolled in early education – 23.0%. The proportion of children aged 5 is 22.6%, 6 years – 21.3% and 3 years – 21.0%. The proportion of children aged up to 2 (enrolled in ante-preschool education) is of 10.9%, and of children aged 7 and over – 1.2%.⁴⁵

The informal childcare in family is encouraged because of insufficient nursery services. This type of care raises particular issues given that it can be performed by children’s mother, grandparents or by a person who is paid. The interviews reveal that grandmothers (45% of respondents) and spouses (41% of respondents) are mostly dealing with the growth and care of children while the mother is at work or is involved in other activities. Only 14% of respondents mentioned they seek for friends and relatives’ help for childcare, while the mother is at work.

The childcare services provided by babysitters are not accessible for many women because of the high costs. Only one respondent indicated she sought this type of services: *‘I had to return to work, because I have credits to pay and, to support the family and others. The Government does not offer an allowance high enough to cover these expenses’*. Another interviewee said she was ready to seek occasionally these services: *‘I did not opt for that, because my mom is helping me. I would opt occasionally for a babysitter in order to go for shopping without the child, to the doctor or to do other family or personal activities, including interviews and tests for a new job’*. Other interviewees said this service was inaccessible for the majority of women, because it was expensive versus the income, amounting on average to MDL 30-35 per hour.

Given the insufficient number of nurseries, the partially paid leave for childcare up to the age of 3 is the key instrument used by women for the period when the child is little. Lack or insufficient public nursery services have a major impact on women due to their prior involvement in childcare. Two or three years spent for childcare outside the labour market have an impact on women in terms of opportunities to return to work, promotion, salary, etc.

Creation and development of public nursery services will help harmonise the family life with work duties, and could help women to cope with the professional requirements and family responsibilities. The implementation of coherent policies to this end will decrease women’s vulnerability and help them stay in the labour market.

The access of women to nursery services was totally limited during the restrictions imposed to prevent COVID-19 outbreak. Thus, many women were determined to quit their job. The interviewees mentioned in relation to the difficulties encountered during the quarantine that: *‘it was a big challenge for me. After the closure of nurseries and schools, the tasks performed by women with children have tripled and made them more vulnerable. I’m holding a public position so I was obliged to work remotely from home and to take care of my 2-year-old child and to do online classes with my elder son, including household duties. In the absence of support from other family members, soon I was completely exhausted’*. Another interviewee mentioned that the measures implemented to prevent COVID-19 infection determined many women to quit their job to take care of children while the nurseries and kindergartens were closed: *‘...during the quarantine my house was an office, a nursery and a classroom, and I became a superhero, because I had to work remotely, to do household chores, to monitor the school related activity of the elder son and to take care of the younger child. The challenges increased when we had to return to the office, but the schools and kindergartens were closed and nobody could take care of children... in these conditions I had to quit my job’*.

⁴⁵ The activity of early education institutions in 2018, <https://statistica.gov.md/newsview.php?l=ro&idc=168&id=6342>.

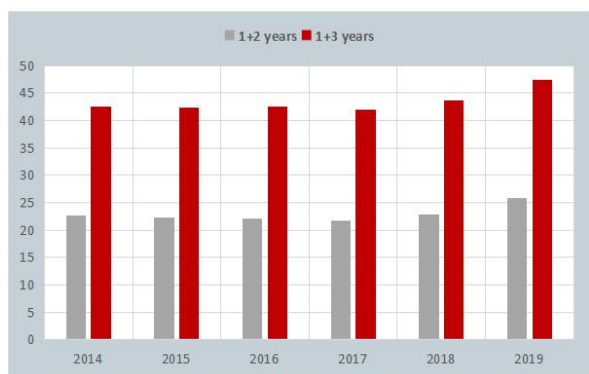
The cost for the extension of ante-preschool education infrastructure

The development and extension of the nursery network would be a priority for the Republic of Moldova, but a key factor should be taken into account – budget constraints. The decision to invest in ante-preschool education infrastructure and/or to decrease the age threshold to less than 3 years for the mandatory enrollment of children in kindergartens has to be based on evidences. These evidences would be related to the degree of coverage of the children with ante-preschool education and to the total estimated costs for the public budget.

The coverage of children with ante-preschool and preschool education is high, but there is space to grow.

