

5.3. Public Health Security

Health constitutes one of the key issues of human security. There is a direct dependence between health security and individual welfare and the degree of human development in the country. Having a direct influence on labour capacities, health amplifies or limits people's options to benefit of the social opportunities. People with good health are less exposed to risk factors. And on the contrary, those with poor health are more painfully affected by a turbulent economic environment. Diseases exert a constraint on people's autonomy, reduce their participation in the labour market and enlarge their dependence on medical care. That is why poor health has a negative impact on labour force mobility, productivity and public expenditures. The cumulative effect of public health is reflected in the human development index and has both economic and social consequences. From this point of view the public health is considered, from a larger point of view, as a complete physical, mental and social welfare, and does not refer only to an absence of disease or a handicap.

The quality and efficiency of services delivered by medical institutions also condition public health. In this context one may say that present health protection system in Moldova is characterized by a *mixture of weak and strong parts*, originating from the peculiarity of the sector itself and the transition period. Main advantages, as indicated below, are the significant positive aspects inherited from the old, Soviet health protection system:

- Universal free access to all medical services;
- Entire population is entitled to health care;
- Primary medical sector well equipped with equipment and highly qualified personnel;
- A well structured and integrated network of hospitals, clinics and out patient clinics;
- Flexible network of hygienic and medical facilities for prevention of mass diseases;

- Priority integrated financing from the public budget.

At the same time the system was inefficient as far as qualitative promotion of medical services is concerned. The main explanation should be found in the *old medical philosophy*: the approach to citizens used to be rather as to passive recipients of medical services delivered by the state, than active participants to the improvement process of their of life. In view of this, there was an exclusive reliance on the state monopoly in health protection. As a consequence, internal sector management was inefficient, causing imbalance and a lack of coordination. The degree of response to local needs (especially the rural ones) used to be insignificant, priority being given to medical institutions from urban areas. The economic efficiency principle was neglected as far as the utilization of financial resources was concerned.

The situation in the medical sector has become significantly worse during the transition period. Actually, all parameters of the health protection system have worsen and their classification in sets could be the following:

- Deterioration in living standards of the population;
- Growing incidence in the degree of risk factors that undermine the public health security;
- Extension of nutrition, infectious, social and degenerative diseases;
- Tough financial constraints;
- Insufficient remuneration of medical personnel does not favour an incentive attitude towards a qualitative performance of professional tasks.

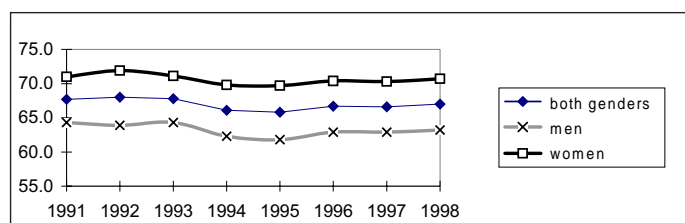
Life expectancy that represents an exponent of population's health status continues to substantially deteriorate. Compared to 1992, life expectancy has decreased 1.4 times, in 1998 being 70.7 years for a female and 63.2 years for a male, the average constituting 67 years. This drop is even more significant in the case

“Extremis malis, extrema remedia / Serious diseases require extreme treatment.”

Anonymous Latin

Fig. 5.3.1

Average life expectancy



Source: Survey of Ministry of Health

of women, it being a 1.6 fold decrease. Thus, life expectancy in Moldova is one of the lowest in Europe.

One of the most worrying trends of the unfavourable demographic development in the Republic is the rising mortality. In 1998, 47.7 thousand people died, the mortality rate being 11.1 per thousand. The number of deceased exceeded the number of newly born by 0.9 thousand. The structure of mortality causes reveals a preponderance of cardiovascular diseases (52.7%), followed by malignant growths (11.9%), accidents, poisonings, traumas (9.0%), digestive diseases (8.9%), and respiratory diseases (6.0%). At the same time the incidence of fatal cases among men appears to be more frequent than among women. That is why the mortality rate differs among the two genders, it being 114.8% in case of men. The fact that the mortality rate shows a growing tendency among economically active population appears rather alarming. Its level has gone up 1.1 times compared to 1993 and constitutes at present 41.6% of the general mortality structure.

A precarious situation is also characteristic for the *child health care* sector. Tough financial constraints, made more severe by the explosive rise of prices in medical services, have led to a substantial deterioration of children's health status. Malnutrition has become a usual phenomenon, which affects the large majority of the population, especially young people. Thus, the daily energy value of children's nutrition covers only 62% of the necessary minimum and even fewer proteins, they constituting only 40%. Consequently, the infant mortality rate is 17.8 to 1000 alive newborns, which is 3 times higher than the average European indices.

The situation in connection with infectious diseases remains alarming (recent different epidemics of cholera, measles and small pox). The incidence of syphilis, from 1990 through 1997, has gone up 10.6 fold, reaching 165.9 cases per 100,000 people. The real beginning of an AIDS epidemic is occurring, judging from the fact that in 1997, for example, there were 408 HIV-infected persons compared with 19 infected people during the 9 previous years (1986 through 1995) and 47 people in 1996. New tuberculosis cases appear every year, thus increasing the number of affected people. One can not assess the population's immunity as an efficient one, due to lack of vaccines and adequate equipment.

The incidence of gastrointestinal diseases is the highest in Europe. The growth in the number of cardiovascular diseases, stroke, rheumatism and diabetes and other chronic diseases presents a threat especially among young people.

Such parameters as a rise in the number of drug and alcohol addicts as well as the increase of smokers (especially among women and teenagers) indicate a social crisis. According to an official survey, more than 8% of the country's population is suffering from health problems caused by excessive alcohol consumption. Starting with 1990, the number of registered drug addicts shows an average annual growth of 30%. Problems caused by trauma, very often violent, continue to remain very severe.

A great number of problems persist connected with environmental factors. Issues like drinking water supply, tobacco processing, disposal of toxic waste, and lately air pollution in towns deserve special attention (especially in the rural areas).

Health protection structures are going through a deep crisis in connection with financial deficiency and the irrational use of available resources, and also a lack of medicine and adequate equipment. Due to this situation an essential discrepancy has appeared between the excessive demand for medical services and extremely reduced offer. Lacking financial resources to cover the cost of medical treatment, the large majority of the population has renounced costly services offered by specialized medical institutions and undertakes self-treatment in home conditions.

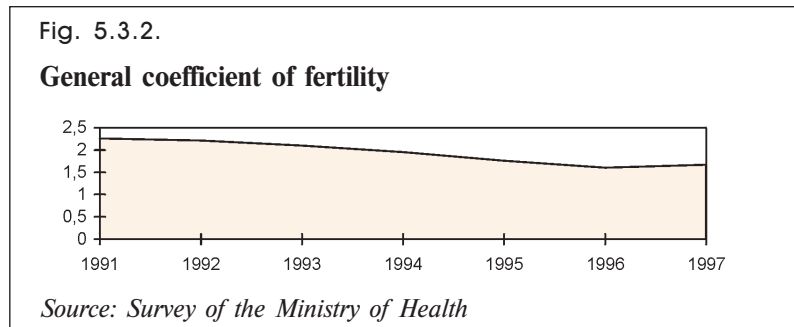
As a consequence, about 60% of deceased people and 30% of deceased children are deaths occurring in home conditions. Employed medical personnel is paid very low salaries, a fact that leads to a decrease in their moral standing, gives birth to bribery and brings about a negative attitude of the population towards them.

Causes for the precarious health status in Moldova are generated by the prevalence of risk factors in the way of life and in the surrounding environment, as well as by the absence of effective preventive actions and the low level of medical services. Programs worked up so far, along with the Government and Ministry of Health Protection action plans, are not able to solve these problems due to insufficient financial resources.

