



TRANSITIONS
FORUM

INSTITUTE of
MODERN RUSSIA

GLOBAL TRANSITIONS | JULY 2014

Moldova: The Failing Champion of European Integration

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Introduction

In 2014, the European Union signed an association agreement with Moldova and agreed to let Moldovans travel to the EU without visas. With the basis of a full EU-Moldova free trade now in place, this small and poor country is, at least on paper, the fastest reforming and most pro-Western country on Europe's eastern border, the "champion of the Eastern Partnership" in the words of one official.¹ However, the reality inside Moldova is not nearly so clear-cut.

An anecdote sums up the problem. Recently, I ran into Moldova's prime minister, Iurie Leanca, while walking with my two-year-old daughter in the centre of Chisinau. The prime minister was also walking along the street with just a few bodyguards, as he often does, and I introduced him to my daughter: "This is the man who runs our government," I said. The prime minister responded with a sad smile: "This is the man who wants to do something and fails."



Despite its formal achievements, Moldova is failing in its current leadership's quest to become European.

Indeed, despite its formal achievements, Moldova is failing in its current leadership's quest to become European. The country has yet to escape from Russia's geopolitical influence

or to overcome endemic corruption, or to develop strong public institutions. Euro-scepticism is on the rise, as a result of the shallow leadership of the ruling coalition and their constant feuds. The economy is distorted by monopolies. The judiciary and the media are compromised. As a result, support for joining the Russia-led customs union is growing, which is what Moscow wishes. Everyone knows that the 'frozen' territorial conflict in Transnistria, a pro-Russian breakaway region of Moldova, can flare up at any moment under Moscow's direction. This paper seeks to explore the reasons why, despite the proclaimed commitment to European integration, Moldova lost its way in transition.

The EU-Moldova Relationship: Success in Theory

In 2001, the Communist Party of the Republic of Moldova (PCRM) came to power. Like other leaders in the region, they claimed to be committed to EU integration, while in practice they maintained a close relationship with Moscow. Under their watch, the EU-Moldova Action Plan was signed in 2005 and the country became a member of the Eastern Partnership programme.² However, with the Communists in power, Moldova's rapprochement with the EU was quite slow. Moldova's president and Communist Party leader, Vladimir Voronin, wanted a place in history as the leader who resolved the Transnistrian conflict, which was impossible without Moscow's support. As a result, the country was constantly manoeuvring between the disparate wishes of Brussels and Moscow.

In February 2009, shortly before the parliamentary elections, Voronin decided to make a drastic political turn and prioritise Moldova's relationship with Moscow.³ In an interview with me, he even called the Eastern Partnership a "ring around Russia".⁴

The following month, Voronin paid an official visit to Moscow, where he signed a joint statement along with then-President Dmitri Medvedev and Igor Smirnov, the leader of Transnistria,⁵ Moldova's breakaway region that is largely unrecognised by the international community.⁶ By signing the statement, Voronin ceded a great deal of power to Moscow, agreeing that the Russian military should stay in Transnistria as peacekeepers until the conflict is completely resolved. In return, he received Moscow's support and assurances that he would be able to finally unite Moldova. This was clearly a slap in the face of the West, given that both Brussels and Washington had been, and still are, calling for the withdrawal of the Russian troops from the region.⁷

However, Voronin lacked time to complete his rapprochement with Moscow. On April 7, 2009, his party failed to win enough votes to stay in power, in part because their failure to implement EU integration and their flirtations with Moscow were unpopular. In July 2009, during a snap parliamentary election, the Communists lost their parliamentary majority, by a small margin, to the Alliance for European Integration, a coalition of opposition parties, including the Liberal Democratic Party of Moldova, the Liberal Party of Moldova, the Democratic Party of Moldova, and the Party Alliance Our Moldova. The leaders of the new majority declared the Communist dictatorship defeated and prioritised their commitment to the European Union. Not all of the members of the coalition would prove to be entirely committed to reforms, however, and several continued to pursue their own political goals and business interests. Eventually, their tenuous leadership would lead to an acute political crisis.

