

## TRUST EVALUATION OF THE POPULATION OF THE REPUBLIC OF MOLDOVA IN SOCIAL PROTECTION INSTITUTIONS

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*In the Republic of Moldova, the problem of the social capital and its main indicator – the trust is less studied. The conceptual apparatus is insufficient developed and there were made very few empirical studies. Therefore, the theme of this article is very actual. The aim of the study is to implement the assess of the interpersonal trust and the trust in the social protection institutions. In the paper were used the following research methods: monographic, analytical, comparing, analogy. It was demonstrated that the level of interpersonal trust in Republic of Moldova is lower than in many other countries. The level of institutional trust is extremely low, especially in the public institutions. It was concluded that the low level of social capital is a limiting factor in improvement of the social protection system in Republic of Moldova.*

**Key words:** *social protection system, social capital, trust, interpersonal trust, institutional trust.*

*În Republica Moldova, problema capitalului social și a indicatorului principal al acestuia – încrederea, este puțin studiată. Aparatul conceptual este insuficient dezvoltat și au fost efectuate foarte puține studii empirice. De aceea, tema articolului în cauză este de mare actualitate. Scopul studiului constă în efectuarea evaluării încrederii interpersonale și încrederii față de instituțiile de protecție socială. În lucrare au fost utilizate următoarele metode de cercetare: monografică, analitică, comparativă, analogică. S-a demonstrat, că nivelul încrederii interpersonale în Republica Moldova este mai scăzut decât în multe țări. Nivelul de încredere instituțională este extrem de scăzut, în special față de instituțiile de stat. S-a ajuns la concluzia, că nivelul redus al capitalului social este un factor limitator în ameliorarea sistemului de protecție socială în Republica Moldova.*

**Cuvinte-cheie:** *sistemul protecției sociale, capitalul social, încredere, încredere interpersonală, încredere instituțională.*

*В Республике Молдова проблема социального капитала и его главного показателя – доверия, исследована слабо. Недостаточно разработан понятийный аппарат, крайне мало и эмпирических исследований. Поэтому тема данной статьи является весьма актуальной. Цель исследования состоит в осуществлении оценки межличностного доверия и доверия к институтам социальной защиты. При этом, были использованы следующие методы: монографический, аналитический, сравнения, аналогов. Показано, что уровень межличностного доверия в Республике Молдова ниже, чем во многих странах. Крайне низким является уровень институционального доверия, особенно к институтам государственного уровня. Сделан вывод о том, что низкий уровень социального капитала является сдерживающим фактором при совершенствовании системы социальной защиты в Республике Молдова.*

**Ключевые слова:** *система социальной защиты, социальный капитал, доверие, межличностное доверие, институциональное доверие.*

**JEL Classification:** *I30, H54.*

**Introduction.** As international experience shows, the improvement of social protection systems must be performed taking into account the situation in the area of the social capital. Meanwhile, in the Republic of Moldova the social capital issue has not received adequate scientific study. The definition of

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the social capital and its components are still debatable. There is a great lack of empirical data on the state of social capital. Especially it refers to the problem of trust, which is the "nucleus" of the social capital. Therefore, the evaluation of interpersonal and institutional trust is crucial in tackling the challenges associated with the solution of social problems, including the problem of increasing the effectiveness of social protection in the Republic of Moldova.

The social capital is an important and valuable resource for the economy and society. Improvement of the social protection system in the Republic of Moldova should be implemented considering the assessment of the existing social capital in the country. The social capital helps to reach certain objectives whose achievement is impossible without it. The social capital together with other forms of capital contributes to the welfare and competitiveness of the nation. Insufficient volume of high social capital does not allow building a full-fledged market society, even if the society formally passed to a market economy.

The variety of expressions and functions of the social capital and interdisciplinary origin of this concept, for a long time hindered the searching of an adequate definition. The difference in opinions and views often became a source of confusion, especially for the demarcation of real social capital and its results. Various authors in different periods, defining social capital as a resource that increases the public efficiency, social norms and values imparted by the community, and also as social networks and links between individuals on the basis of reciprocity and trust etc.