The precarious situation in the medical care sphere has had an impact on the demographic parameters of the Republic of Moldova. Along with high mortality and morbidity rates, the dramatic decrease of birth rate shows a deepening tendency.

Compared to 1989 the birth rate has decreased 1.62 fold and in 1998 reached 10.9 per 1000 inhabitants. There have been 46.8 thousand newborn babies, 35 thousand less than in 1989. A possible explanation lies in the deterioration of the structure of women's age. It is well known that young women account for three-fourths of the total number of births, while their number decreased by about 80 thousand compared to early 1986, when a record number of newborns were registered. The drop in the number of newborns is due to the fall in the number of marriages: in 1998 there were 15 thousand (1.6 fold) fewer marriages registered than in 1990. The rate of childbirths outside marriages constantly grew from 10.4% in 1989 to 17.5% in 1998.

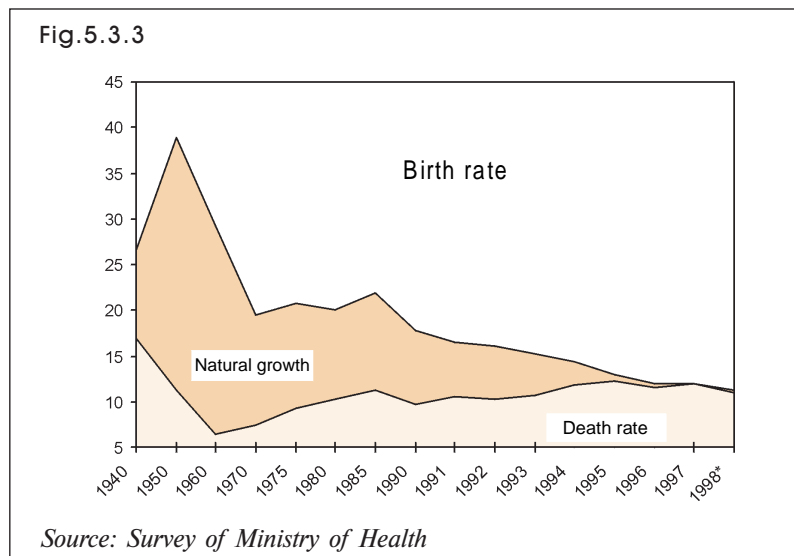
Consequently, the natural population growth rate has registered the smallest value in the post war period of 0.2 per thousand. This situation will persist in the future, given the fact that there exist no grounds that might generate a change of events. The main cause is connected with the general fertility coefficient, which has dropped to 1.67, a situation that will not even ensure the simple reproduction of population (2.14-2.15). All these facts will lead in the future to a depopulation



phenomenon in the Republic that in turn will generate a negative long-term impact on the genetic human fund. Starting in 1992 the population of the Republic has experienced a continuous decrease. At the end of 1998 the population of Moldova constituted 4293 thousand people. The annual rate of population growth was 0.3% and most likely will stay the same in the immediate future.

Another major factor that determines the formation of the structure of the population, besides birth rate and mortality, is migration. Beginning in 1990 emigration exceeded immigration, migration balance having a negative sign and deepening over the decade: minus 2934 people in 1996, minus 3879 people in 1997, minus 4351 people in 1998.

After the analysis of those 21 tasks foreseen in the "Global Strategy of Health for Everybody before the Year 2000", worked out by the regional WHO Bureau, it is clear that in Moldova none of these objectives can be fulfilled in the established terms. Even worse, possibilities for further worsening of public health will persist during the next several years.



Evidently, the continuing decline of public health requires restructuring the health care sector. The health of people is the most important factor for a sustainable human development. One should admit, that without urgent and efficient health-ensuring measures, reforms underway at present would not seem to achieve the established goals. There persists a mistaken perception in the country at present, inherited from Soviet times, in conformity to which the health protection sphere (Ministry of Health, medical preventive institutions, medical personnel) bear total responsibility for people's health. However, these problems have become extremely severe and are influenced by different factors, especially by social and economic ones and it would be impossible to ameliorate things exclusively with efforts of Health Protection System. Studies performed so far indicate that the population's health status is determined by efforts on the part of the medical establishment and its direct intervention only in 10% of the cases. In the rest health is determined by the lifestyle (40%), biological and hereditary factors (30%) and by the environment (20%).

The national policy regarding health protection includes a set of priorities, strategies and practical actions and is coordinated and approved at national, regional and local levels. Its main goal is the maintenance

and strengthening of people's health and health of the entire nation. The backbone of transformations lies with the redefinition of the state role in health protection and encouragement of self-responsibility for an individual's health status. This presupposes:

- (i) efficient allocation of resources based on a more active use of market mechanisms;
- (ii) a greater diversity of options for medical services, and
- (iii) strengthening the institutional capacity of the medical care system by decentralizing responsibilities and particularly managerial responsibilities.

Moldova's strategy regarding health protection was developed by the Ministry of Health in 1997 and has been adopted as a Government document under the name "*Concept and Development Strategy of the Health System in the Republic of Moldova in new economic conditions during 1997-2003*". The main goal of the strategy foresees facilitation of free access for the entire population to health care services. The implementation of this goal depends on the observance of the following principles:

- *Priority approach to health issues.* It is necessary to admit that health is not only one of the important rights of a human being, but also a resource of the state, a necessary condition for the state's progress.
- *Equity and solidarity.* In the present crisis, when there is an evident disparity in society, first of all as far as the supply of material resources is concerned, it is necessary that all kind of efforts are undertaken ensuring access of all citizens to improved health and preventive medical care. Solidarity (between rich and poor, healthy and sick, young and old) plays a primary role in this aspect.
- *Effective structures for processing, implementing and monitoring a National Health Policy (NHP).* Once priority status and the necessity of a similar approach is accepted, it's implementation would require the establishment of a network of effective institutions. Adequate support on behalf of administrative bodies, including financial support, is required.

Box 5.3.1.

Pillars of the health care reform in Moldova:

- ◆ Restructuring the network of medical services, redistributing the overcapacity of resources from the tertiary medical care and to allocate them to primary medical care.
- ◆ Strengthening the first aid network by granting funds for financing a set up of an efficient network of general doctors.
- ◆ Legalization of illegal payments, avoidance of payments for random or excessive medical services, especially those burdensome to the poor population.
- ◆ Setting up a new package of medical services which would correspond to the budgetary resources, allocating most funds to first aid.
- ◆ Centralization of medical care financing in order to improve the distribution of funds between sectors.

Source: *Moldova: Poverty Assessment, WB-Moldova Study, 1999.*

- *Inter-sector relations, joint programs, responsibility and recording.* Integral planning would be necessary in order to ensure the fulfilment of the results envisaged. It would also be necessary to undertake measures and actions and a critical joint evaluation of outcomes obtained by the involved administrative bodies at the central level, but also at regional and local levels. Based on such cooperation, it might be possible to more successfully attract outside resources (donations) and obtain their rational use for the social sector and health protection.

- *Consulting with and obtaining the broad participation of the community.* National Health Policy cannot be considered a program belonging to a certain department, not even to the Government. Its successful promotion presupposes the active participation of non-governmental organizations, professional unions, associations of common interests, the dissemination of information and the participation of all citizens as well as an assumption of responsibility by each member of the society. Involvement of mass media is very important for the establishment of such relations.

The promotion and implementation of NHP is a long and difficult process. It includes several stages, namely: achievement of consent and the establishment of priorities, definition of tasks and actions for implementation, broad consultation of the population, backing up the NHP with legal power (in a majority of countries documents of this kind are adopted by the Parliament and have the status of law). However, the importance and gravity of health problems makes this a vital necessity. The main objectives may be grouped into three big categories:

- Improvement of health conditions through amelioration of population's living standards, promotion of a healthy way of life, protection of the environment and efficient strengthening of treatment and disease prevention services.
- Increase of efficiency of health care services through greater support for the use of market levers and diversification of financial sources for medical institutions.