After the pro-European coalition came to power, Moldova pushed hard for EU integration and cooperation with the West. High-profile Western officials began to work closely with their Moldovan counterparts, providing financial, technical, and expert support. From 2012, Chisinau hosted meetings with U.S. Vice President Joe Biden, German Chancellor Angela Merkel, President of the European Commission José Manuel Barroso, and President of the European Council Herman Van Rompuy. This spring, Moldovan Prime Minister Iurie Leanca had a brief encounter with U.S. President Barack Obama who 'accidentally' stopped by during his meeting with Vice President Biden.⁸

The European Union is currently sending generous aid to Moldova. Over the last three years, the country received more than €500 million (about \$670 million),⁹ with hundreds of millions more to come.¹⁰ With the EU's financial support, Moldova has already conducted vast reforms of the judiciary, law enforcement, borders security system, and infrastructure. Some of the current projects include modernisation of gas-transport and water-management systems, road construction, and alternative energy. The Bureau for Migration and Asylum (BMA) launched a monitoring system to track data on migration flows and foreign citizens residing in Moldovan territory, including those from the breakaway territory of Transnistria.¹¹ This was another condition of the visa-free regime provisioned by the Visa Liberalisation Action Plan between the Republic of Moldova and the European Union.¹²

The EU frequently emphasises the fact that Chisinau implemented this plan in full and on time,¹³ with some calling these changes evidence of a 'Moldovan success story'.¹⁴ Since the official launch of the Eastern Partnership in May 2009, Chisinau has indeed made great progress in adopting EU legislation.¹⁵ For example, Moldova is currently the only member in the Eastern Partnership that forbids discrimination by sexual orientation according to the new "Law on Enforcement of Equality" passed in 2012, despite the resistance of the Church and the left forces. This law was required by Brussels as part of the visa-free travel negotiations. As of April 28, 2014, Moldovan citizens no longer need visas to enter the EU. Governments in Kiev and Tbilisi, which started EU association negotiations before Moldova, are far behind and still struggling with basic reforms.

Moldova became even more of an outlier in 2014, when Armenia, another member of the Eastern Partnership, announced that it would drop its EU negotiations and join the customs union of Russia, Belarus, and Kazakhstan instead.¹⁶ Finally, on the 27th of June, Moldova, along with Ukraine and Georgia, signed an association agreement with the EU, which includes the Deep and Comprehensive Free Trade Area (DCFTA). According to the Moldovan authorities, creating a free-trade zone with the EU will make the country's European integration inevitable and open opportunities for economic modernisation.¹⁷

On the surface, it seems that the Moldovan authorities have made significant achievements. But paradoxically, these achievements are not impressive to the majority of Moldovans. According to a recent survey conducted by the Slovak Atlantic Commission, in 2009, 55% of Moldovans supported EU integration and only 30% chose closer relations with Moscow and the customs union.¹⁸ However, in 2013, the ratio changed to 44 and 40% respectively. Results from the April 2014 Barometer of Public Opinion, a survey conducted by the Institute for Public Policy,¹⁹ brought another unpleasant surprise.²⁰ According to its data, if given the choice between the customs union and the EU, 38% of respondents would choose the former, while 35% would choose the latter. It is important to note that, under the rule of the PCRM, integration with the EU was supported by 68% of the population.²¹

Policy experts explain that the decreasing popularity of the EU in Moldova is caused primarily by public discontent with the ruling pro-European coalition. Popular expectations for the work of the coalition were quite high and unrealistic, considering the country's poor

economic background and high level of unemployment. “[The EU’s decreasing popularity] is caused by the lack of the expected economic, social, and humanitarian results and by the economic recession that many EU countries have entered now,” says economist Elena Gorelova, deputy director of the Centre for Strategic Studies and Reforms.²² However, regardless of Moldova’s economic background, the government and the ruling coalition have played their part in the public opinion shift. Pursuing their own personal interests, Moldovan politicians failed to deliver on their promises of the benefits of EU integration.