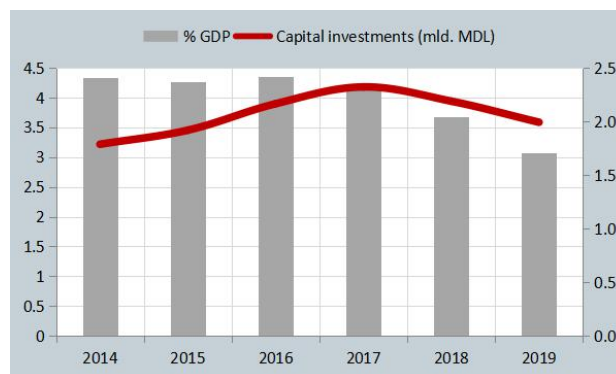
The net enrolment ratio of children aged 1-2 grew in 2014-2019 from 23% to 26%, and for those in the 1-3 age group from 42% to 47% (Figure 7). At the same time, only 8-10% out of the total 1-3 age group children have 3 years, and other 90% – 1-2 years. In addition, the increase of net enrolment ratio in the last years was not caused only by the growth of enrolled children, but also by the significant decrease of the population with habitual residence. For instance, the number of children from the 1-2 age group decreased in the analysed period by 13%, while the number of those enrolled in ante-preschool and preschool institutions remained stable around 16-17 thousand children.

Figure 7. The evolution of coverage rate of children by age groups in ante- and preschool education, %



Source: Calculations based on National Bureau of Statistics data

Figure 8. Estimated capital costs for the enrollment of 1-2 years children (MDL, left axis) and their proportion in GDP (% , right axis)



Source: Calculations based on National Bureau of Statistics and Ministry of Finance data

Potential costs are significant for the extension of the ante- and preschool institutions network in order to cover all children of that age. The cost for the extension of network of nurseries for children aged 1-2 depends on the number of those who are actually enrolled in an ante- and preschool institution, and also by the cost of the capital investment of such an institution. For the calculations of the total costs, the value of average capital investments for the enrollment of an additional child was used as reference. The value was calculated by the World Bank for 2005 - 2015.⁴⁶ This cost was approximately MDL 64,600 in 2016 and it was calculated on the basis of that year's prices. Thus, in order to cover all children aged 1-2 who were not attending any ante- and preschool education institutions, the annual total costs would reach MDL 3.5 billion

⁴⁶ World Bank, "Moldova: Education Sector Public Expenditure Review Selected Issues", Washington, DC, 2018.

in 2019 or 1.7% of GDP (Figure 8). The estimated total average decreased in the last years due to the low number of children in this age group.

The estimated capital costs necessary for the extension of ante- and preschool institutions network are significant and require an extended implementation period. In 2019, the estimated capital costs are equal to 6% of all expenses of the National Public Budget (NPB) and 33% of the total budget for education. These numbers will diminish in the following years, taking into account the current demographic trends. At the same time, the COVID-19 impact on national economy led to the explosion of the NPB deficit in 2020. This will have medium term consequences on public finances. For this reason, it is unlikely that more investments will be made in the ante-preschool education system, but external financial sources can be identified for particular targeted projects.

■ Conclusions and recommendations

The Republic of Moldova made some progress in the last decade in diminishing gender inequality, but there still are significant gaps. GGGI is one of the statistical tools used to quantify gender inequalities that increased from 0.713 in 2006 to 0.757 in 2019 (1 is perfect equality). Despite the growth of the Index, the gaps in economic and political fields are still significant. Moreover, the recent changes in the labour market statistics emphasised that the economic gender inequalities are much higher and have grown in the last years. An amplification of gender gaps in the last years implies that the national economy is losing much more from the less active engagement of women on the labour market.

The macroeconomic costs of gender inequalities are significant and are increasing in the Republic of Moldova. The gaps between women and men on labour market lead to a lower GDP, compared to the gender parity. Due to the fact that women are less active on the labour market and are working fewer paid hours, compared to men, they have a lower labour productivity on the average. These factors cause the loss of 10-20% of registered GDP value in the national economy. Around 10% are lost because of low participation rates of women, and if to take into account all three factors, the annual cost is amounting to 20%. Furthermore, the amplification of inequalities on the labour market in the recent years resulted in higher macroeconomic costs, which grew by 2-4 p.p of the GDP.

Tradition, cultural specificity and gender prejudices are determining women to give up on trying reconciling family and professional life and decide to take care of their children until they are eligible for kindergarten. Women on childcare leave are facing additional issues compared to men on such a leave, as according to traditions and gender stereotypes the household duties are attributed to women. Although, in legal terms, men are also entitled to get a partially paid leave for childcare up to the age of 3, statistically, they exercise this right much rarer than women.