- Strengthening of the institutional capacity of the public health sector through decentralization of the medical care network, improvement of legal framework and restructuring of health management.

Reform of the medical care sector is different from that in other sectors of the economy due to the fact that medical services never cease, not even when the economic system is in deep decline. From this point of view the reforms of the medical sector imply simultaneous opportunities and risks. The major opportunities are:

- (i) tendency of a liberalization of economic activity and a considerable restraint in the role of the state;
- (ii) extended free access and options for people to a more diversified range of services and products;
- (iii) decentralization of medical management and a wider-scale use of efficient allocations.

The risk factors that may undermine to some extent the outcome of reforms are linked first of all with the environment of economic and political instability. They also are generated by the fact that the community shows insignificant support for radical reforms in the health care system.

Working with a viable strategy aimed at launching, promoting and administering the renovation of the health sector in a turbulent environment (similar to the one in Moldova) proved to be a discouraging challenge for health policy makers in Moldova. It is also a difficult process from the technical and political points of view. This was obvious when actions were undertaken to solve three issues, namely:

- (i) the establishment of free and guaranteed minimum medical support;
- (ii) the implementation of compulsory medical care insurance, and
- (iii) territorial administrative reform.

These are extremely difficult issues and require an inter-sector approach. There is a very direct connection with the taxation system for the Social Fund and the Budget.

In the implementation of health care reform in given conditions, the basic principles of reform indicated below need to be taken into consideration:

- Renouncement of centrally-planned management and supervision system and introduction of different decentralized forms (de-concentration, devolution, delegation of functions, etc.) in the decision making process, in the allocation of resources, service development, coordination, control and evaluation.
- Global health policies and strategies need to be maintained at a national level, while planning activities and development of health system should be implemented at the regional level. The Ministry of Health will support the reform process of health care through its network. At the same time there should take place a gradual displacement of hierarchical structures on a horizontal line. This should ensure a diminution of the administrative, formal relations in favour of functional, cooperative relations, collaboration, association, coordination or integration. The main tasks of the Ministry should be:
 - identification and prioritization of major health problems in the country;

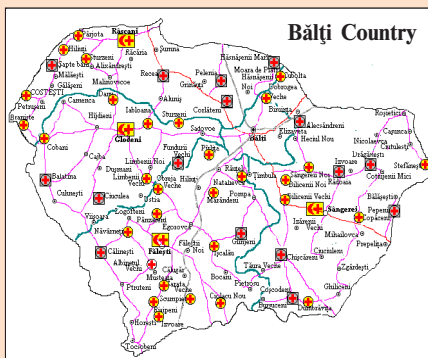
- development of state long and middle-term programs of public sanitation;
- monitoring of planning processes in the sphere of health protection (a human resource);
- development of annual reports regarding both the health status of the population and medical services at central and regional levels.
- At the regional level it is advised that the Public Health Service be set up as an institution to ensure management of health protection at this level and subordination of public authorities. This institution would be entitled to stimulate and oversee the implementation of the legal framework in the health protection area; to monitor and evaluate health status and its determining factors; to supervise the sanitary-epidemiological situation and to apply and adjust national health programs; to evaluate medical services; to carry out, within the Regulation, management of the of health care system at the regional level.

Box 5.3.2.

Architecture at the Level of Local Health Care

The strategy of health reform in Moldova foresees a deeper decentralization of public health management. The primary role in decision making, development of medical institutions and medical care delivery shall be at the regional level. Only global policies and strategies regarding the development of public health will be at the national level of responsibility. The burden of planning, organizing and implementing will fall on the respective local services. The new architecture of health care at the regional level includes three elements: (i) regional hospitals with complex care, which will correspond to the number of former districts merged in a county; (ii)

district hospitals and outpatient clinics and (iii) rural preventive outpatient clinics. In the case of Balti county there are four complex regional centers; 15 district hospitals and 31 rural outpatient clinics. Such a network is more flexible and facilitates access of the population to institutional medical services.



Source: Studies of Ministry of Health

The creation of from three to four health aid districts in each county is proposed. (That was the number of previous districts now covered by a county.) The aim would be to support the continuity of the management process and to ensure access to medical services during the territorial administrative reform. The health districts created would coincide with the territories of former districts: now within the jurisdiction of the county. Thus, there could be from 3 to 5 sectors delivering complex care medical services per county, which may continue to integrally function and provide services to a population of 60-100 thousand.

In conformity to the concept of health protection reform, two independently financed sectors are being put in place: that is the outpatient sector delivering primary medical services and the hospital sector delivering specialized consulting services. *The primary sector* includes the majority of institutions, which used to belong to the previous outpatient sector with the exception of specialized services. The

secondary *sector* includes all hospitals that used to belong to districts.

Local health institutions will be financed with resources from three sources: by the local and republican budgets for the delivery of minimum state guaranteed services; by compulsory insurance targeted to cover the basic package of medical services and through resources generated by paid services.

Thus, the strengthening of public health becomes a priority for human security. Health status depends not on an individual's welfare alone, but also on the economic achievement in general. That is why restructuring of medical sector will be included in the context of economic reforms with the purpose of synchronizing its activities and effects. At the same time, the role of all actors on the market of medical services, which are the Government and patients, will change substantially. The government authorities will assume responsibility for the promotion of a free access of all citizens to medical services, and ensure the equity and quality of delivered services. Individual persons, in their turn, will become active participants in ensuring their health status. Health protection will be treated as an economic good, which inevitably will request an efficient allocation of financial resources and a rational approach in respect to consumption of medical services. Other measures are expected to transfer public health from a wholly irrational approach to the rational economic sphere.

Strengthening the security of public health constitutes a complex and long-term process. Its success depends in the first place on the economic environment in the country but also on the political and social support of the community. That is why promotion of transformations in the medical support sphere are envisaged to take place in the following sequence:

- Short-term activities, which will be focused on ensuring delivery of basic medical services and avoidance of the total collapse of the medical sector;
- Medium-term activities, which will be oriented predominantly to deepen the restructuring of the medical services sector.

5.4. Access to Education

The option of a good education is a fundamental part of human development. Access to education is an important component of social and economic security. A society must guarantee equal access to education and must favour the constant development of human capabilities. The importance of knowledge and continuing education in the social process and especially in the formation of human capital is scientifically proven and accepted worldwide. On a global scale, social demand for education has a continuous increase; therefore education becomes a cultural issue in the hierarchy of social priorities worldwide.

The State's role in education is confirmed by law, and has fundamental policy objectives: that of ensuring equal chances for education to all population groups, of training in citizenship to respect human rights and fundamental liberties, of differentiating qualifications adjusted to both current and future labour market needs and one of fostering individual openness in pupil development.