As the support for EU integration is shrinking, the popularity of the Russia-led customs union is growing, encouraged by the PCRM lobby. Ironically, in 2005, this party was one of the pioneers of EU integration. Having lost its ruling majority, it began to push for support of the customs union. As it remains one of the largest political forces in country, its efforts have brought results—public perception of the customs union has actually changed.²³

The customs union is mostly supported by Moldova’s national minorities, who constitute about 15% of the population (Russians, Ukrainians, Gagauzians, and Bulgarians).²⁴ They are strongly pro-Russian and see EU integration as a process that will inevitably result in Moldova joining Romania—a country that the Russian-speaking minority views negatively. This view is shaped by the actions of the Romanian authorities and some rightist Moldovan politicians. For example, Romanian President Traian Băsescu regularly claims that Moldovans and Romanians are one people that will be reunited sooner or later.²⁵ Moldovan nationalists support this idea with great enthusiasm.²⁶

Another propaganda cliché exploited by the pro-Russian opposition is that EU integration will bring about the popularisation of ‘non-traditional sexual orientation’,²⁷ undermining the traditional Christian values of the Moldovan people. The Moldovan population is quite conservative; the majority considers people with ‘untraditional sexual orientation’ to be ‘unhealthy’, to put it mildly.²⁸ There are political forces in Moldova who intentionally strengthen this perception of LGBT, and European politicians, quite often without realising it, play into their hands. Last summer, when European Commissioner for Enlargement and European Neighbourhood Policy Štefan Füle visited Chisinau, he participated in a small LGBT gathering, causing an uproar among anti-EU activists and members of the Church. As a result, Vladimir Voronin, leader of the Communist Party, refused to meet with Füle.²⁹

This year, pro-European Moldovan authorities realised their faults in propagating EU integration and attempted to correct their mistakes by launching an educational campaign (in both Moldovan and Russian) to explain its advantages.³⁰ It is difficult to predict whether this campaign will succeed because public trust in the current authorities has diminished, and the pro-Russian population is extremely receptive to Russian propaganda that has recently intensified in Moldova.

Despite a number of pioneering reforms that distinguish Moldova from other members of the Eastern Partnership, the country has a long way to go in its drive for integration with Europe. Moldova’s success will hinge on its ability to tackle the most acute issues: corruption, weak public institutions, monopolisation, a compromised judiciary, and a challenged media.

The Corruption Issue

The European Union is constantly demanding tangible results from Moldova in the fight against corruption. "Corruption at the highest levels leads to enormous damages to the national economy in terms of a decrease in investments and lack of opportunities," said Head of the Delegation in Moldova Pirkka Tapiola.³¹

Corruption remains Moldova's gravest problem and the government's greatest challenge. As in most post-Soviet states, corruption in Moldova exploded after the collapse of the Soviet Union and penetrated every aspect of life in the country. Today in Moldova, corruption exists in every possible form—from bribery and fraud to embezzlement and nepotism.

In the 2012 annual Corruption Perceptions Index, Transparency International ranked Moldova at the same level as Greece, which is considered the most corrupt country in the EU. In 2013, while Greece managed to improve slightly, the situation in Moldova only worsened. At the moment, it is ranked 102nd out of 175 countries.³² In October 2013, the Parliamentary Assembly of the Council of Europe (PACE) adopted a resolution to extend monitoring³³ for Moldova in response to unresolved corruption issues, political pressure on the judiciary, and human rights violations.³⁴

Iurie Leanca's government claimed that corruption is the country's worst enemy.³⁵ Last year, he announced that the fight against corruption would be his priority, stating: "In recent years, we've encountered situations showing that this phenomenon had reached such a level that it threatens the country's national security. That is why the fight against corruption should be a priority for the government and those organisations subordinate to the Cabinet of Ministers."³⁶

Despite these claims, most anti-corruption efforts were superficial. The National Anti-Corruption Centre, established by the government in 2002, focuses primarily on investigating small corruption schemes and exposing bribe-takers among mid- to low-level officials, turning a blind eye to the questionable deals and schemes implemented by the country's elite. Moldova's current political system makes this fight against corruption extremely difficult. The situation is complicated by the fact that, when the party members of the current ruling coalition came into power, they divided spheres of political influence among themselves. Heads of all ministries, including national security, defence, and law enforcement agencies, were appointed based on their membership in certain parties, creating allegiances to the party leaders and not to the governing coalition. Therefore, many of the decisions are made in the party's interests or in the interests of business groups supporting the party rather than under the authority of the prime minister, let alone the public.

