Quo Vadis, Moldova?

European Integration
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Institute for Development
and Social Initiatives 'Viitorul' (Moldova)

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'Quo vadis, Moldova?' is 10 analytical articles which will contribute to the objective estimation of the situation in Moldova. This edition is more orientated towards the expert level—the public servants dealing with Moldova, agencies of diplomatic and international organizations, non-governmental organizations, journalists, analysts, as well as the members of the academic community; however, we expect it will attract the attention of a larger audience as well.

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Contents

Introductory word
5

Moldova's road to independence and strive for territorial integrity
7

Conflict in Moldova's Eastern Region of Transnistria:
what is the way out?
19

Relations of Moldova with Russia, Ukraine and Romania
25

Moldova between East and West
35

The state and prospects of Moldova's economy
41

Moldova's neutrality: what is at stake?
47

What is happening there? Identity, democracy and public sphere
in the Republic of Moldova
52

New Initiatives are the Key to Success
59

The EU and Moldova: vague perspectives and clear shortcomings
63

Quo vadis, Moldova?
70

Introductory word

A state, as well as a person, has always to consider some options in its route. Half of the decisions made in the middle of this route do not result in serious outcomes; however, some of these decisions may have great significance for the future and become decisive. Apparently, the time for making such—essential—decisions has come to Moldova and its nation.

The current events in Moldova, the dynamism thereof and constantly increasing interest of various states and international players in Europe's East stimulate a better cognition of the situation in this region. Moldova's aspiration to integrate into the European Union, 'frozen' conflict in Transniester, mounting pressure from Moscow, changes in Ukraine and other factors determine a need for a deeper and wider analysis, which would help to guarantee a more objective evaluation of the situation in Moldova, as well as to make more effective decisions within the State and beyond its borders.

The articles presented in this book fully reflect all above-mentioned and other processes. On one hand, these articles analyze the main changes within the state after choosing the course towards the EU, examine the present situation, and later proceed to the dilemmas that Moldova was forced to consider for a rather long period of time in the context of trying to consolidate its territorial integrity and identity, solving the conflict in Transniester, finding its place in the region and international relations. On the other hand, the articles more intensively attempt to reveal the most effective ways for Moldova in reforming itself and making integration into the EU as smooth as possible by looking through a prism of different attitudes.

This publication is a wonderful opportunity for a wider and deeper cognition of the situation in Moldova. It should help various initiatives (especially on behalf of the European Union) to find their place easier and be implemented in this wonderful and interesting country that undergoes serious changes within its territory.

The publication 'Quo vadis, Moldova?' is an attempt to disclose the complexity and multiplicity of the situation in Moldova. It is an endeavor to know it better, decrease the level of uncertainty of what is the likely future of Moldova and attract more attention to the processes taking place within this state, which are or may be significant for other states as well. The need for information about Moldova is great, thus, we expect that this book will satisfy this need at least partially.

The publication 'Quo vadis, Moldova?' is more orientated towards the expert level—the public servants dealing with Moldova, agencies of diplomatic and international organizations, non-governmental organizations, journalists, analysts, as well as the members of the academic community; however, we expect that a wide range of the topics analyzed here will attract the attention of a larger audience as well.

The public institution European Integration Studies Centre, counting its ten years of existence (established by the Ministry of Foreign Affairs of the Republic of Lithuania and Vilnius University), with its miscellaneous activities (academic studies, publishing of books, organizing of discussions, seminars and conferences in the context of the European Union) was very

important for Lithuania in the process of its integration into the European Union. Today the main objective of the institution is to contribute to a closer EU integration and development. We hope that the Moldovan-Lithuanian Fund currently being established in Chisinau will not only reinforce the co-operation between Lithuania and Moldova on all levels, but also help to expand the Moldova and EU co-operation, strengthen the civic society of Moldova and assist Moldova in integrating into the European Union.

The European Integration Studies Centre expresses its gratitude to the Embassy of the Republic of Lithuania in Moldova, as well as to the personnel of the Honorary Consulate of the Republic of Lithuania in Lvov and to the non-governmental organization Institute for Development and Social Initiatives (IDIS) 'Viitorul' (Moldova), for the assistance in preparing and publishing this book.

European Integration Studies Centre

Moldova's road to independence and strive for territorial integrity

The policy of independence or ambiguities?

Born out of the dismembering of the Soviet state, Moldova decided to strive for independence that was very much unclear to its elites and population. Once united against Soviet rule and its proxies of the USSR hegemonic regime, local elites found themselves deeply divided as soon as the August 27, 1991 Declaration of Independence was adopted. Alarmed at the consequences of radicalism, the Moldovan population seemed ready to rally round a moderate political consensus in the mid-nineties. But political fragmentation and personal ambition combined to produce a series of weak governments which largely failed to tackle the problems of a rapidly-declining economy. Widespread frustration and disillusion led to growing support for the only cohesive political force and the eventual triumph in the 2001 elections of the Communist Party and President Voronin, the first freely-elected communist administration in any post-Soviet state.

The 'apple of dispute' in Moldova was mostly largely the will of the 'apparatchiks' to preserve some of the most odious traits of the former regime: collective farms, state control over economy and centralist rule, in contrast with the Baltic political elites, who saw their primarily task accomplished through their complete elimination. Two more constraints added drama in Moldova's particular case: the secessionist Transnistria and unification with Romania. Lack of an 'all-national consensus' sapped in the last decade most of the political energy and mobilization. Externalities were regularly seen as much stronger than domestic factors of cohesion in Moldova. There were some that have expected that unification with Romania would resolve the uncertainties. Others were happy with an unsettled provisional status, which after years of close patronage of Moscow, was preferable to any other situation. But the anti-communist revolution in Romania caused serious unease amongst the ex-nomenclature ruling elites in Chisinau. The most glaring example was perhaps the military secession of Transnistria [1], and attempts to escalate the ethnic hatred with the Gagauz ethnic community living in the south of the country. Both of these conflicts demanded a lot of energies, converted into material, financial and political losses. Having no intention to undermine the role of other factors, one shall state that the outbreak of 1992 armed conflict has mostly influenced the course of intra-elite politics, on three important lines.

First, it served as a catalyst to slow down reforms and, with acceptance of the 1992 ceasefire agreement, Chisinau admitted, in fact, some of its sovereign rights, and a kind of tacit

1. A territory of 4,163 sq. km (c. f. Luxembourg with 2,586 sq. km) and a population of 660,000 (about 17% of Moldova's total), wedged between Ukraine and Moldova proper, which is however not bound to the left bank. It occupies also the 3rd largest city on the right bank, Bender, its surroundings, excepting villages of the left-bank, which are not under control of Tiraspol.

recapture of a part of its sovereign territory by Russian proxies, fully armored and substantially financed by Moscow. Second, the break-up of the most industrialized part of Moldova made it even more dependent on agricultural production, imported energy, and a loose space for the official authorities to control customs and trade with the separatist region. Third, inability to resolve its territorial split, and the continuation of secession under the open shelter and protection of the Russian military and politicians, has encapsulated a kind of 'inferiority complex' that will further affect the political process, and the rule-of-law in Moldova. Fourth, Moldova's stand was not very high on the EU's list of priorities at a time when the EC was too much concerned with its own internal development, with supporting democratization and eventual accession of the stable states.

Territorial disruption and lack of substantive progress on negotiations could have been predicted however. With weapons and huge political assistance from Moscow, the separatist leaders became even stronger after the 1992 conflict. They have fully employed the presence of the so-called 'peace-keepers' of the Russian Federation to capture almost full control over the villages and cities inside and outside of the 'administrative area' of Transnistria [2]. Smuggling and illegal privatization deals have made the regime's top-leaders quite wealthy, allowing them to expand criminal networks of illegal trafficking far beyond the geographical boundaries of this enclave. The war of 1992 proved to be extremely traumatic for the inhabitants of the region, who felt betrayed and many of them left the region. From 1993 till 2005, the region lost almost 300,000 of its inhabitants.

The post-conflict evolution has also affected the political elites in Chisinau. Most of the national leaders, who were at the origins of full and unconditional departure from the USSR, lost their top-political and administrative positions after 1993, being replaced by conservative albeit populist leaders of the Agrarian Party. With a new Constitution adopted in July 1994, Chisinau authorities were successful to resolve the issue of the Gagauz ethnic group, but failed short to resolve the conflict with Tiraspol leaders, which were more influential, being heavily backed by Russian military to resist any reintegration projects of benefits deriving from Moldova [3].

Building good governance institutions

Despite major challenges to the new state, formal institutions of democracy were quickly established in Moldova after 1991, and have been seen constantly as 'more advanced models' if compared with CIS states. Meanwhile, statistics show that the Republic of Moldova suffered perhaps the most shocking decline among other post-soviet states: its GDP fell down by 60% between 1990–1994, and then, having a new negative regression of GDP during 1995–1999, reaching 34% of the year 1990. Although the economy experienced a constant economic

2. With over 100,000 persons (50,000 of whom were refugees who fled into Ukraine) over a six-month period, and a fundamentally changed life for those who remained on separatist-held territory.
3. According to the Moldova's MFA, more than 270,000 people in Transnistria hold Moldovan citizenship, at least 80,000 hold Russian citizenship, and 80,000 hold Ukrainian citizenship.

growth after 2000: with 2,1%, 6,1% and 7,2% between 2000 and 2005, one can see that these trends hardly reach the level of 1994, with almost 40% of the GDP registered in 1990 [4].