Thus, the famous specialist in the field of economic sociology, *V.V. Radaev* defines social capital as "a set of relationships that are associated with expectations that other agents will do its obligations without sanctions" [4, p.129]. Economists believe that the most reasonable definition of social capital is rising to *Robert D. Putnam* [3, p.163] as *the ability of communities to take collective action to achieve a common objective*. Thus, all definitions of the social capital are reduced to indicate that this is a resource that converted relations between the participants of the social interaction, characterized by mutual accountability and, also, through trust and credibility.

On the one hand, the social capital maintains the order in the economy and society based on the trust and considering the public interest by individuals and in this sense serves institutional alternative to the state and thus contributes directly to economic development in the "horizontal" direction without state participation. On the other hand, social capital reserves depend on the effectiveness of formal institutions and public administration.

**The main indicator of social capital or "nucleus" is the trust.** *Francis Fukuyama* defines social capital as "a set of informal rules and norms shared by the group members that allow the interaction between them. If members of the group expect that their associates will behave correctly and honestly, it means that they trust each other" [7, p.129]. Trust, being the main component of social capital plays the role of a kind of "lubricant" that allows a group or an organization to operate more efficiently. Every society has some social capital reserve, the real differences between societies are conditioned by the so-called "radius of trust". That is, the cooperative norms, honesty, reciprocity can be practiced with small groups of people, without affecting other members of the same community [7, p.129].

Thus, social capital and especially its constituent elements, the "nucleus" of which is trust, rightly regarded as an institution of a special kind, having an informal origin. Typology of trust – one of the most important informal institutions – is based on several criteria. Very often attention is drawn to the need to distinguish interpersonal trust (i.e. trust between people) and institutional (i.e. people's trust in social institutions).

*Interpersonal trust* characterizes the credibility of anonymous people (not relatives, not friends), about which there is no exact information. If trust is only for familiar people, it sharply reduces the number of potential participants in the contacts and increases the transaction costs.

Regarding the functioning of the social protection system, the low interpersonal trust is causing the evasion of citizens from paying insurance premiums. This is reflected in practice as a law-abiding the citizen is not sure that other people, just like he does, pay in full measure the appropriate insurance contributions, the amount of which for the purpose of social protection of population is distributed in due course.

In Republic of Moldova, the level of interpersonal trust can be estimated on the base on the data of the international project "World Values Survey" (WVS), in the network of which in 1990-2000 the monitoring of indicators of trust in dozens of countries was performed. The Republic of Moldova participates in this project during the survey in 1995-1998.

Survey data from the 1990-2000 on the WVS project shows a considerable difference of the countries by indicator of interpersonal trust (*Table 1*).