"The state is very weak. All state mechanisms are subject to the short-term interests of not even political parties, but actual individuals. And all of their interests are purely materialistic and personal in nature," says Angela Kolatski, dean of the Political Sciences Department at the Moldovan State University.³⁷

Endemic corruption severely damages the country's economy. Weak state regulators and corrupt courts fail to protect property rights, leading to market monopolisation. Market analysts warned that monopolisation of the banking system could lead to dangerous speculations in the national currency, the Moldovan leu.³⁸ Early this year, when the leu indeed

started to rapidly decrease in value, it was allegedly as a result of manipulation. Today, 70% of the Moldovan banking system is controlled by a small group of businessmen: Moldovan businessman and millionaire Ilan Shor³⁹ controls Banca Sociala and Unibank; Vyacheslav Platon,⁴⁰ another businessman and millionaire, controls Moldincombank, Victoriabank, and Moldova Agroindbank. Both are known to have a close connection to Moscow. Also, the Russian state bank, Vnesheconombank "VEB Capital", has recently acquired a 25% share of Banca de Economii, the largest bank in Moldova.⁴¹

As the leu decreased in value, the National Bank of Moldova (NBM) created a working group to investigate the situation. The head of NBM, Dorin Drăguțanu, officially claimed that the owners of the private banks were at fault for the devaluation, as they may have manipulated dollar and euro exchange rates. According to Drăguțanu, the "sly guys" might have done it for their "personal interests".⁴²

Another economic sector damaged by monopolisation is the insurance market. The case of Grawe Carat Asigurări, owned by the Austrian Grazer Wechselseitige Versicherung AG, is quite illustrative.

Last year, Moldova's Bureau of Vehicle Insurers (BNAA) excluded Grawe Carat Asigurări from the Green Card insurance system,⁴³ depriving the company of its right to sell international certificates of the public liability insurance for damage caused by a vehicle. The decision was made at an emergency meeting organised by BNAA members without the participation of Grawe Carat representatives. Four out of the seven permanent Bureau members voted for Grawe Carat's expulsion from the Green Card system. Those four BNAA members, including Moldasig, Asito, Victoria Asigurari, and Klassika Asigurari, are allegedly controlled by the aforementioned businessmen Ilan Shor and Vyacheslav Platon.⁴⁴ Having got rid of Grawe Carat, they gained 100% control over the Green Card market and a 50% share of the insurance market overall.

According to Grawe Carat, the four members acted as part of a cartel agreement to destroy the company as a competitor controlling a 12% market share.⁴⁵ Pursuing justice, the company filed an appeal to the Riskani District Court in order to suspend the BNAA's decision until the case could be properly reviewed. However, the court rejected the appeal. "The court's decision is inexplicable and contrary to the European legal principles," said Peter Hronovski, board member of Grawe Carat.⁴⁶ "Our case has been widely discussed by many foreign investors who follow its developments closely. They are concerned that similar problems might befall them as well," he added.

The National Commission for Financial Markets, which serves as a state regulator for the BNAA, officially disapproved of the Bureau's decision as well. The BNAA simply ignored the Commission's opinion.⁴⁷ European diplomats accredited in Moldova have repeatedly called for resolution of the Grawe Carat issue and for further development and adoption of laws ensuring that such issues do not arise again. However, these claims have yet to bear influence. "The situation of Moldova's financial and insurance markets is a constant topic of our discussion with Prime Minister Lurie Leanca," one of the European diplomats admitted to me, under condition of anonymity.⁴⁸ "We are concerned about the current developments and expect the government to take active and efficient measures to stabilise the situation", he continued.

Compromised Judiciary

The country's judiciary is considered its most corrupt institution, according to public opinion polls.⁴⁹ The judiciary has been undergoing reforms for three years. Judges' salaries have been increased to discourage bribe-taking. The Moldovan parliament adopted legislation to curb judicial immunity for crimes of corruption. However, there is no evident improvement in the quality of justice. The courts, including the Constitutional Court, still cannot be considered independent and often make their decisions using 'telephone justice'.⁵⁰

Indeed, this year, Moldova's judiciary was involved in a vast embezzlement scandal. Judge Mihai Poalelunji, head of Moldova's Supreme Court of Justice (SCJ),⁵¹ revealed details of illegal financial schemes he discovered during examinations of the country's judicial decisions.