After a 10-year plunge in GDP since 1991, Moldovan economy began to recover since 2000. A cumulative growth of 20% has been recorded, which is vociferously noted by the Government of its top-political success so far. But, the growth is largely demand-driven with consumer spending fueled by a marked increase in real wages and sizeable inflow of workers remittances (est. 1 bln. euro per year), which are largely channeled into services, building and construction. The World Bank classifies Moldova in the group of low-income economies. Indeed, its GDP per capita, as measured in 2001 at purchasing power parity, was $2150, putting Moldova at the bottom of the list of countries in Central and Eastern Europe and the western former Soviet republics. Even Armenia, Azerbaijan and Georgia, three Caucasian countries that face war and ethnic conflict, have left Moldova behind. Moldova's GDP per capita was $543 in 2003 and $791 in 2004, so that Moldavians were even worse off when traveling abroad.

Modest achievements in macro-economic stability could not lead to desirable and needed social benefits to an impoverished population. Thus, as many as 600,000 persons (17%) of the total number of the active population emigrated abroad to find a job by 1997–1998 [5]. According to the World Development Report (2003), 38.4% of people in Moldova live on less than $2 a day, which is the lowest indicator among European countries. The lack of sustainable economic growth is being correlated both with low scopes achieved by instability of governments, populist decisions, contradictory and poor legislation and by deficit of policy implementation capacity. But, political dynamics of the last decade have been also featured by volatile coalition majorities and short-lived governments.

The instability of the legislative process has led to instability of institutions, which essentially affected the quality of the administrative and civil service in Moldova. It dealt with a chaotic circulation of civil servants across the state/public bodies, in the absence of transparent, reliable and modern procedures of public recruitment and accountability. Moldova is ranked as one of the less stable political systems, close to Italy, Japan and Thailand, with 8 governments changed in the last 12 years. The average duration of governments was 17.5 months in Moldova after 1991, but one should observe that, in addition to the frequent changes of the governments, Moldova has a top position in the early end-up of the executive's mandates. A study carried out by the WB and Stanford University confirms the existence of a systematic 'deficit of skilful governance' in Moldova [6].

Public opinion polls show that the majority of the population is unsatisfied by the governance quality and does not trust the state bodies [7]. For instance, only from 1992 to 2000, the

4. EGPRSP General Trends, May 2004
5. Data provided by the Migration Department of the Republic of Moldova, 2003
6. Kaufmann, D., A. Kraay and P. Zoido-Lobaton, 2002. Governance Matters II: Updated Indicators for 2001. The World Bank and Stanford University. The authors of the Study use 6 integrated indicators: political stability, accountability and transparency, effective policy, quality of regulatory framework, rule of law and control over corruption. The variation of indicators is reflected between—2, 5 and 2.5, where 1 is the standard deviation from 0, upper values illustrate higher quality.
7. See for instance, Barometer of Public Opinion, October—November, 2004, made by the IPP, www. ipp. md.

law on the Government was amended 25 times. By reflecting the complexity of the public sector organization, these amendments have pursued not a strategy, but rather political decisions more or less justified. The changes were focused on merging or separation of ministries, establishment and closure of some units subordinated to them (independent regulatory agencies, departments, decentralized services) and other structures under the subordination of the central government. Over the same period of time the Ministry of Economy has been reformed at least 5 times, the Ministry of Industry—6 times, the Ministry of Culture—7 times; the number of departments subordinated to the Government increased from 4 in 1999 to 12 in 2002.

In political terms, Moldova has created a multi-party system, with a unicameral Parliament elected by universal, direct suffrage, based on a proportional system. Since August 2000, Moldova became a parliamentary political regime, which provided a very interesting model of governance to other countries of CIS (Ukraine in 2005). At the same time, Moldova has a President vested by Parliamentary majority, resulting from the constitutional changes operated in July 2000.

Although the President is elected by the legislature, it still holds most of the competencies that belonged to a semi-presidential political system. The current President of state decided to stay as the leader of the largest political party, after he won his first mandate in April 2001, and retained his position in April 2005. In March 2005 the Communist party gained ¼ of the total number of votes, which became ⅖ because of the low participation and ½ seats because of the proportional distribution of mandates. Both in February 2001 and in May 2003 the electoral result of the communist party doubled, but stagnated in March 2005, where it had to conciliate with the opposition.

Power-shift or power-conservation changing westwards

The fears of CPRM about loosing control over election precincts lower election results (46,1% in 2005 vs. 50,1% in 2001) and revolutionary trends in Ukraine and Georgia determined the governing party to enter the cooperation. This cooperation was almost impossible to imagine several months prior to the elections, but it was advertised as a sign of 'strategic consensus' with the aim to consolidate the state, modernize society and integrate the country into the EU.

The first political declaration adopted by the legislative body even during the first session (March 24, 2005) [8] grounds the priorities of the domestic and foreign policy of the country. It states that the 'further development of Moldova cannot be ensured only through the consistent and irreversible promotion of the strategic course towards the European integration, peaceful and democratic resolution of the Transnistrian problem, effective functioning of democratic institutions and ensuring of national minorities rights'. The same day all the political parties in the parliament launched a declaration on political partnership for the European integration of Moldova.

8. 'The declaration of political partnership in order to attain the objectives of economic integration'.

The Communists (CPRM) turned pro-Western, the centrist 'Democratic Moldova' alliance was ostracized from the 'coalition of the willing', being suspected to flirt with Russian proxies. Nevertheless, the center-right PPCD voted to confirm the CPRM's leader as the president of Moldova, but did not support the reinvestment of the Cabinet. Nevertheless, the Communists gained effective leverages to assist their executive policies. Further, in order to preserve its electorate, the CPRM will have to adapt its rhetoric, its decision making process and the internal procedures to the European standards. The re-elected communist government was eager to stress its commitment to the task of Moldova's European integration, which marks a clear ideological shift from the initial pro-Russian orientation of the communists' foreign policy. Although analysts continue to dispute how genuine and credible this move is [9], putting emphasis on the task of European integration, as well as taking some concrete steps to reform government institutions and to democratize political life (both were initiated under very considerable pressure from the opposition), further strengthened the reputation and legitimacy of the communist government in the eyes of most of the key international actors in the region.

At first sight, Moldova followed a very different paradigm from Ukraine and Georgia in 2005, retaining in power of those which seemed unable to break their links with the former regime. Threatened by revolutionary 'waves' in its neighborhood, the ruling party was quick to request a 'cease-fire' from their earlier rival parties, while the price of peace was to strengthen the national-wide consensus on a set of objectives: pro-EU membership, as well as a resolute approach on how to resolve the separatist conflict in Transnistria. This post-electoral agreement between the governing party and part of the opposition generated waves of speculation. Especially, these speculations refer to the threats that opposition could disappear as a concept in Moldova and that negotiations between the governing party and the opposition will shift from the legal field to the 'dark side' of the 'behind-door' negotiations.

The political consensus established on April 4, 2005 echoed very well inside and outside Moldova, but is still fragile due to its apparent paradoxical nature. Although the ruling party pays lip service to both objectives, and although formal democratization and economic liberalization have been achieved, the consensus remains fragile and in need of external support/pressure. Well-designed trade-offs between conflicting policy objectives are obstructed by the personalistic style of leadership centered on the president, the overall lack of state resources for the implementation of substantial policies and the opportunistic concept of politics. Large parts of state policy have been fragmented into fiefdoms. Government policy, driven by a status quo objective of staying in power, tends to prioritize basic subsistence for the populace unless 'forced' by international pressure to reconsider.

With a decade lost in the management of transition, for the current government the structural constraints on governance are massive. Moldova's management faces a number of massive structural constraints with origins or root causes that reach far beyond the responsibility of the current (communist) government and cannot be remedied easily in the short or

9. L. March, 'Socialism with Unclear Characteristics: The Moldovan Communists in Government', *Demokratizatsiya* 12, no. 1 (2004): 507–524.

medium term. Three key constraints are directly or indirectly linked to the end of the Soviet Union. Firstly, the loss of the traditional Soviet markets for Moldovan exports and difficulties in reorienting the economy to other precuts and markets. Secondly, the intractable Dniester conflict that has turned from a regional and ethnic conflict to a consolidated failed state and a source of organized crime. Thirdly, the resurgence of the suppressed issue of the separate nation and statehood of Moldova vis-à-vis Romania. The predominance of issues of nation and state building in the crucial first phase of post-communist transition resulted at the very least in much valuable time lost and a delay in democratic and economic transformation. Each of these 'perennial issues' absorbs enormous political energy, undermines the legitimacy and strength of the state authorities and can easily be used as an excuse not to tackle key reform issues. As part of the above chain-reaction, the best-educated younger generations have left the country in numbers unknown in any of the other post-communist states, thus depriving the state of crucial human capital for governance and reform.

Poverty and Social Constraints

In economic terms, Moldova can be described by a combination of state interventionism and wild capitalism typical for a weak post-communist state. Moldova entered the transition poorer than most countries from Central and Eastern Europe and those from the West of the CIS, which is explained mainly through delay in applying reforms as well as structural weaknesses and great macroeconomic shocks [10]. The percentage of state-defined prices is still relatively high, but so are the share of the gray economy (estimated at 30–70% of GDP) and the volume of untaxed migrant remittances (almost 1 bln. euro per year, according to some estimates). Thus, the state functions of economic regulation and redistribution are strictly limited to some 'visible' sectors, while dispatching some other basic subsistence guarantees for the population. The symbiosis of the state and vested economic interests seriously reduces the capabilities and political will to counter monopolies and oligopolies.

Only the absence of valuable natural resources and the size of the country have prevented the emergence of major oligarchs. Moldova became a WTO member in 2001 and the economy is export-oriented (about 50% of GDP). Most prices were liberalized and the state trade monopoly abolished early on. Moldova is selectively integrated in the world market due to state regulation, illegal trade flows and (administrative) non-tariff barriers. Despite substantial economic growth rates of recent years, social disparities and poverty are on the rise in Moldova, the poorest country in Europe. Rather than to alleviate the pressure from the labor market, the massive waves of labor abroad has distraught socio-economic infrastructure, further reduced competitive production and consolidated patterns of consumption based on migrant remittances.