**Table 1****The weight of respondents who consider the majority of the people are trustworthy, %**

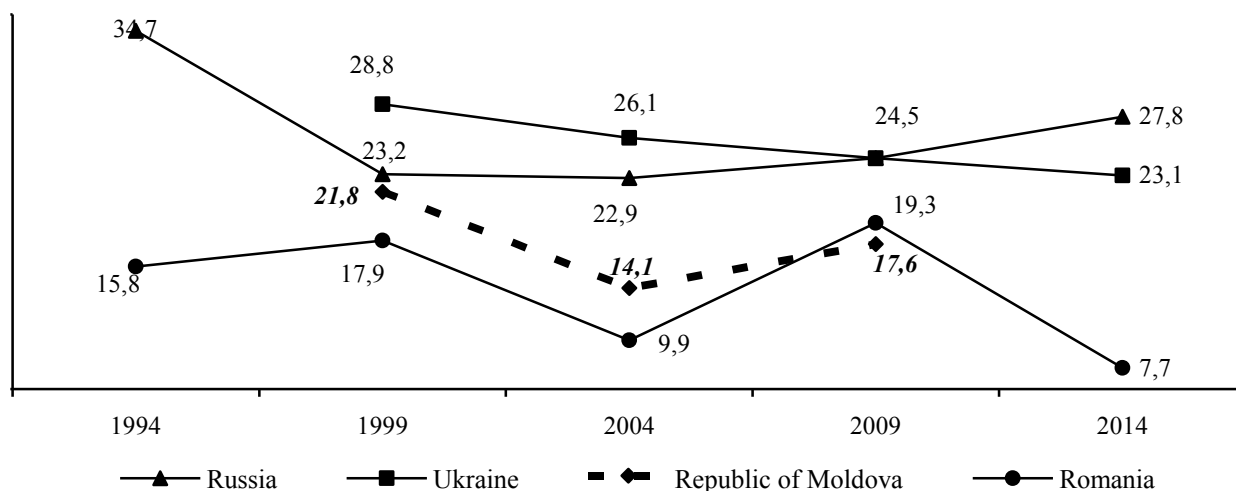
<i>Developed countries and developing countries</i>	<b>2005-2009</b>	<b>2010-2014</b>	<i>Post socialist countries</i>	<b>2005-2009</b>	<b>2010-2014</b>
Sweden	65,2	60,1	Russia	24,6	27,8
China	52,3	60,3	Ukraine	24,5	23,1
Netherlands	42,6	66,1	Bulgaria	19,6	...
USA	39,1	34,8	Romania	19,3	7,7
Japan	36,6	35,8	Poland	18,1	22,2
Germany	33,8	44,6	<b>Republic of Moldova</b>	<b>17,6</b>	...
Egypt	18,5	21,5	Georgia	17,6	8,8
Argentina	17,4	19,2	Serbia and Montenegro	13,6	...
Mexico	15,4	12,4	Belarus	...	32,6
Brazil	9,2	7,1	Azerbaijan	...	14,8
Turkey	4,8	11,6	Armenia	...	10,9

*Source: Elaborated by authors according to [6].*

The highest level of interpersonal trust can be seen in the Scandinavian countries, where more than 60% of respondents consider that the majority of the people can be trusted. In USA, UK and other English-speaking developed countries, this weight is 1.5-2 times less. In Latin American countries the level of interpersonal trust is 15-20%, and the most "incredulous" are Brazil and Turkey with interpersonal trust level less than 10%. Thus, it is noted the following trend: the level of interpersonal trust is highest in the developed countries comparatively to developing countries.

Cross-country analysis shows that the level of interpersonal trust in the Republic of Moldova (17.6%) is 3.7 times lower compared to that in Sweden, 2.4 times – compared to that in Netherlands, 1.9 times – compared to that in Germany. According to this indicator, Republic of Moldova remains behind all developed countries of the world, but is in a better position compared with the situation in Latin America and countries in West Asia.

Compared with the post-socialist countries, Republic of Moldova occupies the last positions among the countries grouped by the level of interpersonal trust. In 2005-2009, this level was the same as in Georgia (17.6%), and only in Serbia and Montenegro it was lower (13.6%). The dynamics of the level of interpersonal trust attests that in Republic of Moldova and neighboring countries until 1999-2001 years there was a clear downward trend of this indicator, which then replaced to an upward trend (*Figure 1*). The exception is Ukraine, where decline of the level of interpersonal trust continued in 2005-2009 years.



**Fig. 1. The dynamics of the level of interpersonal trust in Republic of Moldova and in some countries, %**

*Source: Elaborated and constructed by authors according to [6].*

Thus, the analysis of interpersonal trust in the Republic of Moldova provides the basis for concluding that an extremely low (compared to other countries) level of social capital.

*Evaluation of institutional trust* is performed on the bases of the results of the two sociological surveys. The first of them is the "Barometer of Public Opinion in Moldova", whose research is performed under the auspices of the Institute for Public Policy and is realized of "CBX – AXA" Centre of Sociological Investigations and Marketing. This study, performed in 2002, covers various aspects of life in Republic of Moldova: economy, quality of life, social problems, field of internal and external policies. A study performed in November 2015, was carried out by interviewing 1,113 respondents aged 18 years and elder, who were living in urban and rural areas, from 12 geographical zones of the country.