Legal provisions do not motivate fathers to participate in childcare activities. The national legislation does not provide for a period of leave exclusively for fathers, and is not sufficiently flexible in order to enable parents to use a part of the partially paid leave after the child turns 3 years. The national legislation does not contain provisions that would encourage mothers and fathers to share the childcare leave. A great number of uninsured women are on childcare leave and benefit from a monthly allowance of MDL 640, which makes them more vulnerable and financially dependent on their spouse or domestic partner.

Even if the legal framework was improved in terms of encouraging parents to return to work after they have been granted the childcare leave, and keep their monthly allowance, the insufficient number of nurseries impedes them to exercise this right. The access to nursery services is an example of critical measure for ensuring professional training and development, especially for women who are on childcare leave, and granting gender equality. The creation of private nursery services does not solve the issue of the lack of public nurseries, because the cost of these services is not affordable for many families. Parents consider private nursery services attractive due to the low number of children, endowment and rooms' sanitation, food, video surveillance, teaching staff formation, but they do not use them because services are expensive.

The lack of public financial resources required to fund nursery services is one of the factors causing insufficient public nursery services. This insufficiency enhances women's vulnerability, affects their professional training and development, as well as their participation in the labour market and causes an increased risk of social exclusion. The amounts needed for the significant expansion of the nursery network

represent about 1.7% of the GDP in 2019, which makes it actually impossible to carry out a comprehensive investment program in the short run, especially under the conditions of a permanently deficient budget.

In order to reduce gender gaps and their economic costs, the implementation of the following measures is recommended:

Economic cost of gender inequalities:

1. Set up a Government authority responsible for gender equality;
2. Ensure effective cooperation between gender units from ministries and the Division for Gender Equality Policies;
3. Mainstream gender in school textbooks;
4. Promote gender mainstreaming in budget programs by establishing gender-sensitive indicators;
5. Introduce and implement gender equality dimension in policy documents of all areas;
6. Raise public awareness through national and centralised information campaigns concerning gender equality, the role of women and men in the society and family, reconciliation of private and professional lives, overcoming gender stereotypes, change of attitudes and behaviours that increase inequalities between women and men;
7. Enhance the efficiency of policies regarding gender equality, focusing on ensuring the required conditions for women's political and economic empowerment;
8. Monitor employers in terms of observing women's rights at work, as well as eliminating discrimination against women in the workplace.

Measures to reconcile family life and professional duties in families with children

1. Implement educational policies to eliminate stereotypes and prejudices and promote mutually assumed parenting;
2. Adopt and effectively implement policies aiming at harmonising family and professional lives, during quarantine periods or in other circumstances determining a special access to educational services, by creating and developing care services for children under 3, monitor employers in terms of introducing measures such as flexible work schedules, arranging spaces for breast milk extraction and storage, etc.;
3. Adopt the draft law to amend the Labour Code of the Republic of Moldova No. 154/2003 in order to regulate the flexible working schedule and diversify flexible schedule options by allowing the employees to work remotely, from home, to take career breaks, by appropriately stimulating the employers to this end;
4. Adjust the legal framework in order to include provisions on the length of the childcare leave set up exclusively for fathers, encouraging parents to share the childcare leave between them, possibility to benefit from a shorter childcare leave with a higher allowance, the possibility for parents to use a part of the partially paid leave after the child reaches 3.
5. Set up sufficient nursery services for the existing demand, both in rural and urban areas. In the light of the budgetary constraints, it is recommended to gradually extend and focus on developing the nursery network in communities with a higher demand for these services. It is also recommended to find external financial resources to fund capital investments as in the case of the past years' investments in the development of the kindergarten network;
6. Create nursery services so that they could satisfy the requirements of a quality nursing for the child's development;

7. If nurseries are not available, ensure required financial support so that women could get back to work;
8. Encourage and stimulate private companies/enterprises to create childcare services, including arranging places for breastfeeding.

■ Annexes

Annex 1. Score and classification of the Republic of Moldova in GGGI (0 –inequality, 1 – equality)

	2006	2010	2015	2019
Score				
Total	0.713	0.716	0.712	0.757
<i>Participation and economic opportunities</i>	0.760	0.771	0.671	0.788
<i>Enrolment in education</i>	0.994	0.990	0.996	0.996
<i>Health and life expectancy</i>	0.980	0.980	0.974	0.980
<i>Political empowerment</i>	0.117	0.124	0.205	0.264
Classification				
Total	17	34	53	23
<i>Participation and economic opportunities</i>	2	10	71	19
<i>Enrolment in education</i>	37	66	51	61
<i>Health and life expectancy</i>	1	1	69	1
<i>Political empowerment</i>	50	69	54	45
Countries in the classification	115	135	145	153

Source: World Economic Forum

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