Some changes in the legal framework have been implemented with some positive effects, but the overall trend is dominated by the negative trend in the informal institutions of the economy: rampant corruption, administrative and other obstructions to the functioning of

10. IMF, 2006; annual reports of NBM, CISR, National Human Development Report, 2006.

a market economy as well as the general weakness of the state in providing a reliable framework. The economy is highly dependent both on energy resources and markets to the East and from investment, migrant remittances and assistance from the West. Whereas semi-legal and illegal or criminal economic activities have increased dramatically, poverty has become even more widespread and (foreign) investment is declining substantially. The economy is highly dependent both on energy resources and markets to the East and on investment, migrant remittances and assistance from the West. Rather than to alleviate the pressure from the labor market, the massive outflow of labor (due to (il) legal migration and human trafficking) has distraught socio-economic infrastructure, further reduced competitive production and consolidated patterns of consumption based on migrant remittances.

Many privileges that earlier were seen as almost natural have disappeared after 1991, while public services had suffered degradation. Most people in Moldova associate the term 'poverty' with low incomes. 78% of respondents indicate low income as the main form of poverty, but this is only part of the truth. Social safety has been one of the main victims of Moldova's flawed transition process, with over 80% of the population living today below the poverty line and in total dependency on migrant remittances for subsistence. Expenditures on health and education account for 8–9% of GDP, but real GDP has not yet reached half the level of 1991.

The existing system of social safety has been largely in decline. During 2004 the population of Moldova decreased by 220 thousand. The ageing coefficient (the number of people over 60 at 100 inhabitants) in 2003 was 13,9, compared to 12,6 in 1989. The birth rate in 2004 has slightly increased, while the mortality has slightly decreased. Preventing the rise of overwhelming poverty by more pro-poor growth and more efficient distribution policy is obviously the main failure of Moldovan transition. Concurrently, the business climate is not appropriate for job-creative investment or conducive to poverty reduction and the main factor behind positive trends remains the work-remittances feeding the basic consumption needs. Because of such institutional weaknesses as irresponsibility, corruption and lack of transparency in the government, public alienation in Moldova turned to be constantly detrimental for both effectiveness and outcomes of the economic policies.

Moldova needs economic stability and growth, as well as it needs structural adjustments ensuring competitiveness of its products on foreign markets, facilitate the exploration of new markets and stimulate exports of high value added goods and those derived from technologically advanced branches. The structure and the dynamics of Moldovan exports denote that our country is just learning to make the first timid steps towards the integration in global markets, and for the moment, Moldovan economy does not represent a preferred geographic destination to foreign investors. The managerial performances that have improved during the last years have to be strengthened further and spread wider, including the agricultural sector, transportation services, rehabilitation and construction of new infrastructure assets, etc. It is still possible that many Western companies will relocate their activities form the EU member-countries and move them further to the East, but in order to remain yet attractive to these investments, Moldova need to have a simple, transparent and foreseeable business framework, free of corruption, with a modern education system that is sensitive to the market demands, in particular with professional and vocational components.

And equally important is that we are aware that competitive capacities of Moldova can grow only in close relation with the performance improvement of the business management, business environment, and policy—emphasized on strategic sectors the economy of Moldova. At the same time, we are very much aware that political reforms shall go even faster than economic ones in Moldova, first and foremost because prosperity for all citizens is hardly imaginable without enhanced administrative capacity at the local and national level of governance. This implies a rapid, committed and fast-evolving package of domestic reforms, concentrated mainly on: ensuring judiciary independence, central government reform, as well as an effective and convincing decentralization strategy as a pillar of our long-term vision to make the governance more transparent, more accountable and European. All these reforms fit into the political agenda my country has identified for its own path of the state modernization, coupled with the fulfillment of our obligations towards the Council of Europe, and implementation of the EU—RM Action Plan, in concordance with our ideas and commitments. More efforts shall be put into fiscal decentralization efforts, which shall liberate the necessary vital energies and reinforce democracy at the grass-roots level of government.

Conflict regulation: Transnistrian deadlock

It is widely accepted that territorial conflict in Moldova does not meet apparently any criteria that would make it 'ethnic' [11], and even some of its fervent sympathizers shall admit that it is more a case of 'politicized regionalism' [12]. It was perhaps its latent or perhaps 'slippery' character that made some reputed experts to say that 'this conflict could be the easiest to find its resolution in the whole ex-Soviet space'. It is equally not about a self-determination case. People are very much the same in Transnistria, as they are in the rest of Moldova.

Statistics illustrate that there are more Russians in the capital, Chisinau, than in the whole region of Transnistria. The same is true with Ukrainians, who live in their greatest majority on the right bank of the Dniester. Even the term of Transnistria is largely misleading, as it is really a cis-Transnistrian conflict, with one city, Bender, on the right bank (80,000 inhabitants), under de facto, Tiraspol control, and 8 villages, with almost equal population on the left bank, under de facto, Moldovan authorities control. Nevertheless, this conflict is a powerful interface of all attributes of combat operation: over 17,000 troops with the separatist regime in Tiraspol, 60 tanks, aircraft, 15 helicopters, multiple rocket launchers, and an impressive arsenal of other old-fashioned and modern conventional weapons. In their behind, a demilitarized zone, which is under a joint-control commission's responsibility, but in fact, it became the fief of a large cooperation between the Russian military and peacekeepers and Transnistrian rebel guards.

The obvious argument in this sense is that the Transnistrian conflict is not an internal dispute, and it is largely not only about Moldova, and subsequently, it cannot be described as a

11. Report no. 13, OSCE Mission in Moldova (Nov 13, 1993)
12. Pal Kolsto&Andrei Malgin, Nationalities Papers, Vol. 26, No. 1, 1998, The Transnistrian Republic: A case of politicized regionalism. Pp. 103–127

genuine 'inter-elite conflict'. It is about the security and order which will be installed at the future extended eastern border of the EU, say security analysts [13]. Will it be an order associated with the values and rules of Western Europe, or of Russia, with a legitimized peacekeeping role, a tolerated military presence, germinating a kind of Kaliningrad II [14]. This situation poses a great risk potential for the regional security architecture as it will influence the political/security order at the border of an extended EU. Moreover, settlement negotiations have made little progress over the past several years.

After Moldovan President hesitated to endorse, in November 2003, a plan that would have created a 'confederated state between Moldova and Transnistria', strongly supported by Moscow, talks became deadlocked. The competing interests of Russia, Ukraine, and Western institutions such as the EU and the OSCE further impede progress in finding a solution. Moldova argues that a confederated agreement will further anguish the existing dilemmas and not resolve them, while making the EU orientation practically impossible. But why a federated with Transnistria state would undermine the EU aspiration in Moldova? Independent analysts say that federalization would imply a transaction of democratic space of a recognized sovereign state into something that is very much built as a prototype of the Russian-political vision of a 'sieged' fortress. First of all, a 'transnistrization' of the institutions would mean a full-stop to the priorities given to the implementation of the EU plans and policy directives, full-board maintenance of the Russian military base at the outskirts of the EU and NATO far-east borders, while preserving Russian security services in top-positions in the Tiraspol administration, and potentially, in Chisinau, in case of a power-sharing arrangement, and an aggressive isolation of the democratic forces which are today on the first wave of Europeanization strategy of Moldova. Secondly, how can the authorities of Transnistria be convinced of the need to change the current security arrangements? An impossible mission, many would say, because this regime was designed to secede, not to integrate with Moldova.

Over the last decade, the regime became an appendix of the Russian security services, and now it is like two Siamese brothers with the security services in Moscow. It does not have any sort of feedback relations with the local population; therefore, it is not a matter of power-sharing. For Chisinau, the conflict resolution is not limited to the physical preservation or integration of a lost territory east of the Dniester. The issue at stake is of democratic integrity of the political system in Moldova. Residents of this region cannot elect their leaders democratically, and they are unable to participate freely in Moldovan elections. Mock elections patronized by the special services of Russia are regularly held, but

13. Separatism in Moldova: Political and Legal Aspects of a 'Frozen Conflict', September 29, 2006, Washington, DC.

14. This is why many in Moldova beleive that Russia does not deserve to remain a mediator in the conflict regulation process, simply because it proved to play against the interests of the Moldovan state. Equally, it cannot be a part of the democratization process in Transnistria, as it is not a legitimate actor, and if one will read the 1992 Cease-Fire Agreement (July 27) it is still a 'part of the conflict', and this quality is widely mentioned by major documents, adopted by the European Court of Human Rights (ECHR Decision in 2004, as well as by the Independent Report of the New York Lawyers Bar Association in 2006).

have been ever recognized as authoritative voices of the population. While the Transnistria maintains a complex and large, sophisticate quasi-state machine (with its own legislative, executive, and judicial branches of government), no country will confirm its legal support, excepting the mutual recognition of the separatist republics (Transnistria, Abkhazia and South Ossetia). The various presidential and parliamentary elections that have been held since 1992 have generally been considered neither free nor fair by the international community, although they have not been monitored. Candidates with genuine prospects of challenging Smirnov in 1996 and 2001 were banned from participation. Yet too weak to gain outright international recognition, it failed to be officially recognized by any independent state.

Smuggling and versatile corruption are the most serious arguments behind the existence of a separate Transnistria. The Moldovan government claims that weapons trafficking is a common practice, although it found difficult to prove it, as it cannot fully protect its borders with Ukraine, and equally, it cannot 'seal' the military airport in Tiraspol through which yet the separatist regime is still shipping out its military production. Nevertheless, criminal elements with links to the regime are suspected of functioning with impunity. The media environment is restrictive, but the few independent outlets do not experience open harassment. A single company dominates private broadcasting (with one channel), cable television, and internet access.