An analysis of *institutional trust* is carried out by evaluation of the trust in the state and social institutions, as well as trust in the system of social protection of population of the Republic of Moldova. The level of trust in the institutions of public administration in the Republic of Moldova is high and has a tendency to decrease significantly. Especially, this relates to the top echelon of public administration. In November 2015, the weight of people who partial or total trust in the President was 5%, which is 11.4 times less than in November 2003 (Table 2). In the same period, the level of trust in Parliament and the Government decreased, respectively, 6 times and 5.7 times. At the same time, trust of citizen in the local public administration authorities remained at the same level (52% – in 2003 and in a.2013).

Table 2

**The weight of people who trust totally or partially in public and social institutions of Republic of Moldova%**

Institutions	Nov. 2003	Dec. 2005	Nov. 2007	Nov. 2009	Nov. 2011	Nov. 2013	Nov. 2015
Church	71	77	81	80	80	84	74
Mass media	57	65	59	62	57	52	49
City hall	52	43	50	56	51	46	52
Police	30	35	26	38	32	31	31
Nongovernmental organizations	29	35	31	34	24	22	24
President of the country	57	43	39	35	15	16	5
Government	40	38	32	44	19	16	7
Justice	30	31	24	37	18	15	12
Parliament	36	34	32	41	14	14	6
Political parties	24	20	15	29	13	14	11
Trade unions	28	28	24	29	20	13	15

Source: [5].

Declining trend in trust is characteristic for the justice institutions and political parties. The weight of people who have partial or full trust in justice and political parties has declined compared to 2003, respectively 2.5 times and 2.2 times. We shall note that the extremely low level of public trust is for the trade unions. They are trusted by only 15% of the population, i.e. only every seventh citizen of the country. Against this background remained and even has increased the trust in the church. In November 2015 in the church had full or partial trust 74% of citizens (in 2013 – 71%).

Thus, in recent years the low level of institutional trust, and first of all in the institutions of public administration, declined to a very low level. This creates serious obstacles for radical social and economic changes in the country, including the implementation of urgent (and often unpopular) measures to improve social protection policies. This assessment is confirmed in studies by other authors [2, p.204].

For the improvement of social protection policies, it is important to have not only a sufficient level of the trust in public and social institutions, but also the high level of the people's trust in the institutions of social protection. Evaluation of this trust is based on the study data of household budgets (module "Social exclusion"). While evaluating the level of credibility of all respondents and as well the beneficiaries respondents of social protection systems.

In the analysis of institutional trust is used comparative approach: the compare degree of trust of various socio-demographic groups of population in the institutions of social protection systems. This analysis indicated that the degree of public trust in system of social protection has an essential

differentiation depending by the institution of social protection. When evaluation of trust in state pension system and the system of social assistance was done the greatest number of responses (24.3%) – from variant "have some distrust", the variant of the "very few trust" prevails in the evaluation of trust in health insurance system (35.0%), and the variant "do not trust" – the support system for the unemployed (22.1%) – *Table 3*. At the same time, a considerable part of the population did not have information about the way of functioning of the institutions of social protection. This has determined that a large number of respondents was in difficulty to answer the question about the credibility to the relevant institutions of social protection. In evaluating of trust in state pension system they constituted 30.5% (while among respondents – pension beneficiaries – 16.5%), to the social assistance system – 31.7% (19.8%).

Table 3

**The degree of institutional trust in Republic of Moldova, %**

How much do you trust in systems of services you need?	High trust	A some trust	Low trust	Do not trust	I do not know/ It is difficult to answer
<b>State pension system:</b>					
- all respondents	16,2	24,3	20,2	8,8	30,5
- respondents – beneficiaries of pensions	28,3	28,5	20,3	6,4	16,5
<b>Social assistance system:</b>					
- all respondents	11,2	24,3	21,3	11,5	31,7
- respondents – beneficiaries of allowances for children, nominative compensation and other	22,9	29,1	19,6	8,6	19,8
<b>Health insurance system:</b>					
- all respondents	8,0	26,6	35,0	20,8	9,6
- respondents – beneficiaries of health insurance services	9,7	29,1	34,3	17,1	9,8
<b>Support system for the unemployed:</b>					
- all respondents	2,6	9,9	20,9	22,1	44,6
- respondents – beneficiaries of unemployment benefits	27,4	10,8	48,9	12,9	–