Judge Poalelunji studied dozens of injunctions issued by several judges from various courts across the country dealing with the recovery of large debts (ranging from \$180 to \$800 million) from Russian firms by the companies of various jurisdictions, including offshore. He discovered 33 similar court orders, nine of which were falsified. The Moldovan District Court was one of the most prominent in the scheme, issuing several court orders with each transferring \$500 million abroad. According to the head of SCJ, this scheme had been used from 2010 until 2013, and its participants included several Russian companies, Moldincombank, companies of other jurisdictions, courts throughout Moldova, and Moldovan citizens.⁵²

"A Russian firm intending to embezzle money opened an account in Moldincombank. Another company would claim that this Russian firm owed it money and file an appeal to a Moldovan court, which would issue a court order to recover this debt from the Russian firm. They would also use a homeless person,"⁵³ explains Judge Poalelunji.⁵⁴ Later, the court order would be sent to an officer of justice, who would go to Moldincombank to collect the money. The moment the money was transferred to the account, it would be collected. "As far as I know, no transfer would stay in a [Moldincombank] account for longer than 15 minutes. After it was collected, the money would be sent offshore. It was 100% embezzlement. According to the documents I have seen, the total amount transferred abroad is \$18.5 billion. But it might be even more," says Poalelunji.

As the head of the SCJ notes, judges were key actors in this scheme, issuing the court orders to collect the debts. All of the materials revealed during the investigation were sent to the Anti-Corruption Prosecutor's Office, the National Anti-Corruption Centre, and the Supreme Council of Magistrates. A criminal case was initiated for the embezzlement of \$18.5 billion. Vasile Sharko, head of the Embezzlement Office of the National Centre for the Fight Against Corruption, spoke to the press about the origins of the money embezzled through Moldova, implying that the funds came from Russia: "Russia owes us an explanation: is it money stolen from the budget, the Sochi Olympic construction projects, or the accounts of other banks whose licences have been revoked by the Central Bank of Russia?"⁵⁵

Additionally, the Moldovan judiciary is easily influenced by the political elite, as illustrated by the Constitutional Court ruling against former Prime Minister Vladimir Filat, leader of the Liberal Democratic Party, which is part of the ruling coalition. Filat was ousted by the

parliament in a no-confidence vote on unsubstantiated claims of corruption. The court ruled that he is ineligible to run for the prime minister's office—a decision that cannot be appealed.⁵⁶

The political background sheds some light on the reasons for this court decision. Filat was embroiled in a conflict with Vladimir Plakhotnyuk, a Moldovan oligarch who is also vice chairman of the Democratic Party of Moldova. Many political analysts point out that it was Plakhotnyuk who lobbied for the Constitutional Court ruling against Filat.⁵⁷ High-profile officials, including Moldovan President Nicolae Timofti, called the ruling “politically motivated” and “extremely dangerous”.⁵⁸ Under condition of anonymity, some politicians even said that this ruling created six more dollar millionaires in Moldova, meaning the number of Constitutional Court judges.⁵⁹

System Failure

In 2013, this ruling caused a serious political crisis that exposed weaknesses in the country's political institutions. In fact, the background for the crisis was set in December 2012, when a young businessman was fatally wounded during a wild boar hunt in the Moldovan national reserve on the border of Romania. A number of judges as well as the prosecutor general, Valeriu Zubko, were present at the hunt and tried to cover up the death.⁶⁰ Eventually, their lies were exposed, causing a great public stir. The then-prime minister, Vladimir Filat, demanded the resignation of Zubko⁶¹ (who was an appointee of the Democratic Party), causing Marian Lupu, leader of the Democrats and the Parliamentary Speaker, to step up and defend the prosecutor general.