Although about 5,000 students in Transnistria study Moldovan using the Latin script, this practice is banned there. In 2004, authorities sent militias to close down eight schools that did not obtain a licensing permit and adopt the official curriculum. Parents and teachers who resisted the action were forcibly removed, and some were threatened by authorities. It is generally believed that the issue is not about language per se, but about the politics of teaching in the official language of Moldova (Moldovan, or Romanian), rather than in Russian. Regular harassment of those who have decided to teach their pupils in a Romanian school was severely criticized by the Council of Europe, EU and US representatives, although this did not led to a satisfactory resolution of this situation.

The Ministry of State Security runs regular Soviet-style 'cleansing' of the region, chasing out of the region those who are suspected of 'subversive activities', and engages in brutality and heavy-handed threats to the residents. A genuine democracy is still the missing link to further progress in the conflict settlement. Freedom of association is similarly circumscribed. All nongovernmental activities must be coordinated with local authorities, and those that are not, face harassment, including visits from security officials. Trade unions are holdovers from the Soviet era, and the United Council of Labor Collectives works closely with the government. The judiciary is subservient to the executive and implements the will of the authorities. Defendants do not receive fair trials, and legislation falls short of international standards. Politically motivated arrests and long-term detentions are common. Human rights groups receive accounts of torture in custody. Politically motivated killings and police harassment have been reported, and political prisoners are frequently denied access to lawyers.

Moldovan civil society actors have long been advocating for the need to promote democ-

ratization in Transnistria [15]. Only in 2004, civil society has stepped down with a new concept, largely known as the '3D' strategy. Some important parts of this strategy have been assimilated into the international and domestic projects, which have largely changed the landscape of this conflict. The Parliament of Moldova adopted an organic law on the special status of the Transnistrian regions, and we are witnessing today several signs that the strategy is on the march.

First and foremost, the change concerned Moldova's authorities, who adopted in July 2005 a package of laws on the special status of the region, as well as the laws on the mechanisms for the conflict regulation, in particular democratization and demilitarization. Ukraine has advocated since April 22, 2006 for a Plan of Settlement, which combines some of the important provisions of the 'demilitarization and democratization' concept (the so-called '7 step approach'). Since the fall of 2005, a Special Envoy of the EU has established its office in Moldova, while since March 2006, the EUBAM (EU Border Assistance Mission) was launched to oversee the implementation of the Moldo-Ukrainian Agreement on border control.

In September 2005, the United States and the European Union (EU) were invited to join the negotiations as observers. The lingering presence in Transnistria of more than 1,000 Russian soldiers and a supply of Russian weapons has further complicated matters. In 1999, Russia agreed to an OSCE initiative calling for the removal of all Russian weapons and troops by December 2002. However, as the withdrawal deadline approached, Russia announced that it would not meet its obligation and attempted to refashion the force as 'guarantors' of any eventual diplomatic settlement. Moldovan president Vladimir Voronin and the Moldovan parliament have both called for the troops to be withdrawn, but Russia has not met its promises, and further escalated its trade pressures on Moldova.

Considering the lessons of the past decade, one shall clearly see a sound reason to abandon the old-fashioned documents and formats of negotiations, looking for new and democratic instruments. A precondition for whatever sort of conflict regulation strategy is the fundamental change of the regime in Tiraspol, not only the change in positions, a change of structures, and not of some of local culprits. What was proposed in the last decade of sterile mediation were largely palliatives to the same hybrid outcome of the Russian secret services, military gunmen, homo sovieticus mental projections, and weakness of the Moldovan statehood. Moldova itself shares part of the blame; it has not allocated the necessary funds, nor enough efforts, but the process is pending also because of a very limited involvement of the international donors, which were quicker in other situations. There are core institutions on the ground there, in Transnistria, which until recently made it impossible to initiate any way out of the conflict, unless the most repressive and hideous soviet institutions will be replaced or dismantled (local KGB, the illegal business, and parts of the constellation of satellites of the Russian imperial projections towards the Eastern and Central Europe).

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15. See 'Appeal of Civil Society Representatives of Moldova', *Jurnal de Chişinău*, No. 236, November 21, 2003; 'Declaration of Representatives of Civil Society in the Republic of Moldova' in response to the letter published on 5 August by the US ambassador in *The Wall Street Journal*, *Jurnal de Chişinău*, No. 192, August 15, 2003.

New borders of hope?

Moldova needs to become westernized and fully integrated into the Euro-Atlantic structures, as much as the European Union needs to secure its immediate neighborhood. We live today in a totally different world from the last decade in which the USSR collapsed. Geography has essentially changed, and global actors have equally amended their strategic interests to be found in the South-East European region, to which Moldova fully belongs.

In 2004, NATO became Moldova's neighbor when Romania joined the organization, and already on January 1, 2007, Romania will become a full-member of the EU. Both these organizations have consistently stated in the last year that Moldova is not exclusively Russia's business anymore. On the other hand, Moldova is clearly on the path towards Europeanization and Modernization. It is the only ex-Soviet state that joined the Stability Pact, and the South-East Cooperative Process, as a fully recognized south-eastern member-state. Moldova is implementing the first-approved Action Plan of cooperation with the EU, and expects that on the basis of confirmed achievements, the country will be considered in 2008 as an 'aspiring candidate to the EU', similar to the Western-Balkan countries, that have already received this status.

In Moldova many have realized already, that the new status will be not a peace of cake. No one shall expect that the progress will be positively assessed by the EU without effective commitment in Chisinau, and there is no real commitment without valuable ideas, having an explosive impact on people. As a small, land-locked, penetrable and multi-cultural society, Moldova has a great potential for quick economic recovery as well as for genuine democratic behavior and institutions. But in order to facilitate the process, state modernization should happen first, with new people taking responsibility for the process.

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Conflict in Moldova's Eastern Region of Transnistria: what is the way out?

An overview of the breakaway region

Currently known as the Transnistrian Moldavian Republic (TMR), or Transnistria or Transdniestr (a transliteration from Russian), this breakaway entity from Moldova consists of a narrow strip of land (180 km by 32 km) nestled between the east bank of the Nistru (Dnestr or Dniestr in Russian) River and the border of Moldova with Ukraine on a small portion of what used to be, between 1924 and 1940, part of the Moldavian Autonomous Soviet Socialist Republic in Ukraine within the USSR. Transnistria is an internationally unrecognized entity proclaimed 'independent' in Tiraspol, its major city, on 2 September 1990. The separatist authorities in Tiraspol exert their rule over five Soviet-style districts—Camenca, Dubăsari, Grigoriopol, Rîbnița, and Slobozia—comprising a total population of 555,500 (2004 est.). Except for eight villages bordering the east bank of the river (Molovata Nouă, Cocieri, Coșnitsa, Doroțcaia, Pîrîta, Pohrebea, Vasilevca, and Corjova), the area controlled by the Transnistrian authorities includes all of Moldova's land on the east bank of the Nistru. On the river's west bank, the self-proclaimed TMR controls the city of Tighina (known also as Bender) along with a few other suburban villages [1].

In the case of the breakaway political entity, the following conditions [2] are not met. The control by elected officials over local government decisions is weak or non existent; therefore, in the Tiraspol-controlled territories the checks and balances principle is not present. International organizations and Western democracies do not consider local elections by the Tiraspol leadership to be free and fair. Elected officials are not chosen and peacefully removed in frequent and fairly conducted elections; on the contrary, coercion is common and the self-styled president of the breakaway region, Igor Smirnov, has held office since 1991. Furthermore, the right to run for office is withheld from those who do not support the secessionist policy of Tiraspol. Freedom of expression is suppressed. The Tiraspol authorities conduct an aggressive policy of linguistic cleansing [3], mainly against the Moldovan ethnic population, but also against Ukrainian ethnics. Alternative information and alternative sources of information to those broadcasted from Russia and Tiraspol do not exist or are prohibited or jammed. Local civil society groups are oppressed and/or controlled by Tiraspol intelligence services [4]. Thus,

1. Dr. Andrei Brezianu & Vlad Spânu. The Historical Dictionary of Moldova. Scarecrow Press, Maryland, USA & London. 2007.
2. Robert Dahl. Democracy and its Critics. New Haven: Yale University Press. l989.
3. Linguistic cleansing underway in Transdniestria. OSCE Press release. 15 July 2004.
4. In 2005–2006, Russia and the Tiraspol regime have pushed hard to create a 'democratic' fa3ade of civil society in the eastern districts of Moldova, favoring the secessionism movement from Moldova and unification with Russia. 'Russian organizations in Transnistria campaign for a second Kaliningrad. Vladimir Socor', The Eurasia Daily Monitor. 11 August 2006.

Tiraspol runs a Soviet-style authoritarian, leftist, antireform, and repressive regime.

The east bank of the Nistru is populated by the same ethnic groups as the rest of Moldova, although the proportions are different: in the Tiraspol-controlled territories local Russians and Ukrainians, when taken together, if to believe the TMR census data, outnumber ethnic Moldovans [5]. Such a situation developed as a result of Russification and the influx of migrants from other parts of the USSR, who came to work in the Moldovan eastern region's military plants and other heavy industries after World War II. Although being in majority, Romanian-speaking Moldovans have only 88 schools where the language of education is Romanian in the inappropriate imposed Cyrillic alphabet. Only eight schools use the Latin alphabet, and these only do so thanks to the intervention of international organizations and foreign governments. Therefore, the conflict is by no means between people from the both banks of Nistru. On the contrary, people cross the river with no restrictions, do business, thousands of students from the east bank study at the west bank universities.