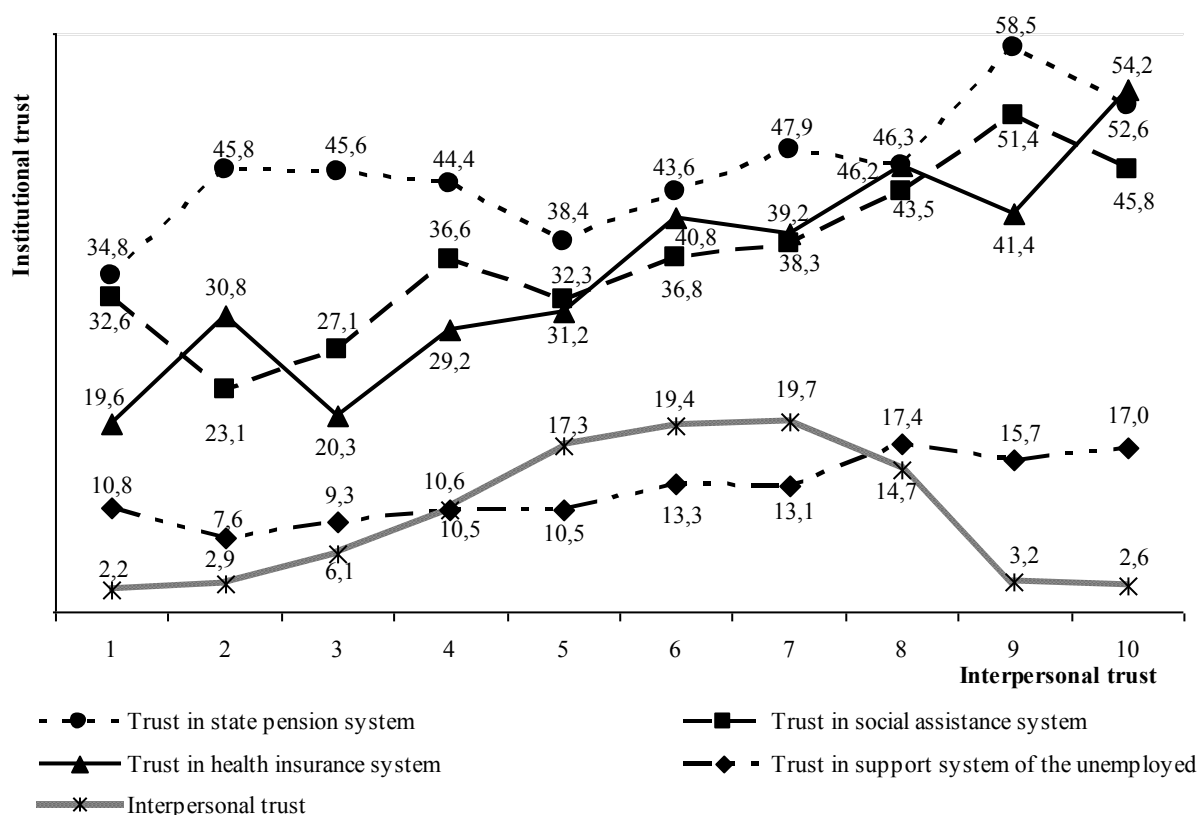
*Source: Calculated by authors according to [1, p.281].*

The highest is the credibility of the public pension system: it is fully or partially trusted by 40.5% of the citizens. Less is the total or partial trust in the social assistance system (35.5%), the health insurance system (34.6%) and significantly smaller to the support system for the unemployed (12.5%). At the same time a phenomenon is clear: a high degree of trust among respondents who are beneficiaries of the social protection system, i.e., those of them who are better informed about the respective institutions. Thus, a full or partial trust towards the state pension system had 56.8% of respondents who are beneficiaries of pensions, which is 1.4 times higher than degree of trust of the all respondents. More than half (52.0%) of the respondents who are beneficiaries of allocation for children, nominative compensations, etc., have a full or partial trust in the social assistance system – which is 1.5 times higher than the weight of those who have similar trust among all respondents. Compared to all respondents, weight of people who trust fully or partially in health insurance system, the beneficiaries of health insurance services are more than 1.1 times, while the weight of the full or partial trust in the support system of the unemployed; the beneficiaries of the support system for the unemployed is more than 3.1 times.