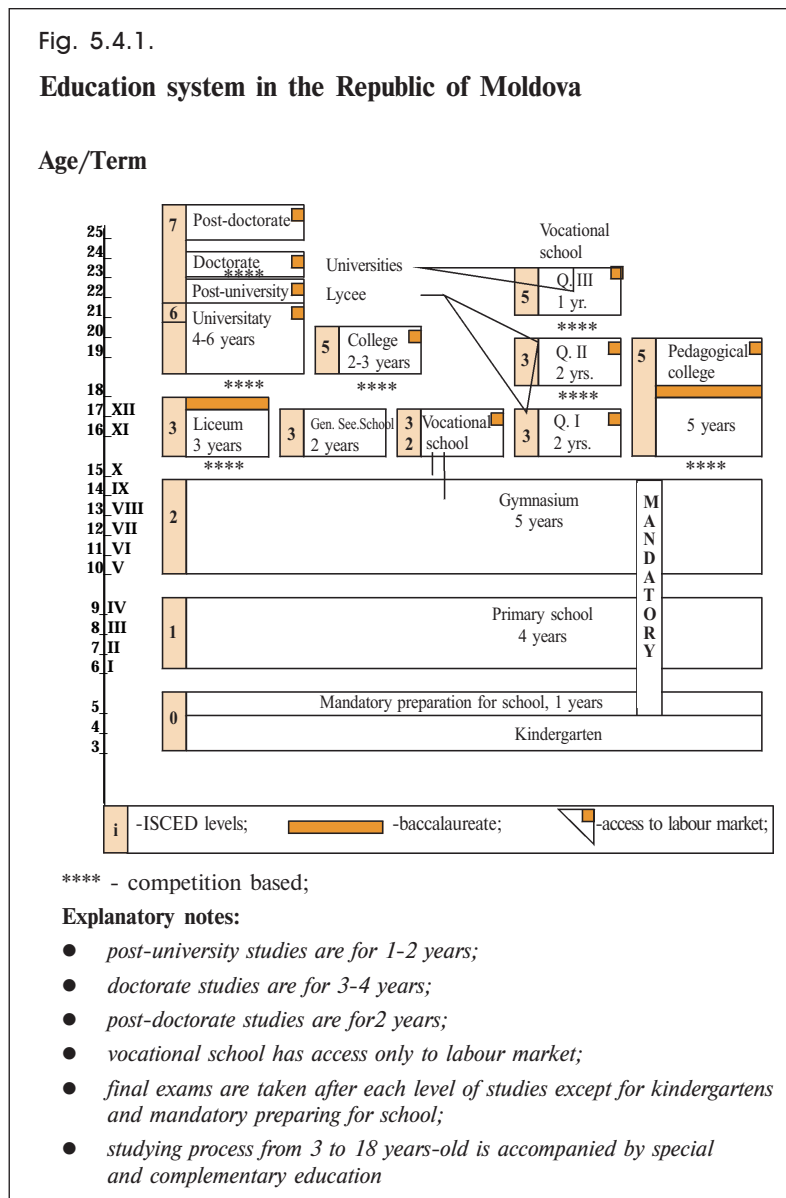
Statistically Moldovan literacy and training are considered satisfactory. According to the last census (1989) the literacy level of the adult population stands at 96.4%. The training level of the population and the enrolment rate at educational institutions per corresponding age group is close to that in the neighbouring countries. The reserve of the secondary and higher education is estimated at 70% of the adult population. About four-fifths of the population aged between 25-40 years has completed secondary or higher education.

The main problem the educational system encounters is the quality of education. Experience shows that the level of preparedness and the capacity of the population to react promptly to new challenges imposed by the transition to other models of organisation and social behaviours are reduced.

In the Moldovan educational system 789.4 thousand pupils and students are trained (1997-1998), which accounts for 73.4% school age population and one-

“Only those educated are free.”

Epictetus



tered a slight increase, although the total number of pupils and students decreased by 120 thousand.

Basic mandatory education comprises 9 years, including: 1 year preparatory classes, 4 classes of primary school, 5 classes of gymnasium. The enrolment ratio in the basic obligatory education in 1998-1999 was 92%; and in the post-obligatory education it was 45.5% out of the population aged between 16 and 22. As of September 1st, 1998 of children of eligible age (7-16 years) 4.7 thousand were not enrolled in the educational process (compared to 4.5 thousand in 1997), out of which 80% were from rural areas. Actually, compulsory school enrolment is slipping out of control.

Secondary and higher education is conducted in Romanian and the native languages of national minorities. Foreign languages are taught from the 2nd grade. In secondary education foreign languages are studied in all the classes. At lycuums the learning of two foreign languages is mandatory. Beginning with the 5th grade, Russian is obligatory in all schools.

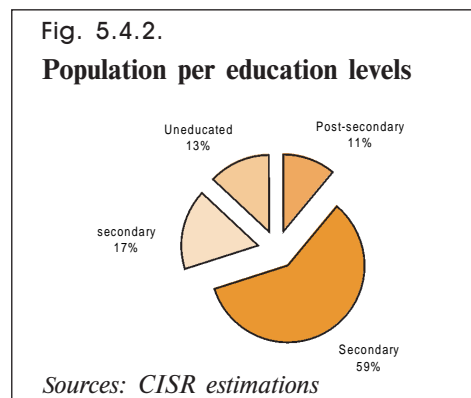
The pre-school educational system comprises 40% of the overall contingent of respective school-age children. The last year of the pre-school education includes mandatory preparation for school.

In the transition period pre-school education has been affected most of all as compared to other stages of education. The number of pre-school institutions has been declining, as well as the number of educators and children enrolled therein (fig. 5.4.1).

During 1992-1998, 29% of kindergartens were liquidated; the number of children involved in the educational process fell by 41% and the number of teaching staff decreased by about 43%.

The liquidation process of the kindergartens affected mostly the rural area (64% of children). It will aggravate the discrepancy between rural and urban areas in terms of chances for children. In the preparatory groups only 64% of the respective age children are enrolled. The other children cannot benefit from mandatory pre-school education, which is stip-

fifth of the overall population of the country. The institutional structure of the educational system is in a process of reformation, diversification and adjustment to western standards. Compared to previous years, the gross enrolment rate regis-



ulated by law, compulsoriness in this case being just declarative.

In the conditions of economic crisis, the proper functioning of pre-school education becomes almost impossible. The specifics of the organizational and functional regime of the pre-school educational system requires increasing contributions from parents in order to cover kindergarten maintenance expenses, while pauperization of the population limits equal access of children to an adequate education.

Mandatory primary education comprises 320.5 thousand pupils, with an enrolment rate of 96%. The pupil-teacher ratio is on average 22. During 1992-1998 the number of pupils and that of teachers rose by only 1%.

Secondary education includes:

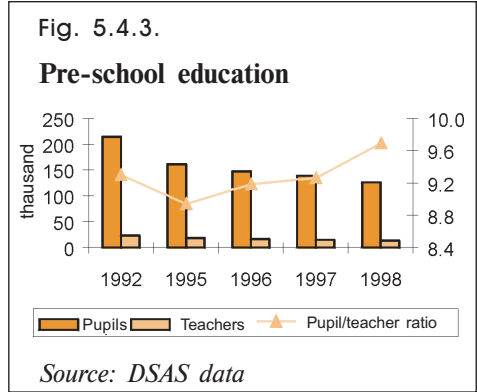
- general secondary education (gymnasium, lyceum, general secondary school);
 - vocational secondary education.
- In 1998-1999 in this country there were 1549 schools, including:
- 107 separate primary schools,
 - 631 gymnasiums,
 - 625 general secondary schools,
 - 143 lycee,
 - 43 schools for children with hand-icaps.

Secondary education comprises 420.2 thousand pupils, of whom 92% are in mandatory secondary education.