The key factor in the stalemate is the direct Russian political, financial, and military support [6] that forces the Transnistrian region to play multiple roles in the area. The Tiraspol enclave is considered by Russia to be a strategic stronghold in proximity to NATO and the volatile Balkan region, where Moscow keeps its only permanent deployment of armed forces outside Russia's borders in Europe. It is an entrepфt of arms trafficking (and other criminal activities) between this internationally unrecognized entity and other conflict regions, including the Balkans, the Middle East, and the Caucasus. Russia's support plays another parallel but related role—it makes the region a source of permanent instability and therefore gives Russia a pretext to interfere through 'mediation' in Moldovan affairs, which is seen by the Kremlin as Russia's backyard. The Tiraspol regime, for the same reasons, also plays the role of a factor of inconvenience and leverage over Ukraine—i. e. an unstable and dangerous 'new Kaliningrad'. Another important element that preserved the *status quo* of the Tiraspol regime over years is the Ukrainian factor—the illicit trade that occurs over the Ukrainian border with the Tiraspol-controlled territories allows the separatist state to survive and has been profitable to some business groups in Ukraine. Many experts put the official Chisinau, at least governments in the 1990s, in the same spot—for allowing contraband to transit Moldova to and from Transnistria in exchange for bribes.

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5. According to data from the census organized by Tiraspol authorities in 2004, ethnic Ukrainians make up 28.8 percent of Transnistria's population (a slight increase from 28 percent in 1989), Russians 38.3 percent (up from 24 percent in 1989), and Moldovans 31.9 percent (down from 40 percent in 1989); thus, if one believes the results of census, the increase of ethnic Russians was made at the expense of Moldovans who were forced to flee the region due to discrimination policies.
6. In 2004, in the legal case 'Ilascu and others versus Russia and Moldova,' a case examined by the European Court of Human Rights in Strasbourg, the judges concluded that the Russian 14th Army and other elements of the Russian government had contributed to the creation and continued existence of the Transnistrian Moldavian Republic. Similar conclusions were made by lawyers of the New York City Bar Association in their study of the Transnistrian conflict, which demonstrates that Russia's activities in Moldova violate international law: Thawing a Frozen Conflict: Legal Aspects of the Separatist Crisis in Moldova. The Association of the Bar of the City of New York. May 2006.

The history of the conflict and current developments

A series of small-scale clashes occurred in late 1991 and early 1992, culminating with a short but violent armed conflict in which Russia's 14th Army sided with the local government proclaimed in Tiraspol. The July 1992 bilateral cease-fire agreement between the Russian Federation and the Republic of Moldova [7], under the auspices of Moldovan President Mircea Snegur and Russian President Boris Yeltsin, established a tripartite peacekeeping force comprised of Russian, Moldovan, and Transnistrian units [8]. This force is stationed within the security zone, a buffer zone along the Nistru River, which separates the areas governed by the Republic of Moldova from the Transnistrian regime-controlled region, except for isolated pockets of territory. By fall of 1994, Russia had a 650-strong contingent within the three-party peacekeeping force [9]. In addition to this, on 3 August 1992, a group of 30 military observers was created (10 from each party involved in the conflict—Russia, Moldova and the breakaway Transnistrian region). In November 1998, 10 Ukrainian observers joined the group [10]. Russian-enforced peacekeeping differs considerably from classical UN (international) peacekeeping. Not only does it lack the mandate of an international organization, but also none of the three peacekeeping parties are impartial, since all were participants in the conflict. Indeed, the arrangement in Moldova reflects Russia's interest of controlling the countries of the former Soviet Union under false claims of a 'special role and responsibility' to maintain 'stability' on that territory [11].

The current Russia-dominated peacekeeping format in the Republic of Moldova is an inefficient structure. In conjunction with the troops of the former 14th Russian Army, it acts as a shield for the leadership of the self-styled Transnistrian Moldavian Republic to consolidate its authoritarian regime, preserving its *status quo*. Furthermore, the huge amount of ammunition stockpiled in the Transnistrian region of Moldova is a real threat to the stability and security of the entire region. The withdrawal of Russian forces from the Tiraspol-ruled districts of Moldova is an international obligation of Russia under the 1999 OSCE and CFE Summits. In addition, Russia's military presence in the region in the absence of a peacekeeping mandate constitutes a violation of internationally recognized peacekeeping principles and of Moldova's Constitution.

In 1997, the unrecognized republic of Transnistria applied for membership in the

7. The agreement on 'Principles of a Peaceful Settlement of the Armed Conflict in the Transnistria Region of Moldova' signed on 21 July 1992.
8. Initially, Russia and Moldova decided to form peacekeeping forces from units from Belarus, Ukraine, Russia and Moldova. However, this did not materialize due to Belarus' and Ukraine's refusal to participate. The new Russian proposal called for the introduction of combined 'interested' peacekeeping forces (5 Russian, 3 Moldovan and 2 Transnistrian battalions).
9. Michael Yermolaev. Russia's International Peacekeeping and Conflict Management in the Post-Soviet Environment. Center for International Security and Conflict Management Studies (CISCMS), Moscow, Russia. Published in Monograph No 44: Boundaries of Peace Support Operations, February 2000.
10. Mihai Gribincea. The Russian Policy on Military Bases: Georgia and Moldova. 2001. Pp. 198–217.
11. MAJ Raymond C. Finch, III. The Strange Case of Russian Peacekeeping Operations in the Near Abroad 1992–1994., U.S. Army, Foreign Military Studies Office, Fort Leavenworth, KS. July 1996.

Parliamentary Assembly of the Commonwealth of Independent States (CIS) and, later on, for full-scale integration into the CIS political and military structures. A nonbinding referendum on TMR's joining the Russia-Belarus union was held between April and June 1998, with over 66 percent of the ballots supporting the union. However, like the province of Kaliningrad on the Baltic Sea (isolated from Russia by Lithuania and Poland), the east-bank separatist region has no common borders with either Belarus or the Russian Federation. On 17 September 2006, the Tiraspol regime organized another referendum that approved the region's secession from Moldova and set the goal of joining Russia in a Soviet-style 97% vote. The referendum was considered to be non-democratic and illegitimate and was not recognized by any state or international organization.

In attempt to settle the Transnistrian conflict, a Memorandum on the 'Normalization of Relations between the Republic of Moldova and the Transnistrian Moldavian Republic' authored by Russian Foreign Minister Yevgeny Primakov was signed in Moscow on 8 May 1997. The Primakov Memorandum introduced the concept of a 'common state' as a basic ingredient in the search for a solution to the conflict. Negotiations based on the 1997 Memorandum proved unproductive due to attempts of the parties to differently interpret and divergently define the legal meaning of the term 'common state', which led to a stalemate and to the withdrawal of the Republic of Moldova from the negotiations (2001). Moldova returned to the negotiation process, encouraged by further attempts to settle the conflict under the terms of a federalization format, outlined in the so-called 'Kiev Document' (2002) which stipulated that a federal structure would be the main basis for settling the Transnistrian conflict. International guarantees, with Russia and Ukraine as the main players, were to ensure the streamlining of the process.

A 'Memorandum on the Basic Principles of the State Structures of the Unified State,' known as the 'Kozak Memorandum', came up on 16 November 2003 with enhanced arguments for the creation of a federated Moldova. It also stipulated Moldova's acceptance of the continued presence of a Russian military base on its territory for a period of 20 years. Powerful adverse reactions from the international community and growing unrest of Moldova's civil society and opposition forces led to the cancellation of Moldovan President Vladimir Voronin's intention to sign the memorandum.

In 2004, Moldovan civil society offered an alternative plan to the federalization of Moldova—the 3-D strategy: Demilitarization, Decriminalization, and Democratization [12], a document that has reached a national consensus in Moldova and was promoted by the Moldova Foundation at conferences in the United States (Washington, D. C., November 2004) and the European Union (Brussels, February 2005). The 3-D strategy proposed to strengthen the existing five-party conflict settlement format of '3 plus 2' (Russia, Ukraine, and OSCE plus Moldova and TMR) by transforming it into a new one: '3 plus 1 plus 3' (Russia, Ukraine, Romania, plus Moldova, plus OSCE, the United States and the European Union), which thus excluded Tiraspol and involved the West. The strategy also offered to set up a collective settlement international agreement, a supervisory authority, and an international civil provisional administration,

12. The 3D Strategy & Action Plan for the Settlement of the Transnistrian conflict. http://foundation.moldova.org/pagini/eng/125

devised to implement the action plan and post-conflict rehabilitation strategies. There was no special status envisioned for the Nistru east-bank districts of the Republic of Moldova as a whole, with the exception of the urban agglomeration of Tiraspol. The principles laid down in the 3-D strategy were used by Moldova's parliament in three resolutions and related to the Transnistrian conflict adopted on 10 June 2005 [13]. The law on the basic provisions of the special legal status of the localities on the east bank of the Nistru River (passed on 22 July 2005) was in line with the principles outlined in the 3-D strategy as well.

Promising new developments took place in 2005 through the involvement of Western players in addressing security concerns related to the existence of the Tiraspol regime. In October, the United States and the European Union (EU) became observers in the heretofore inefficient negotiations, whose parties comprise Russia, Ukraine, OSCE, Moldova, and the Transnistrian authorities, thus forming a new 'five plus two' format. In December 2005, the EU Border Assistance Mission for the Ukraine-Moldova border was launched, aiming at suppressing the traffic in arms, drugs, and human beings, as well as regular commercial contraband, for which the unrecognized political entity is considered to be both a source and a transit route.