Few trust or do not trust in the state pension system (29.0% of respondents), while a similar distrust in the social assistance system experience 32.8%, in the health insurance system – 55.8%, and in the support system for the unemployed – 43.0% respondents. However, the degree of trust in these systems, their beneficiaries, those who most often face with the institutions providing those services is much lower compared with all respondents.

Between these two types of trust – interpersonal and institutional there is a strong positive correlation.

This is illustrated in *figure 2*, where the horizontal axis is the level of interpersonal trust (points 1 to 10, where 1 means extremely careful in dealing with people, and 10 means that most people can be trusted), and on vertical axis weight of people with fully or partially trust for the social protection systems.



**Fig. 2. The relation between interpersonal trust and trust in the institutions of social protection of the population of Republic of Moldova, %**

*Source: Elaborated and constructed by authors according to [1, p.281].*

The higher interpersonal trust is the greater is the trust in the system of social protection of the population. When changing at point "1" (extreme caution in dealing with people) to points "10" (most people are trustworthy) level of interpersonal trust, the weight of persons fully or partly trusting the state pension system, increased from 34.8% to 52.6% (or 1.5 times), in the social assistance system from 32.6% to 45.8% (or 1.4 times), in the health insurance system from 19.6% to 54.2% (or 2.8 times), in the support system of the unemployed – from 10.8% to 17.0% (or 1.6 times). This trend is somehow disturbed when evaluating the relationship between interpersonal trust and trust in the state pension system, the social assistance system (points 9-10) and also in the health insurance system and unemployed support system (points 8-9).

We will be noted that the level of institutional trust is much higher than the level of interpersonal trust. This refers to trust in all systems of social protection of population (the only exception is the relationship between various points that characterize interpersonal trust and trust to the support system of the unemployed). Thus, people consider that most people are trustworthy (i.e., those who indicated point "10" in the survey) constitute 2.6% of all respondents.

These persons fully or partially trust in the state pension system 52.6% (which is 20.2 times more than the weight of those measured at the highest levels of interpersonal trust), in the social assistance system – 45.8% (17.6 times), in the health insurance system – 54.2% (20.8 times), in the support system for the unemployed – 17.0% (6.5 times).

Among these persons fully or partially trust in the state pension system, 52.6% (which is 20.2 times greater than the proportion of those who appreciates the highest level of interpersonal trust), social assistance system – 45.8% (17.6 times), the health insurance system – 54.2% (20.8 times), the system of support for the unemployed – 17.0% (6.5 times).

At a relatively low level of trust in general, the prevalence of the institutional trust on the interpersonal, indicates that the population in conditions of social risks increasingly is pinning its hopes on the solution of emerging social problems through social protection systems, rather to solve them independently or to base on the support of other people, informal organizations and associations.

**Conclusions.** According to the study results we can conclude the following:

1. Evaluation of the social capital in Republic of Moldova is a very topical issue, but its solution is restricted by the lack of data which characterize the situation in this area.
2. The level of interpersonal trust in Republic of Moldova is lower than in developed countries, which constitutes the basis for the conclusion about an extremely low level of social capital.
3. The level of trust in state administration institutions in the Republic of Moldova is low and tends to a significant discount.
4. The degree of confidence among the beneficiaries of social protection systems is higher than the average of all respondents. The greatest trust is recorded in the state pension system.
5. A strong positive correlation between the interpersonal trust level and the institutional one is observed. As the interpersonal trust is higher, the greater trust in the systems of social protection of population is.

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