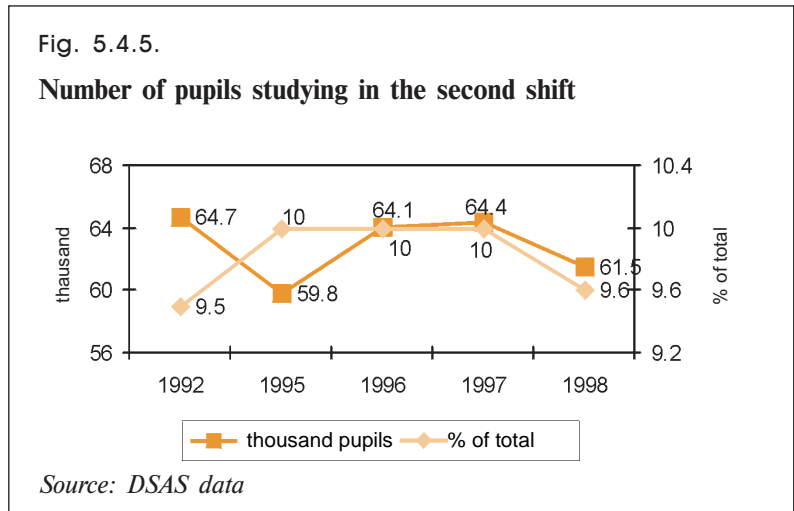
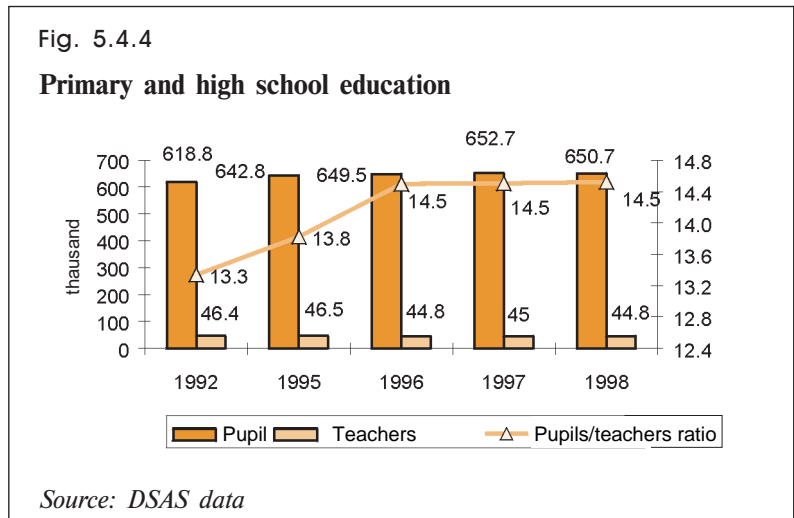
The degree of student coverage of the respective ages in the general mandatory education accounts for 89.4%, a declining indicating school-quitting.

At the general and gymnasium education levels the pupil-teacher ratio is 17.

The *lyceum education* comprises 106.6 thousand pupils (1998/1999) or about 19% of the gymnasium graduates. Most of lycee (70%) are placed in municipalities and towns. Due to economic reasons, the access to lyceum education for the general school leavers from the rural area is very limited. This phenomenon represents an obvious form of social inequality, which aggravates year by year.



There are two parallel functioning networks — the lyceum (10-12th grades) and the general secondary school (10-11th grades), which negatively impacts the entire educational system. Concrete measures are being undertaken in order to modernize the educational system, lycee having been given priority. Thus, in 1998 there were opened 66 lycee and 200 lyceum classes. Compared to 1997 the share of pupils



attending lycee to the total number of pupils doubled, amounting to 16%.

Secondary vocational education is conducted in vocational and professional schools. In the 52 schools of that category, in 1998-1999 there were enrolled 26.3 thousand pupils, or 18% of those enrolled in the vocational education.

The proper organization of professional secondary education will continue to be a problem for years to come. The concept of professional secondary education, developed during 1993-1995, envisioned transforming the former technical-professional schools into polyvalent vocational schools. These schools, structured by 3 stages, need to provide for professional preparedness and simultaneous lyceum general education. The experience demonstrates that most pupils cannot master both programs simultaneously. Therefore the concept is now being revised and secondary and vocational education systems are being adapted to actual and prospective requirements of the labour market.

Higher education (both public and private) comprises 102.4 thousand students (1998-1999) enrolled at 56 colleges and 38 universities. There are 2806 students per 100.000 inhabitants, of them 2332 students in public education. In university education, the student-teacher ratio is 14:1. Higher education enrollment in 1998 accounted for 42.2% of the population aged between 19-22 and for

26.4% of the respective year secondary education graduates. (By comparison, in 1998 this indicator was 69% for the USA, 51% for Japan; in France it increased from 36% to 50% between 1988-92). The level of access to higher education in the Republic of Moldova compared to previous years grew, especially in the private institutions. In 1998 the number of students was 23% higher than in 1992.

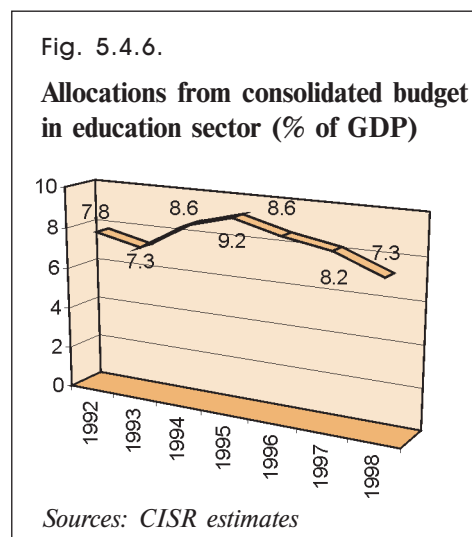
Problems in education financing

In various countries, depending on their historical, economic and social background, there are various mechanisms of financing the education. All countries require a certain level of mandatory education, despite that being available through a large variety of sources, mechanisms and forms of financing. The Republic of Moldova, as a country in transition, encounters very many difficulties as regards proper financing of education. It also takes into account the imperative of making the investments more efficient.

Public allocations are far less than needed, and the degree of the population's pauperization does not allow for any official set of instruments for parents' cost sharing in covering the deficit, although unofficial attempts are made. In consequence, schools are deteriorating and new buildings are not built. Suffice it to say that at present the budget covers only 40% of the current costs of the education sector. The share of capital investments in the overall amount of public costs during the last 5 years (1994-1999) did not exceed 4%.

The amount of public spending on education in 1998 was less than in 1996 and 1997 by respectively 17% and 27%. The share of spending in 1998 accounted for 7.5% of the GDP and 21.7% of the state budget, which is more than in other countries. Yet, calculated by volume of spending per student it amounts to only 752 lei per annum (about 70 US\$ or 300 US\$ according to PPC), this volume being much less than the real requirements of the educational sector.

The material base of most schools continues to deteriorate. In 1998-1999



half of the schools required capital repairing (in 1997-1998 one third); 7% of schools were in a state of emergency. A lack of allocations resulted in the liquidation of extra-curricular institutions — technical creativity houses, institutions for young technicians, naturalists, tourists, and so on. In the past 6 years, one-third of libraries for children closed.

A compensating alternative of the financial deficit in the education system is to set up a legally based private sector. In order to insure the functioning and development of this sector, a series of normative acts and regulations on the criteria and mechanisms for certifying educational institutions have been elaborated.

Currently there are 163 private educational institutions that are active at all educational levels in this republic:

- 27 universities, of them 10 under the state universities,
- 9 colleges,
- 2 gymnasiums,
- 11 lyceums,
- 2 general secondary schools,
- 3 primary schools,
- 5 vocational schools,
- 101 training courses for adults and pupils.

One of the main problems is supplying schools with textbooks. At present, budgetary assistance for teaching purposes is sufficient only for grades one and two. In grades 3-9, budgetary assistance is at the level of 30-40%. Funds for school libraries have long since been withdrawn from their authorization. The shortage of funds has necessitated exchanging texts through specialized stores that are controlled by the Ministry of Education and Science. A system of book leasing is being implemented.

In 1997-1998 the pre-university educational institutions, as well as some colleges and universities were provided with up-to-date computers (885 classrooms — about 10000 study places), which creates favourable conditions for implementing the new informational and didactic tech-

nologies. Unfortunately, at present this equipment is used only at 25-35% of its possibility.

Because of a lack of classrooms, every tenth pupil attends school in the second shift. Due to funds, the problem of teaching staff improvement is still unsettled, particularly in the rural area. And because of small salaries and arrears the staff is required to find other sources of subsistence (farming, services, etc.). Additionally, a new mechanism for in-service training of the teaching staff is needed.

Due to small salaries (average 200 lei) and accruing salary arrears, there are 2200 teaching vacancies in secondary education at present (March 1999). Of those, vacancies among foreign language teachers account for 40%. There are 4800 teachers carrying 1.5 teaching loads and more, and some teaching positions are filled by pensioners. In the schools “staff aging” is taking place, which has a negative impact on the quality of education. Young specialists, university graduates, do not reach schools in compliance with their assignment. For example, in 1998 of the 2.7 thousand university graduates with pedagogical training, only two thousand were assigned to schools, and of those only 31% reached the destination.