Unfreezing the conflict

To unfreeze the Transnistrian conflict, thus eliminating the danger of the secessionist territory of Moldova becoming a Kaliningrad-2 type region controlled by Russia and sitting on the western backyard of Ukraine, there is a need for removing the blocking elements and for creating an appropriate environment for change there.

For experts, who closely follow the developments of the Transnistrian conflict settlement process, it is obvious that the Tiraspol regime is neither interested nor willing to change the current *status quo*, thus, blocking an eventual resolution of the conflict. Besides the geostrategic interest of the regime's masters in the Kremlin and elsewhere in Russia, the old and emerging political elite in Tiraspol is driven by self-business interest, since Transnistria became a money-making machine for them, after all.

Another blocking element is the current peacekeeping format. The transformation of the current Russia-dominated peacekeeping format into a multinational format will play a significant role in resolving the conflict in such a way that the Nistru east-bank region of Moldova becomes unified with the rest of the country's territory and will bring stability and development in the region.

Along with the internationalization of the peacekeeping format in the Transnistrian districts of Moldova, the creation of a new democratic environment of Moldova's eastern region should also positively contribute to the conflict resolution. The democratization of the society

13. Declaration on Ukraine's initiative regarding the settlement of the Transnistrian conflict (new approach to settle the conflict through democratization); Appeal on criteria of democratization of the Transnistrian region (to conduct free and democratic elections meeting international standards, political pluralism and freedom of expression); Appeal on principles and conditions for demilitarization of the Transnistrian region (withdrawal of the Russian troops, disarmament, and demobilization of Transnistrian military units).

in the east bank of Nistru would weaken the power of the totalitarian Tiraspol regime and ultimately dismantle it through democratic means, as had occurred all over the Communist-dominated Europe in late 1980s and earlier 1990s. In addition, the democratization will contribute more effectively than any other means to eradicating trafficking and the roots of economic crime, which endanger the security of the Black Sea region, including countries immediately neighboring Moldova—Ukraine and Romania.

The outcome of the democratization of the region will be to ensure a free flow of information and freedom of speech, as well as the implementation of international human rights standards and the promotion of the rule of law. Free and fair local elections in the Tiraspol-controlled territory are possible only when these conditions exist, as well as when Russian troops and munitions, which act, as stated above, as a psychological and military shield for the Transnistrian regime, are withdrawn, in accordance with Russia's previous international commitments [14] and with the multiple requests of the Moldovan and Western governments and international organizations.

Assuming Russia plays a positive role and cooperates with the European Union and the United States in solving the Transnistrian conflict, Moldova could become a positive example for solving the frozen conflicts in the post-Soviet region. A unified, stable, predictable, and democratic Moldova could benefit all parties involved, including Russia, Ukraine, and the West. But most importantly, it will benefit people of Moldova leaving on the both banks of the Nistru River.

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14. 1999 OSCE Summit in Istanbul

Relations of Moldova with Russia, Ukraine and Romania

Relations with Russia, Ukraine and Romania are of particular importance for the Republic of Moldova. All these countries are among primary foreign economic partners of the Republic of Moldova, they share a common historic past, and two of them—Romania and Ukraine—are Moldova's only neighbors. Relations with Russia, Ukraine and Romania have a strong influence upon the situation in the Republic of Moldova, as well as upon its foreign policy.

Relations with Russia

As of today, Moldova has signed 161 bilateral agreements with Russia [1]—not taking into account those ones that were signed in the framework of CIS (both countries are members of this organization). Despite the fact that diplomatic relations between the two countries were established immediately following the breakdown of Soviet Union, it was not until November 19, 2001 that the Treaty of Friendship and Cooperation was signed between the Republic of Moldova and the Russian Federation in Moscow. It was ratified by the Act of Parliament of the Republic of Moldova #760-XV dated 27.12.2001, and came into effect on 13.05.2002 [2]. This political document forms a basis for all relations between the two countries.

Through the period of Moldova's independence (from 1991 to present day), Russia has been the main foreign economic partner of the Republic of Moldova. In 2005, the export of Moldovan goods to Russia amounted to $347.5 million, or 98.4% compared to 2004. In 2005, as well as in the previous years, Russia was the largest importer of Moldovan goods.

As for the import into Moldova, in 2005 Russia occupied the second place, with import amounting to $273.6 million, or 128.9% compared to 2004 [3].

In January-September 2006 Russia kept the first place in Moldovan export, with the total amount of export estimated at $124.3 million, which, however, constitutes only 54,4% compared to the same period of 2005. Russia also took the second place in import into Moldova (total of $273.1 million, which is 1.5 times more than in the corresponding period of 2005) [4].

Relations between Moldova and Russia saw a quick rise after the breakdown of the Soviet Union, and remained relatively stable until 2003. Starting with 2001, when the Communist Party came to power in Moldova, they even became more active. It was in the first year

1. www.mfa.md.
2. www.mfa.md.
3. National Statistics Bureau of the Republic of Moldova.
4. National Statistics Bureau of the Republic of Moldova.

of the Communist period that the Treaty of Friendship and Cooperation was signed between the two countries.

However, a number of events that took place in 2003 added tension to relations between the Republic of Moldova and Russia. In July 2003, the European Court of Human Rights passed a sentence on the case of the Ilashku group—political prisoners of the separatist Transnistrian regime. The verdict of ECHR was directly related to Russia's policy in Transnistria: Russia was declared a country which facilitated the emergence of a separatist regime in the East of the Republic of Moldova and its maintenance for all past years. After the verdict of ECHR and before the OSCE summit in Maastricht, Holland (the summit's agenda included a review of Russia's fulfillment of the OSCE decision, which was passed at the Istanbul summit in 1999), a certain rise in activity was observed in relations between Moldova and Russia. This lead to the emergence of the Memorandum on the Resolution of the Transnistrian Conflict (Kozak's Memorandum) in November 2003. The Memorandum suggested to federalize the Republic of Moldova by forming three entities, each enjoying equal rights: Transnistria, Gagauzia (an autonomous region in the South of the Republic of Moldova), and the rest of the country.

Political reporters from Chisinau wrote at the time that Russia needs to sign the Memorandum before the Maastricht summit in order to provide proof for OSCE that Moscow makes every effort to fulfill its international commitments. Some mass media also voiced a concern that Kozak's Memorandum could be a time bomb for the sovereignty of the Republic of Moldova. According to the document, Transnistria would possess such ample powers that the Republic of Moldova wouldn't be able to make any important foreign policy decisions without Tiraspol's consent.

Relations between Moldova and Russia degraded considerably when the President of the Republic of Moldova Vladimir Voronin refused to sign the Memorandum, claiming that a number of its provisions needed additional discussion and clarification.

The year of 2004 was marked by an exchange of harsh statements between the parties. During that period, the Republic of Moldova made a number of demarches in the international scene, demanding that Russia fulfills its international commitments to withdraw its armed forces and military equipment from Transnistria. After the victory of the Communist Party in the parliamentary elections in May 2005, the Moldova-Russia relations deteriorated further. They remained tense for the entire 2005, and in 2006 even started to have a negative impact upon economic cooperation between the two countries.

In 2005 Russia stopped the import of crop and meat products from the Republic of Moldova. In 2006, a ban on import of Moldovan wines followed, putting the economy of the Republic of Moldova in a rather unpleasant situation. Thus, only in the first six months of 2006 Moldovan export was reduced by 10.6%, mainly due to the embargo instituted by Russia [5].

On April 21, 2006 the Parliament of the Republic of Moldova passed the 'Declaration of the Parliament of the Republic of Moldova concerning the Declaration of the State Duma of the Russian Federation dated April 19, 2006'. By this declaration 'the Parliament of the Republic of

5. Report of Prime Minister Vasiliy Tarlev, submitted to the Parliament of the Republic of Moldova on July 27, 2006.

Moldova voices its concern over the Declaration of the State Duma of the Russian Federation 'On supporting the measures to increase the sanitary control of products imported into the Russian Federation'. In fact, this declaration of the State Duma served as a political cover for banning the import of Moldovan wines. Though the Parliament of the Republic of Moldova did not state directly that stopping the import of wines was politically motivated, this could be inferred from the Declaration. The document read: 'While the Russian authorities try to put the quality of the Moldovan wines in question, they remain highly valued and recognized throughout the world' [6].

During a conference on July 11, 2006, President Voronin said that he ruled out the political side of the wine issue. He mentioned that 'it is difficult to discover the political aspect in the issue of wine export, even though Moldova has not yet received any official document confirming inadequate quality of the wines' [7].

At the same time both Moldovan and foreign political reporters did not rule out the possibility of the Russian economical blockade of Moldova, aimed at bringing it back under the Kremlin's influence. However, they also noted that such a blockade could not return Moldova into the Russian zone of influence [8].

After the failure of Kozak's Memorandum, all negotiations on the Transnistrian issue were also stalled. Moreover, Chisinau and Tiraspol became alienated even more after an international monitoring mission was established on the Transnistrian section of the border between Moldova and Ukraine, and all export from Transnistria without official documents issued by Chisinau authorities was stopped.

Therefore, by summer 2006 relations between Moldova and Russia were rather cold in virtually all fields—economic cooperation, settlement of the Transnistrian issue etc. However, Moldova and Russia had another chance to normalize bilateral relations in August 2006, when a meeting between Vladimir Putin and Vladimir Voronin took place in Moscow. Comments on this meeting by Chisinau mass media were quite diverse.

The 'Timpul' newspaper put forward the following question: 'Has Voronin surrendered to Moscow?'. The newspaper presumed that President Voronin had tried to improve relations with Russia, which considerably deteriorated after his refusal to sign the Kozak's Memorandum in 2003. Citing the newspaper 'Commersant Daily', 'Timpul' stated that in exchange for improvement in relations, Moldova might make the following concessions: a guarantee to give a high evaluation of Russia's peacemaking efforts in the region; additional guarantees that Moldova will not join NATO; an increase in status of Russian language in Moldova; recognition of property rights of Russian economic entities situated on the left bank of the Dniester [9].