This feud between Democrats and Liberal Democrats turned into a barrage of mutual accusations. Deputies of the rival parties would fight on live television and argue which party steals more. Sometimes their arguments were simply brilliant: "We steal less than you do," one of the members of the Liberal Democratic Party once said to his Democratic colleague during a live talk-show, "I can show you the schemes." Telephone records of Prime Minister Filat were leaked and published online. Criminal cases were opened, mostly against ministers who were members of the Liberal Democratic Party,⁶² as the work of the Prosecutor's Office and the National Anti-Corruption Centre was being influenced by the Democratic Party.⁶³ In 2013, Minister of Health Andrei Usaty, Minister of Finance Vyacheslav Negrutsa, and Tax Chief Nikolai Vikol were forced to resign as a result of these scandals.⁶⁴

As the politicians squabble, the business oligarchs are filling the resulting power vacuum. Against that background, the government's 'big privatisation' plan is alarming. Two hundred lots for purchase are being offered by major state companies, such as Moldtelecom, Air Moldova, and Moldovan Railroads. Such plans have gone wrong in the past: Chisinau International Airport and Banca de Economii were also privatised last year in a manner that raised many questions.⁶⁵

At that time, the Ministry of Economy invited seven companies to participate in the closed tender to privatise the airport. Among them were companies that manage airports in Madrid (Aena Internacional), Paris (Aéroports de Paris), Vienna (Flughafen Wien AG), London (Heathrow Airport Holdings), Houston (Houston Airport System), Moscow (Vnukovo-Invest), and Khabarovsk (Komaks Management Company LLC, which is part of Avia-Invest⁶⁶). The Ministry denied that any non-Russian companies responded to the tender invitation, and eventually, Avia-Invest won.⁶⁷ State Enterprise Chisinau International Airport was leased for 49 years through a concession agreement. At the time, Avia-Invest promised to invest €244.2 million (\$327.2 million) and pay 1% of its revenues to the state as a royalty fee. It also claimed that it would build a new terminal and flight strip, but ten months after the airport was acquired, the projects have not yet started. According to some unconfirmed reports, Avia-Invest is actually controlled by a group of Moldovan businessmen, who could be close to members of the ruling coalition.⁶⁸

The privatisation of Banca de Economii, the largest state bank in Moldova, was implemented in the same way. The authorities have not released any details of the deal, but recent press reports suggest that shares in the bank might have been acquired by businessman Ilan Shor, mentioned above, who was recently elected to the bank's administrative board.⁶⁹ If the acquisition of other state assets follows the same scenario as the cases of Avia-Invest and Banca de Economii, large shares of the state property will soon be controlled by a small group of oligarchs who have close connections with Moscow.

Challenges to the Free Media

Failures in the political system and the economy have another disastrous side-effect: they undermine the development of the free media.

In general, the Moldovan media market resembles that of other post-Soviet republics: most media is controlled by local politicians, who use it to fight against business competitors, damage political reputations, and advance personal agendas. There are very few genuinely independent, professional, quality media outlets in Moldova, and all are struggling since they are not sponsored by high-profile politicians. Among them are the newspaper Ziarul de Garda Adevarul and websites Unimedia and Kommersant.md. The former operates with financial aid from the Soros Foundation⁷⁰ and other non-profit organisations, the latter two struggle to survive.

Vladimir Plakhotnyuk is the most influential media tycoon in Moldova. His holdings include four television networks (Publika TV, 2 Plus, Prime, and Canal 3) and two radio stations (Prime FM and Maestro FM). The editorial content of these media outlets is strictly moderated: they never criticise the Democratic Party or Plakhotnikov himself. Instead they go after the Party's opponents. For example, in 2012, Publika TV, which had been trying to establish itself as an unbiased and professional media outlet, was ruined in one night by the owner's political will. Covering José Manuel Barroso's first visit to Moldova, the network's cameraman avoided filming Vladimir Filat who was meeting the European Commission President in the airport. As a result, the footage looked ridiculous: the two officials were walking together, but the camera was only showing Barroso. However, viewers could see Filat's shoulder and arm next to Barroso.

After the Communists lost the 2009 elections, Moldova improved its position slightly in terms of freedom of speech. In the 2014 World Press Freedom Index, published by Reporters Without Borders, it was placed at 56th out of 180 countries,⁷¹ which is the best result among all of the post-Soviet countries which remain outside the EU. In fact, compared to a country like Russia, which came 148th in the same index, Moldova's journalists have more freedom on television, in the press, and online.