The private education system (primary schools, general secondary schools, gymnasiums, lycee) enrolls only 0.4% of schoolchildren, the tuition being between 1-4 thousand lei per annum.

Higher education (third level), which was particularly affected by privatization, includes 17% of students and continues to expand. The share of students paying tuition on a contractual basis increases yearly in vocational education and in state institutions of higher education. In the academic year 1998-1999 students learning on a contractual basis were as follows: 4% of vocational students (annual tuition 0.25-2.3 thousand lei), 33% college students (annual tuition 0.9-2.5 thousand lei), and over 50% university students (annual tuition 1.3-4 thousand lei.). Budgetary stipends were received by 65% of state vocational schools students (41.5

lei on average), 41% of state college day students, (44 lei on average), 43% university students (56 lei on average.)

From the above it is obvious that in the current conditions of mass poverty, a drastic reduction of state financing of education, and privatization accompanied by increasing tuition, equality of access to education and chances for a sustainable development are seriously affected.

In view of its importance, a real guarantee of equal access to education is as important as the right decision regarding consolidation of social security and sustainable human development. In this regard, the institutionalization of new mechanisms for financing the educational system is quite opportune. It would ensure:

- diversification of financing sources;
- separation of expenses for educational purposes from those of social protection of students;
- differentiation of beneficiaries contributions by their income levels;
- establishment of a medium and long term credit fund for university studies.

Education System Reform

Stages of the reform undertaken in the educational system of the Republic of Moldova were imposed by the necessity to adapt it to the imminent requirements of the society: elimination of political doctrines, of excessive centralism, of paramilitary training. The curriculum, didactic technologies and textbooks are under permanent modernization; new institutional structures have been created; professional training and educational management are continuously being developed. The deepening of social and economic reforms in the Republic and that synchronization with European tendencies facilitates a coherent, overall reform of the educational system, with a change in the paradigm and logic of its organization.

Key issues of the education system reform are:

- the role of the state within the educational system;
- the relationship between education and the labour market;
- establishment of the financing system;
- monitoring the efficiency of the educational system overall.

The state gradually gives up its monopoly on the organization, financing and evaluation of education, but at the same time defines the priority zones of education, and establishes in the context of territorial-administrative reform the responsibilities and competencies for each level of educational management, both vertically and horizontally.

The promotion of non-public education, the establishment of conditions for tripartite collaboration in defining occupational standards, private sector participation in the financing and operation of vocational education, and the attraction of new sources of financing become imperative.

The concept of education development in the Republic of Moldova and the Law of Education, as well as other normative acts and programs of reform designed by the Ministry of Education and Science and which define educational policy, determine a range of priorities of education system reform, oriented towards the strategic objectives of sustainable human development:

- assurance of quality of educational standards in obligatory education;
- actualization and modernization of the content of education: plans, programs, textbooks, materials, accessories for all the profiles and disciplines of education;
- reform of the system of examination and evaluation;
- restructuring of the system of training and development of faculty;
- elimination of a monopoly in the elaboration and editing of school text-

books and establishment of a new market for them;

- restructuring of the secondary vocational education, gradual elimination of narrow specializations, implementation of key abilities/skills, assurance of a common base for general education grounded on the “operational family”;
- establishment and maintenance of a system of evaluation and accreditation of public and private educational institutions;
- development and diversification of sources of financing of education;
- reform of higher education, with ensured quality standards for initial training, research, status of faculty and auxiliary staff, of autonomy relationships (public and private education), of administrative and management mechanisms, of evaluation and accreditation of institutions, etc.
- progressive decentralization of managerial, administrative, financial mechanisms of educational institutions through the delegation of competences to local authorities.

In order to ensure the educational objectives in the managerial and financial context, and taking into account the adjustment of general and vocational education to international standards, to strategies and requirements of national and local economies, the state should make an adequate redistribution in the composition and responsibilities of public authorities at all levels (national, judets, local).

In devising a strategy of development and reform for the educational system, the Republic of Moldova benefited from a financial support from the World Bank, European Foundation for Professional Training, UNICEF and Soros Foundation.

The most important ongoing projects are:

PETI (*Program of Temporary Individualized Training*), implemented through UNICEF — Republic of Moldova Coop-

eration Program. It is designed for the pre-school education and is halfway realized.

“*General Education Reform in Moldova*”, co-financed by the World Bank and designed for the first stage of general obligatory education reform (1st-10th grades). The major objective of that project is the improvement of education, its adaptation to the requirements of the new social, political, economical environment, through the modernization of the curricula, elaboration of new textbooks, school supplies, training, elaboration and implementation of new academic technologies and creation of a modern system of evaluation of results of the process of studying.

“*Assistance in the reform of the system of instruction and professional training*”, supported by TACIS for the development of a modern general and vocational education system, adequate to the transition period. Technical assistance is ensured by TACIS, and the major objective is the promotion of actions and capabilities for the reforming of vocational instruction and training. The project will contribute to the establishment of a human capital base and, hence, to the dynamism of the labor market. The specific objectives of the project are: elaboration and partial implementation of a strategic program for professional training and educational policy; active involvement of the most important institutional, economic and social players in the process of evaluation of functional requirements, work and training places, revision and efficiency increase of the process of elaboration of curriculum.

TEMPUS, launched in the Republic of Moldova in 1994, is designed for the high education reform. Both state and private institutions benefited from this program: Moldova State University, State University “Alec Russo” — Balti, Technical University of Moldova, Pedagogical University “Ion Creanga”, Free International University of Moldova, University of Humanitarian Studies. In 1998 there were running six projects.

In 1999 10 new projects will be launched. Priorities are: university man-

agement, European studies, European and international law, diplomacy, applied economics (agriculture, processing industry, tourism, etc.)

A series of projects supported by diverse international organizations are dealing with education-specific problems as: social protection of children, education of gifted pupils, education of children with handicaps, and so on. This refers to a contingent of 3-4% of children of relevant age. Other projects are concerned with some particular or local aspects of educational management.

All these projects are useful and contribute to the authentic democratization of the educational system, which should be transformed into an environment for personality development of children, youth and adults.

Conclusions

In the context of the existing situation and of tendencies in the development of the national economy, and with the need to synchronize with developing European standards, the educational system of the Republic of Moldova has to make efforts in order to meet the requirements it faces. The national priority in education, confirmed by law, is to implement solutions to problems at all levels of competence and with a sense of social responsibility. The educational establishment as well bears responsibility to integrate with actual stage in the society in general and in the economy in particular. This could be achieved through the creation of efficient mechanisms of participatory education, in which everyone is accountable for his area of endeavor.

Special attention is needed to resolve the diversification of financial sources; to separate expenses intended for academic and social protection of the students; to differentiate beneficiaries of funds according to income levels; to establish a medium and long-term credit fund for higher education scholarships; and others.

5.5. Cultural Environment

The cultural environment represents an ensemble of cultural conditions and

facts that constitute a spiritual milieu within which human activity develops. The broad sense accorded a modern definition of culture, such as “integrating formula of people’s life,” encompasses all aspects of human development. Political and civil culture, consumption and moral culture, ecological culture — these and other categories characterize different aspects of the cultural ensemble of a given community.

In a traditional way, the cultural environment in the Republic of Moldova has been built up in the context of a number of factors:

- The ethnic heterogeneity of the society;
- The impact of foreign influence (Turkish, Greek, and Slavic) over several centuries;
- A high degree of ideological inculcation in the twentieth century;
- The high percentage of rural population, a fact that determined a certain mentality of people.

Changes that took place during the transition period from a centrally planned economy to the market economy have brought about modifications in the structure of the society. On the one hand, access to cultural goods has diminished; on the other, modifications in the consumption of cultural values have occurred due to differing social placement of groups within the population.