The 'Independent Moldova' newspaper cited the President's advisor Mark Tkachuk, who said that 'relations between Moldova and Russia started to grow warmer'. According to Mark Tkachuk, the presidents of the two countries had a 'very open and positive dialogue'

6. Quoted after 'The Declaration of the Parliament of the Republic of Moldova concerning the Declaration of the State Duma of the Russian Federation dated April 19, 2006', dated 21.04.2006.
7. 'Flux' newspaper, July 19 2006.
8. 'Independent Moldova' newspaper, October 25, 2006.
9. 'Timpul' newspaper, August 9, 2006.

which covered all important topics, from the Transnistrian problem to gas-related issues. The President's advisor believed that the meeting initiated a new stage in the dialogue between the two countries [10].

The 'Flux' newspaper reported that the visit of Vladimir Voronin to Moscow 'was widely covered by the Russian mass media, and was regarded as a complete failure: Voronin and Putin did not reach an agreement on any of the key issues of the bilateral relations. The atmosphere of the meeting was rather cool; the expression on President Putin's face remained serious and even cold' [11].

Just a few days before the meeting of the two presidents, the Parliament of the Republic of Moldova failed to reach a consensus on the issue of Moldova leaving the CIS. The issue was not put to the vote, because the authors of the draft resolution—two opposition deputies—recalled it at the last moment. Vitalia Pavlichenko, who took part in the elaboration of the draft, said that the authors did not want to give the Communists an opportunity to achieve their political goals and prove their loyalty to Moscow by voting against the resolution [12].

Despite the meeting of the presidents, there was no further noticeable change in the relations between Moldova and Russia. The exchange of harsh statements went on. The fact that on September 17 a referendum on the future status of the region took place in Transnistria, and the majority of the population voted in favor of becoming a part of the Russian Federation, did little to ease the tension.

In early September Russia undertook another attempt at negotiating a plan of solving the Transnistrian issue. The existence of such a plan was revealed by Valeriy Keniaykin, Special Ambassador and Special Representative on relations with CIS countries of Ministry of Foreign Affairs of Russia. However, this plan was soon forgotten too.

By the end of 2006, relations between Moldova and Russia remain rather cold, and there is no indication of them growing warmer in the nearest future. On July 29, 2006 President Voronin declared before the Parliament of the Republic of Moldova that the events of 2006 prove that 'the independence of the Republic of Moldova is just being born now', and that 'this is the price Moldova has to pay for its independence' [13]. Time will show whether deterioration of relations between Moldova and Russia, which started in 2003, was brought about by objective factors. Now, there seem to be more questions than answers on the matter.

Relations with Ukraine

Ukraine is the leader as to the number of bilateral documents signed by Moldova with other states. Out of total of 164 [14] bilateral agreements, the most important are: Free Trade Agreement between the Governments of the Republic of Moldova and Ukraine, signed in Chisinau on 29.08.1995 (ratified on 01.02.1996, in effect since 27.05.1996); Treaty on State

10. 'Independent Moldova' newspaper, August 9, 2006.
11. 'Flux' newspaper, August 10, 2006.
12. 'Infotag' agency, July 6, 2006
13. Declaration of President Voronin, dated July 29, 2006
14. www.mfa.md.

Border, signed in Kiev on 18.08.1999 (ratified by Decree of the Government of the Republic of Moldova #1022 dated 05.11.99, in effect since 18.11.2001); Declaration of Prime Ministers of Ukraine and the Republic of Moldova, dated December 30, 2005.

Ukraine is one of the primary foreign economic partners of the Republic of Moldova. In 2005 it occupied the 4th place in the Moldovan export, with deliveries amounting to $99.7 million, which constitutes 154% compared to 2004. Ukraine remains the primary source of imported goods for Moldova: in 2005 total amount of import constituted $491.4 million, or 112.6% compared to 2004.

In January-September 2006, Ukraine took the third place in Moldovan export, with its share of $87.6 million, or 126.9% compared to the same period of 2005. At the same time it kept the lead in import into Moldova, with deliveries amounting to $370.2 million, or 105% compared to the corresponding period of 2005 [15].

In general, since the breakdown of the Soviet Union, relations between Moldova and Ukraine remained positive. During these years, there have been only a few delicate issues which called for discussion between the parties: recognition of Moldovan property which remained on territory of Ukraine after the breakdown of the USSR; delimitation of the State Border; Free Trade Agreement and exclusion of some goods thereof. However, most of these issues were solved during 2001–2003.

Relations between the two countries took a notable turn for the better after Victor Yushchenko became the President of Ukraine. Immediately after that Ukraine started to play a more active role in the issue of settlement of the Transnistrian conflict, and Victor Yushchenko put forward a specific settlement plan, which consequently became known as 'Yushchenko's Plan'. Moldova started to see a reliable partner in Ukraine, and to rely on its support in settling the Transnistrian issue. The Parliament of the Republic of Moldova spoke highly of the efforts of the President of Ukraine, and passed a Declaration dated June 10, 2005, in which it proposed to proceed with the settlement of the Transnistrian issue based on this plan [16]. However, due to lack of negotiations in the process of settling the Transnistrian conflict, the efforts of the Ukrainian President came to naught.

2005 was the most fruitful year for the relations between Moldova and Ukraine. On December 30, 2005, Prime Ministers Vasile Tarlev and Yuriy Yekhanurov signed a Declaration in Kiev, which provided for common border control in the Transnistrian sector of the Moldovan-Ukrainian border. On the grounds of this declaration, a strict control over all import/export operations from the Transnistrian region was imposed, and customs documents issued by Chisinau were required for all foreign trade operations. Subsequently, upon the request by the presidents of the two countries, the European Union established a monitoring mission in the Transnistrian sector of the border.

The flow of contraband from the Transnistrian region was considerably reduced, however, Ukraine suffered certain financial losses due to this common border control procedure, and some mass media started to surmise that Kiev was about to reconsider its position. The situa-

15. National Statistics Bureau of the Republic of Moldova

16. Declaration of the Parliament of the Republic of Moldova dated June 10, 2005.

tion was clarified on June 26, 2006, when Ukrainian Minister of Foreign Affairs Boris Tarasiuk met with the Chairman of the Parliament of the Republic of Moldova Marian Lupu, and stated during the meeting that, despite the fact that new border procedures in the Transnistrian sector lead to certain losses, Ukraine had no intention of abolishing them [17].

Ukraine and Moldova also cooperated rather successfully in the field of redirecting railway communications, after the Transnistrian authorities seized parts of the Moldovan railway located in Transnistria. After that, trains were redirected around the Transnistria, and Chisinau authorities declared that they could not guarantee safety of the railroad communications within the territory controlled by the separatist regime. Ukraine did a conscious effort to assist Moldova, despite the fact that it suffered approximately $10 million of losses in the few months after changing of the railway routes.

Some complications in the relations between the two countries emerged when Viktor Yanukovich became the Prime Minister of Ukraine. In the subsequent period, a number of 'technical' problems arose in the new procedure of railway communications, and it was made clear for Moldova that a reversion to the old routes through Transnistria was desirable. 'It is difficult to predict the developments on the issue, since the policy of the new Kiev government is directly opposed to the policy of the previous one. We can only hope that officials in Chisinau will find necessary arguments to convince the Ukrainians that the chosen way is the only right way, and should be adhered to in the future'—wrote the 'Curierul Vamal' newspaper at the time [18].

In the second half of 2006, some Chisinau mass media started to suspect Ukraine of being the 'weak link of GUAM' [19]. In 2006 Moldova, Georgia and Ukraine started to show increased interest in GUAM, which possesses the potential to be a more effective regional structure than CIS, and can lower the Russian influence upon ex-Soviet states in this part of Europe. However, a suspicion arose that Ukraine does not regard GUAM seriously enough, and this can have negative impact on the perspectives of the organization.

An increasing number of political analysts share the opinion that Moldova and Ukraine have no alternative but to maintain good relations. The Ukrainian factor is of prime importance to Moldova. Ukraine has decisive influence upon trade relations between Moldova and the West, settlement of the Transnistrian issue, regional cooperation, energy security and, to a large degree, accession of Moldova to the European Union and NATO.

Relations with Romania

There are a total of 80 bilateral agreements signed between the Republic of Moldova and Romania [20]. Up to now, the two countries have not signed a Basic Political Treaty, though such issue was raised more than once. Among the most important bilateral documents between

17. 'Flux' newspaper, Jun 27, 2006.
18. 'Curierul Vamal' newspaper, September 4, 2006.
19. 'Flux' newspaper, October 17, 2006.
20. www.mfa.md.

Moldova and Romania is the Free Trade Agreement, dated 15.02.94, in effect since 17.11.94. Today, trade and economical cooperation is carried out on the grounds of this Agreement; however, the Agreement will expire when Romania joins the EU.

In 2005, Romania occupied the third place in the structure of Moldova's export, with deliveries amounting to $111.7 million, or 112% compared to 2004. Romania also occupies the third place in import into the Republic of Moldova: in 2005, import of Romanian goods amounted to $257.4 million, or 156.8% compared to 2004. In January-September 2006, Romania took the second place in the structure of Moldova's export, which amounted to $105.1 million, or 128.5% compared to January-September 2005. Import from Romania into Moldova for the same period amounted to $240.9 million, or 136.6% compared to January-September 2005 [21].