At the same time, free media have little to no influence on the political process in Moldova. If an investigative article exposing legal violations or financial machinations is published, law enforcement agencies usually do not take any measures to address those findings. For example, in 2012 Judge Oleg Melnichuk became a central figure in an investigation conducted by a group of journalists at the Centre of Journalist Investigations. It was revealed that Melnichuk presided in a case, despite a conflict of interest. Journalists filed a complaint to the High Commission of Magistrates, requesting a disciplinary punishment, which was denied. Melnichuk himself said that he did not realise that one of his relatives was involved in the case he was trying. Moreover, the investigation revealed that Melnichuk owns a house, an expensive car, and six land plots that he would not be able to afford with his salary.⁷² Yet this information led nowhere.

Finally, Russia has become very active in the Moldovan media. Pro-Kremlin television networks⁷³ show how poorly Moldova lives while trying to become part of Europe and how courageously Transnistria is fighting its hardships. The idea that Transnistria deserves international recognition is highlighted in these programmes. No doubt, pro-Russian propaganda will only intensify as the November parliamentary elections draw closer.

Anchor of Separatism

The Transnistrian conflict is yet another obstacle to Moldovan integration into Europe. After Russia annexed Crimea in the spring of 2014 and sent irregular soldiers to fight in Ukraine, many political analysts speculated that Moscow might seek out a similar scenario in Moldova by interfering in the Transnistrian conflict.⁷⁴

Negotiations on resolving the Transnistrian conflict reached a stalemate long ago: Tiraspol demands a “divorce” from Chisinau and wants to join Russia, but Chisinau opposes the forced partition of the country. However, in private conversations, Moldovan diplomats admit they have considered giving up Transnistria to Russia if the conflict prevents the country from integrating into the EU.⁷⁵

Chisinau also has a strained relationship with the Gagauz autonomous region, where, like in Transnistria, strong pro-Russian sentiment prevails. Regional authorities in Gagauzia held a consultative referendum, and 98.4% of the Gagauzian people voted in preference of the customs union over the EU.⁷⁶ Like Transnistria, Gagauz has heavy support from Russia, and most analysts believe that Moscow intends to use its links there to hinder Moldova’s European integration.⁷⁷

Russia’s policy on Transnistria currently remains ambiguous. Russia’s deputy prime minister, Dmitry Rogozin, who also serves as Russian President Vladimir Putin’s special representative in Transnistria, once warned that the Moldovan train rushing toward Europe “might lose a few cars on its way”.⁷⁸ He was not-so-subtly implying that Moldova might lose Transnistria and Gagauzia.

One of the scenarios being discussed is federalisation: Russia would let Transnistria and Gagauzia remain parts of Moldova, but with expanded authority, including the power to veto key political decisions made by the Moldovan government, especially regarding foreign policy. This would make it impossible for Chisinau to promote European integration, and this is exactly what the Kremlin was trying to achieve in 2003 through the signing of the so-called “Kozak plan” between Chisinau and Tiraspol. The plan was developed by Dmitri Kozak, deputy chief of the Presidential Administration at the time, and its key goal was precisely this form of ‘federalisation’ of Moldova.⁷⁹

On the other hand, Moscow is trying to influence Transnistria with soft power. In 2012, an autonomous non-profit organisation called “Eurasian Integration” was established in Moldova by Alexei Zhuravlyov, leader of the Rodina Party and a close friend and colleague of Dmitry Rogozin. Its budget is estimated at three billion rubles (\$100 million), which, for a region with a population of 500,000, is large.⁸⁰ The organisation began to implement large infrastructural and social projects in Transnistria on a pro-bono basis, building kindergartens, schools, and hospitals. Moscow is sending a clear message: Transnistria receives this aid because Transnistrian authorities want to integrate with Russia.

On top of that, because of Russian subsidies, gas prices in Transnistria are also lower than they are in the rest of Moldova. A regular Moldovan enterprise pays \$500 for a thousand

cubic meters of gas while Transnistrian companies pay \$250 and the region's population pays even less at approximately \$100, like customers in Russia.⁸¹ Such perks serve as a showcase of the benefits of friendship with Moscow.