One should take into consideration three aspects when assessing the cultural environment in the Republic of Moldova:

- 1) The education level, which determines cultural needs;
- 2) Economic conditions which determine accessibility to cultural goods;
- 3) Leisure time.

The legal framework of the Republic of Moldova is in the process of development. In 1997 the Ministry of Culture worked out the draft of the Law on Culture, which sets up basic principles of the state cultural policy. After having been

considered and approved by the Government, in 1998 the draft was submitted to Parliament for debates. With the approval of this fundamental law legal activity in the cultural sphere may become more dynamic. The Law on Culture may serve as a support for further development of a set of legal norms for this sector. In 1997 through 1998 drafts of other laws were worked out with the involvement of the Ministry of Culture. These are the “Law on Folk Crafts” and the “Law on Publishing” which are currently under consideration. Establishing priority objectives in this area, the State program “Development and Protection of Culture in 1997 - 1998” established a range of actions to help secure Moldova’s cultural inheritance. It also indicated tentative directions for future development.

For an analysis of the *economic situation in the cultural domain*, it would be necessary to consider the following elements and their link to financing: investments in culture; the degree of accessibility to cultural goods; the cultural supply of material goods; and indices regarding the operation of cultural institutions.

In the current conditions of economic crisis, allocations from the state budget designated for culture are diminishing with every other year. In 1998, 20.3m lei were allocated for the system headed by the Ministry of Culture, which constitutes 77% of the envisaged amount (26.4m lei) and 35-38 % of the necessary amount (58.2m lei). Thus the cultural sphere faces permanent penury of financial resources.

Budget deficiencies require that cultural institutions look for alternative financial sources (fees for service delivery, teaching courses delivered to artistic institutions based on contract arrangements, lease of available office space). In 1998 a certain progress regarding diversification of financial resources of cultural institutions was achieved. These institutions were successfully transferred from financing exclusively through the budget to a mixed type of financing. Lei 1.5 thousand was required from extra-budgetary resources (157.5 thousand lei more than in 1997) and that

was augmented by lei 3.8 thousand contributed by local sponsors.

Diminution of the state’s role in subsidizing culture is expected to bring about a more substantial contribution of sponsors and public and private foundations, including international ones. It is important that private institutions, whenever they have accumulated the necessary capital, be ready to assume a share of responsibility for the social and cultural sphere. (At this time the private initiative in culture is present only in book printing and show business activities).

Promotion of the development of cultural activities through sponsoring institutions is only in its beginning phase. Public foundations have been created and have decided to ensure support primarily to young talents. Thus, they extend scholarships, grants for studies abroad, for participation at festivals, contests, exhibitions and the organization of concerts and performances.

However, the precarious financial situation in the country does not permit an

“Spirit is the impetus that starts the movement of material.”

Vergil, “The Aeneid”,
VI, 727

Box 5.5.1

Globalization and culture

Culture, community and human security are intertwined — but are too often undermined by the invasions of globalization. The World Commission on Culture and Development recognized the broad principle of protecting cultural diversity while encouraging cultural exchange. Balancing the two is difficult and controversial — but countries wishing to protect their cultural heritage need to be permitted to do so....

Globalization opens people’s lives to culture and all its creativity — and to the flow of ideas and knowledge. But the new culture carried by expanding global markets is disquieting. As Mahatma Gandhi expressed so eloquently earlier in the century, “I do not want my house to be walled in on all sides and my windows to be stuffed. I want the cultures of all the lands to be blown about my house as freely as possible. But I refuse to be blown off my feet by any.” Today’s flow of culture is unbalanced, heavily weighed in one direction, from rich countries to poor.

Such onslaughts of foreign culture can put cultural diversity at risk, and make people fear losing their cultural identity. What is needed is support to indigenous and national cultures — to let them flourish alongside foreign cultures.

Source: *Human Development Report 1999*, pp. 4, 103

optimistic forecast regarding continuity of financial support from sponsoring and tutoring activities.

A substantial reduction of budgetary allocations for culture results in a reduction of the number of cultural institutions and personnel in them and, ultimately, lead to a drop of the general culture level in the society.

Insufficient budgetary resources impede the proper operation of state cultural institutions. In view of such circumstances, operation of such institutions is often re-oriented to produce a commercial profit. This affects the cultural potential of the country. The sacking of personnel, especially of active, creative experts whose training is extremely costly is sure to lead to disqualification. The result of a situation in which there is reduced access to cultural goods and in which there is a degradation of cultural objects is the decrease of the role of culture in the life of society. The extremely low monthly salary of 178 lei in cultural activities, compared to 252 lei average salary for the country (\$38 before august 1998 and \$20.5 as per the end of the year), is not enough to even cover the subsistence minimum. People are forced to look for additional earnings and, thus, the most potential consumers of cultural goods are in a situation in which it is impossible

for them to benefit from leisure time, this being one indispensable condition for the consumption of cultural goods.

At the beginning of the 'nineties the Republic of Moldova had a developed *cultural infrastructure*, which included the following:

- A network of general and special institutions for arts education;
- An education network of specialists with a wide range of cultural professions;
- A network of performance institutions;
- A network of museums, museum groups and exhibition halls;
- A developed library network;
- A publication industry for books and for the dissemination of printed material;
- A network of local cultural institutions (houses of culture);
- A trade union system of cultural institutions;
- A film-making industry and system of film promotion.

Arts education in the Republic of Moldova was always accessible to numerous levels of society, offering a great number of types and forms of artistic education. There were: seven-year schools of the arts, studios, centres for children's creative development, circles for extra-curricular artistic studies, five-year schools for adults and special schools like boarding schools, colleges, higher education institutions for artistic studies. According to statistical data, the size of state budget allocations targeted to artistic education continues to decrease, the segment occupied by culture is shrinking and is experiencing an obvious degradation.

Data indicate a 63.2% decrease in the total number of pupils in the country's applied arts schools in 1998 compared to 1990. Only in Chisinau is the situation better. In 1998, 3% of the total number of 650.7 thousand pupils attended applied

Table 5.5.1

	1990	1998
Musical schools, applied arts schools, general artistic schools: total units	138	118
Out of which located in Chisinau	7	10
Total number of pupils	31,519	19,905
Out of which in Chisinau	4,133	4,186
Teachers in musical schools and applied arts schools: total persons	2,713	2,131
Out of which in Chisinau	406	502
Musical and applied arts boarding lycees: total units	3	3
Pupils, total	692	900
Teachers, total persons	230	290

Source: Ministry of Culture data

arts schools, compared to 4.2% out of the total number of 743.5 thousand pupils in 1990. The number of pupils in the only boarding-lyceum for choreography is 170.

The network of regional cultural institutions under the Ministry of Culture in 1998 included 1258 institutions. Traditionally, the cultural centres in villages were attractive institutions; they included libraries, theatre and concert centres, amateur artistic groups, extracurricular creative development circles, and associations for makers of folkcrafts. They contributed to the formation of the cultural milieu in rural society and to the maintenance of a certain level of culture. The operation of all these institutions was, however, affected by the economic crisis. In 1998 only 44% of the assets of cultural institutions were considered to be in satisfactory condition. Unable to procure musical instruments and costumes, to replace the obsolete audio and movie equipment, the cultural institutions in villages experience a difficult situation which affects the quality of services in the rural area. In 1998 the retreat of specialists from the cultural sphere continued. Thus, 233 specialists quit their jobs during that year.

New forms of cultural financing in the regions are still insufficiently developed. While the share of the rural population is 54%, the amount of revenue generated by the delivery of cultural services for fees and through the lease of available spaces represented in 1998 only 864.0 thousand lei or, in average, 686.7 lei per each institution. Local sponsors preferred to support the participation of artistic amateur groups to different international festivals (61 participants) and to invest less in activities aimed at the development of material cultural resources. Although there are a number of positive tendencies in the cultural life in villages, nevertheless the number of musical groups, of choreographic and theatrical groups has decreased. Thus, out of 4508 artistic groups registered in 1997, by the end of 1998 their number had dropped to 4048 (89.8%). With the aim of revitalizing the centres of culture and main-

taining cultural activities in the regions, the State program "Development and Protection of Culture and Arts in the Republic of Moldova" foresees a decentralization of functions and a delimitation of functions between central and local public authorities.

Local cultural programs were put in place in accordance with ethno-cultural and social-economic specifics of the area.

The network of public libraries has 1528 branches (excepting school libraries and scientific libraries in universities, other profile institutions, and others), with 20.5 million books. In spite of some unfavourable conditions (deplorable state of buildings, cuts of electricity, heating, and telephone, lack of funds for completing the archive, salary arrears), 1998 for the first time showed an improvement in the performance indicators of these institutions.

The number of libraries continues to decrease (by 7 units in 1998), as do the specialists in this field (during the year personnel of libraries was reduced by 55 units. At the same time 25% out of the total number of 2707 jobs in this area work in a temporary capacity. However, there was a 11.1 thousand increase in the number of book users in 1998 and an increase in indicators regarding reading performance and the circulation of book stocks (429.5 thousand copies more). This fact indicates not only a certain revitalization in interest in books but also points to a restructuring of library activities, which have managed to become attractive to readers. The primary future objective of libraries will be their orientation to information. The 1998-2000 program for library development adopted by the Government, as well as the program regarding the conservation and restructuring of the country's printed heritage "Moldova's Memory" and the Government's resolution on their legal storage are measures undertaken for the resolution of library problems and the improvement of their operation nationally.

The network of performing institutions includes 13 professional theatres (including three municipal theatres) and 6 con-

cert halls (including the National Philharmonic Society, the Organ Hall and the State Circus) which have been preserved intact. Allocations from the state budget for performing institutions constitute 40.3% of expenditures and are used for payment of utilities and salaries. New productions of theatrical shows are managed through sponsorship and private resources. As a rule, all show halls are non-profit institutions. Ticket prices, in the main, remain unacceptably high for the general population. An eventual reduction of expenditures for utility payments through technical renovations to buildings requires additional resources. The possibility of developing a commercially profitable activity still remains low due to an unfavourable fiscal system. Thus, in conditions in which theaters have permanent arrears, they rely on sponsors in order to maintain their activities and give performances for the theatre-going public.

In 1997-1998 a short-term program was implemented to support and promote national dramatic art. It included organizing the Dramatic Workshop and the National Dramatic Contest, as well as producing and printing of winning plays and finally producing of the National Theatrical Festival. Unfortunately, theatres in the Republic of Moldova represent, exclusively, a part of urban cultural life. Touring in the country has been practically stopped due to the fact that both artistic groups and local administrative bodies have no available resources to meet the cultural needs of the rural population.

Moldova has always been well known for its rich musical traditions, both those linked to popular music, and also those linked to professional music traditions. Although they enjoy remarkable international recognition, the National Opera and Ballet Theatre, musical groups, in-

cluding two symphonic orchestra and one chamber orchestra, two cappella choirs, and numerous popular music artistic groups (e.g., 'Lăutarii', 'Fluieraș', the popular dance group 'Joc') all face considerable financial problems. The only possibility for them to cope is by touring in other countries.

Museums and architectural and historical places located over the entire territory of the Republic of Moldova represent the cultural memory of the community, and, dating to the Neolithic period, reflect a large part of its history and civilization. Due to a lack of budgetary allocations, restoration monuments was halted as early as 1994. Thus not much has been done for the protection of the cultural heritage of the country's monuments and historical sites. Works have been suspended on the State program "Orhei, Medieval Town" (estimated budget 15 thousand lei), and "Monastery Căpriană" (20 thousand lei). Such historic and architectural museums as National Museum of Applied Arts (estimated budget 15 thousand lei) and Mother of Christ Church from Căușeni (2 thousand lei) are in grave situations. In conditions in which museums do not have enough resources to procurement new exhibits, attempts have been made and are still made to extract unique archaeological and artistic pieces from the country.

Cultural shows (festivals and exhibitions) at national and international levels have become an important component of the artistic milieu of the country, animated in 1998 by multiple cultural events. Museums inaugurated 315 exhibitions dedicated to different Moldovan and other countries' historical and cultural events. In spite of precarious social and economic conditions, such cultural events like "Mărțișor International Musical Festival" (the 31st), International Opera and Ballet Festival with the name "Maria Bieșu invites" (the 9th), "Days of New Music" festival (the 8th) have been resumed. They confirm the high level of professional music in the Republic of Moldova. Also traditional folk festivals like "Home of Hora Dances", "At the Sheepfold", "Alunelul Dance", "White Water Lily",

Table 5.5.2

	1997	1998
Number of first night shows	33	27
Number of spectators	1548	1442

Source: Ministry of Culture data

Meşterul Manole”, Rapsozii”, “Big Hora Dance”, etc. were held, a fact that shows the effectiveness of involving regional cultural institutions in the maintenance and revival of traditional forms of artistic culture. The exhibition-contests “Spring Salon” and “Autumn Salon” with the participation of plastic artists from Moldova and Romania have also become a regular element in the artistic scenery of the country.

Development of the **cultural industry** in the Republic of Moldova is considerably delayed compared with that in other European countries. This is also true of the **music industry** which, so far, does not parallel the dynamic process of cultural services in the European market.

Book printing has become a preferred area of private business. In 1998, state publishing houses published only 4% of the books (44 out of 1096). Privatization of the book dissemination system has led to a change in profile of the majority of libraries, especially the ones located in the rural areas. Trade, however, is still rather critical and very often takes an elementary street trade form.

The stagnation of film making and the film promotion industry, which started to decline as early as the beginning of the ‘nineties, has occurred due to the lack of any allocation from the state and also to a lack of investments by businessmen. The latter are not inclined to place their money in an area, which, similar to the entire cultural industry, has not become part of the market economy. The first victims of privatization have been the cinema houses. Their profile has changed and they have become institutions with a completely different purpose than film projection. It is difficult to find a way out of the bottleneck due to the general economic crisis and also due to the absence of an encouraging legal framework and a favourable fiscal policy.

Folk arts and crafts represent a cultural expression of the fundamental ethnic values of the Moldovan nation and they contribute to the maintenance and confirmation of its national identity. Thus

in a period of cultural crisis as a consequence of social and economic transformation, their revitalization and development acquires a special importance. Although valued, products made by craftsmen like knitting with vegetal fibres, embroidery, artistic weaving and ceramics have no market inside the country because of the low purchasing power of the population. At the same time one can say that the cultural level of material life, both urban and rural, is maintained at a decent level. This level of culture, which needs protection and supportive action by the state, rather than budgetary injections, can become an important part of small business.

Conclusions. The sphere of culture, severely affected by the transition period, still depends on public financing. Due to state subsidies before this decade, it survived and maintained its structure and quality. All losses were mainly to the material basis of culture. At present, cultural institutions have found themselves in conditions that require them to restructure their activities while they remain operating. The reforms, to some extent delayed in the country’s cultural life, forced by the drastic decrease of allocations from the state and now being undertaken in precarious economic conditions, have caused a reorientation of cultural institutions to extra-budgetary financing. In parallel, the legal framework of the cultural sector has also been subject to reforms.

The short-term, primary objective of the cultural establishment would be the creation of optimal conditions for the maintenance of the cultural milieu. At that point of stabilization, the cultural sphere would continue to contribute to both the development of cultural life and also to the general economic progress of the country. The Republic of Moldova has the necessary potential to achieve this objective: a traditionally high level of culture, preserved in general at required levels, and also a rather high level of education, cultural appreciation and inventiveness within the society.