Russia has other forms of leverage as well. Moldova is 100% dependent on Russian gas,⁸² and cutting the gas supplies could make Moldova very vulnerable. In addition, there are hundreds of thousands of Moldovan migrant workers in Russia. Rogozin has said that there may be as many as 700,000.⁸³ Moscow may try to deport them or, alternatively, mobilise them to vote for pro-Russian political parties in parliamentary elections. Finally, Russia can ban the import of produce from Moldova, which would affect the country's economy greatly given that 90 to 95% of Moldovan apples, grapes, and plums are exported to Russia.⁸⁴ Rogozin has already said that he will raise the question of revising Russia's economic relations with Moldova after the signing of the EU association agreement.⁸⁵

Opposition without a Position

Despite all of these problems, the Moldovan authorities can at least feel relieved that there is no strong political opposition during this election year. Certainly the Communist Party has been actively opposing the EU association agreement, supporting the customs union, and campaigning against the oligarchs, including Vladimir Plakhotnyuk and Vladimir Filat. However, last year the Party failed to block the initialling of the EU agreement through popular protest. Although they called for a mass rally in Chisinau, only 15,000 people came, according to official reports.⁸⁶ Although this is fairly high attendance in Moldova, it was insufficient to block the deal. At the same time, deals struck among leading politicians seem to have persuaded the Communist leaders to change their policies for now. "PCRM is a party that lost its political identity. Now its ideological insanity is complemented by its collaboration with the ruling coalition," explains Alexei Tulbure, former Moldovan representative at the UN.⁸⁷ He adds that now the Communists have lost their support both in the West and in the East.

Trying to please both the EU and Russia, the Communists only confused everyone. "We do not oppose modernisation or Moldova's European integration," said Voronin, the Communist Party leader, in a May 2014 television interview.⁸⁸ In a private conversation with me, Voronin spoke even more frankly. When I asked him whether he would have signed the association agreement if he were in the current authorities' place, he responded shortly, "Of course." In another interview, he said that Moldova needs to be neutral. "We have to be friends with everyone. A friendly calf sucks two mothers."⁸⁹ He later opposed himself again and claimed that joining the Eurasian Economic Union, a Russia-sponsored structure, would solve Moldova's problems.⁹⁰

Since the PCRM stopped aspiring to the role of the main opposition force to the regime and confused many of its supporters with its shifting between the EU and Russia, it will be hard for the Communists to gain enough votes to influence political decisions in the future parliament. The ruling coalition is more than happy with this outcome, as it will maintain its majority and continue its course.

No matter how the situation turns out in the future, one thing is clear: Moldova needs a new political elite, one that has progressive views and zero tolerance of corruption. New charismatic leaders can already be found in some Moldovan political parties, but they have not yet formed a force that can consolidate support and present a popular modernisation agenda.

Conclusion

The current Moldovan government calls itself pro-European, but in reality, its leaders hardly embody European values. The political sphere, economy, judiciary, and media in Moldova are still monopolised by a small group of individuals who use political power to advance their own interests. This ambiguity is just one of the reasons why the idea of EU integration has been devalued and is less popular than before. Citizens expect fast and visible change, but instead they see the same people, still in control and still acting in their own interests and not in those of the country.

Restoration of confidence in the state now requires full transparency. The records of what happens to EU financial aid should be open and visible. Public reports on funds received and spent should be the norm. The privatisation of remaining state assets should also be carried out in the public eye.

At the same time, the fight against corruption in government institutions, power ministries, and agencies has to become uncompromising. Zero tolerance of corruption needs to be cultivated in the public as well. Efficient, deep reforms of the police, similar to those implemented in Georgia, need to take place in Moldova. The country needs strong, independent journalists who have one goal: to provide objective and complete information on current events. Only independent media can educate the population and fulfil their duty as the 'fourth power'.

It is very important that European leaders, who have done so much to promote links with Moldova, do not turn away just because the country has ticked the right boxes. The EU as well as the United States should put more pressure on the leaders of the Moldovan pro-Western coalition and use their leverage to persuade them to follow the spirit of EU agreements, and not just the letter. Coalition members must stop using their political position to promote their personal interests and instead focus on reforming the country and returning to the path of democratic development.

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978-1-907409-65-3



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JULY 2014