After the Republic of Moldova gained independence, the relations between it and Romania went through several stages of development. During the first stage (presidency of Ion Iliesku in Romania and Mircea Snegur in Moldova), the relations developed rapidly and without any notable complications. During the presidency of Piotr Luchinski in the Republic of Moldova and Emil Constantinescu in Romania, the relations saw a period of relative slackness. Political analysts tend to regard them as neither positive nor negative. Some deterioration of these relations is observed after the Communist Party came to power in the Republic of Moldova in 2001. It is during this period that the European Court of Human Rights started a hearing on the case of the Bessarabian Metropoly (a religious organization, canonically subordinated to the Romanian Patriarchate, and unrecognized by the Moldovan authorities for a long time). During the hearing Minister of Justice of the Republic of Moldova Ion Morei accused Romania of supporting the metropoly in question and intervening into the internal affairs of the Republic of Moldova. After this statement, relations between Moldova and Romania entered a stage of hostility, which was overcome only by the end of 2004—beginning of 2005, when Traian Basescu was elected the new President of Romania.

However, after a short period of stability, a new tension arose in the relations between Moldova and Romania by the middle of 2006. In general, political analysts have remarked more than once that there are far too many sensitive issues between Moldova and Romania for their relations to remain stable. In September 2006, Moldovan Speaker Marian Lupu admitted in his interview to 'Radio Romania' station, that 'we have some very sensitive subjects, which put us in directly opposite positions—language, nation, history and other issues'. Chairman of the Senate of Romania Nicolae Vacaroiu, who visited the Republic of Moldova in Sepbember 2006, also admitted that 'the visit had a clear goal—to reestablish bilateral parliamentary relations, which have been quite disappointing up to now' [22].

The reason behind a new round of tension in relations between Moldova and Romania was the desire of the latter to help the Republic of Romania in the process of European integration, and opportunities arising from such a desire. Traian Basescu has made a number of statements on the issue. During the conference 'European Romania, Atlantic Romania, Romania in the sphere of international relations', which took place in June 2006, he said that

21. National Statistics Bureau of the Republic of Moldova.

22. 'Timpul' newspaper, September 26, 2006.

the Republic of Moldova was a priority for Romanian foreign policy, and there is a wish to integrate this country in the wave of EU expansion, which now encompasses the Western Balkans [23].

However, the Romanian President also made another statement—that he presumably had offered his Chisinau colleague Vladimir Voronin to integrate the Republic of Moldova into the EU together with Romania. This statement lead to a number of large-scale actions taken in Chisinau, starting with the creation of the Committee for support of the statement of the President of Romania Traian Basescu on joint integration of the Republic of Moldova and Romania into the European Union [24].

The Committee stated that 'declarations of the Chisinau authorities on Moldova joining the European Union as an independent state are nothing more than speculations aimed at misleading the electorate and the international community'. 'We declare with full responsibility and knowledge of the subject, that this state is bankrupt and insolvent in all aspects, it cannot exist independently and, consequently, it cannot integrate into European and Euro-Atlantic structures. Integration of the Republic of Moldova into the European Union is possible only if its territory becomes (once again) a part of the Unified Romanian State'—read the Declaration passed by the Committee on its constitutive meeting [25].

The Romanian President's statement also provoked a response from the Moldovan opposition, which urged Vladimir Voronin to present before the Parliament the information he had received from his Romanian colleague Traian Basescu on the subject of expediting the accession of the Republic of Moldova to the European Union [26]. The opposition started to suspect President Voronin of planning to refuse Romania's proposal, and demanded an explanation.

Obviously, these events caused a cool down of relations between Moldova and Romania. Subsequent statements of the Presidents of both countries on other sensitive issues proved that the state of Moldovan-Romanian relations left much to be desired. For instance, 'Timpul' newspaper wrote that on October 26, 2006, during the ceremony of commissioning of the oil-loading terminal in Dzurdzulesty, President Vladimir Voronin 'reverted to his traditional anti-Romanian rhetoric'. The Head of State touched upon the issue of historical territories which were lost by Moldova. He did not name any specific countries, but only referred to them as 'neighboring'. The President also made the following statement: 'If we leaf through the pages of history and take a look at the map of Moldova in the middle of the past millennium, we shall see that Moldova was a country geographically situated in the middle of Europe, with a territory much larger than many countries bordering nowadays with Moldova' [27].

Romania also found enough reasons to criticize the situation in the Republic of Moldova. For instance, Bucharest authorities expressed their displeasure with the fact that starting

23. 'Flux' newspaper, June 28.
24. 'Infotag' agency, July 12, 2006.
25. 'Infotag' agency, July 12, 2006.
26. 'Infotag' agency, July 6, 2006.
27. 'Timpul' newspaper, October 30, 2006.

with September 1, 2006, the subject 'History of Romanians' was replaced with 'Integrated History' in Moldovan schools. President Traian Basescu said that he was disappointed, and that a year earlier he had hoped that the existence of textbooks on 'Integrated History' was fiction rather than a fact [28].

But, despite all these facts, political analysts note that relations between Moldova and Romania, uneven as they may be, are being developed on a civilized basis, and have already overcome the crisis which was observed in 2001. Both Moldova and Romania are interested in good bilateral relations, since such relations provide not only solutions to existing issues, but also create conditions for effective and mutually beneficial cooperation in the future. Moldova needs Romania's support in the process of joining the European Union, as well as for solving a number of economic problems.

Therefore, in the nearest future the question of bilateral trade cooperation between the two countries may become of primary importance. There are some fears that Romanian accession to the EU will have a negative impact on the foreign trade of Moldova, since no bilateral trade agreement will exist any more, but instead trade will be governed by the EU regulations. However, Chisinau officials believe that the fact of Romania joining the EU will not result in grave consequences for the foreign trade of the Republic of Moldova. During the last years Romania occupied a stable third place in the structure of Moldova's foreign trade, and its share in both Moldovan import and export amounted to approximately 10%. After Romania joins the EU, the Free Trade Agreement between Moldova and Romania will be repealed; however, the consequences of this will be minimal, since bilateral relations will be regulated by EU rules, which provide free access for a number of export goods to the EU market. Starting with January 1, 2006, Moldova enjoys a system of preferential regulations in its trade with the EU, called GSP+. This system will enable Moldova to freely export to Romania about 75% of currently exported goods after it joins the EU. GSP+ will also cover 52% of goods currently imported by Moldova from Romania under provisions of the Free Trade Agreement. Besides, there are some categories of goods which are currently imported with zero rates. In the end, only ⅓ of current import to Moldova from Romania may suffer from Romania's accession to the EU.

Experts note that by 2003 exchange of commodities with Romania has grown by 5–13% (by different estimates) when compared with the pre-Agreement period. At the same time, the amount of export from the Republic of Moldova to Romania was reduced by half, while export from Romania to Moldova was doubled. This leads to a conclusion that the Free Trade Agreement did little to facilitate any increase in the share of Moldovan goods on the Romanian market, and, therefore, its repeal will not create any serious problems [29].

It is clear that the current state of relations between Moldova and Romania differs drastically from what it was 15 years ago. There is no emphasis on the unification of the two countries any more. This is especially evident since some experts have taken time to calculate the estimated cost of such unification. According to those estimations, it will cost the Bucharest

28. 'Timpul' newspaper, November 3, 2006.

29. 'Profit' magazine, January–February 2006.

authorities about 30–35 billion Euro in the first five years [30]. At present, emphasis is placed on economic issues and perspectives of European cooperation. Of course, there are still some insignificant problems, and quite possibly a few more harsh statements can be expected. But this is inevitable, since a number of delicate matters still remain unsettled.

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30. Romanian newspaper 'Cotidianul', October 2, 2006.

Moldova between East and West

The Republic of Moldova has, in the last 6 years—as in the whole period of independence—the most indefinite and ambiguous policy in the region in relations with Russia and the West. Without being at any moment in a direct and vigorous split from the Soviet past and the former empire relations—either economic or political—Moldova has played the Western card from time to time. But this game was only apparent and did engage only limited political will, more evident in the PR field, in public statements and limited legislation change than in real reforms and assumed commitments with reflection in the real life.

Relations with the West: smooth, ambiguous and without enthusiasm

The relations with NATO were established formally in 1995 in the Partnership for Peace (PfP) format, but with the few commitments taken from all the countries involved in the PfP, and realized only in a percentage under 60% [1]. The first motivation was that the Republic of Moldova has mentioned in its constitution neutrality—never granted by anyone and never in place, since Russian troops are on the territory of the country since 1993, with the decree of Boris Yeltsin.

Under this weak motivation, Moldova avoided reforms in the security sector and never succeeded in debating and finding a proper Security strategy for the country [2]. On the other hand, invoking that Moldova needs to have correct and good relations with Russia, a behavior supported also by the EU and the US, no NATO accession was discussed, even though the CDPP (Christian Democrat Popular Party) has this purpose in its political and electoral program [3]. Only this year, an IPAP (Individual Partnership Action Plan) was established and approved by both NATO and the Republic of Moldova decision making bodies [4]. How deep the changes in the security sector will be we will see in the next years.

The *Council of Europe* (CoE) is the most present organization in Moldova, but with weak instruments for enforcing its resolutions. A special permanent representative is following the implementation of two resolutions since 2002 [5], resolutions that were intended for the enforcement of democratic rules and a more active participation of the opposition in the political and decision making game. Unfortunately, even now, the political establishment

1. Iulian Chifu, coordinator, Alunecarea antidemocratică a guvernării gălăgioase (Antidemocratic sweeping of the noisy government), Conflict Prevention and Early Warning Centre Country report on Moldova, 2003, Politeia-SNSPA, Bucharest, 2004, pp 209–238
2. Igor Munteanu, Romanita Berghia, Iulian Chifu and others, Moldova on the way to democracy and stability, Cartier, Chisinau, 2006, pp. 248–263
3. CDPP, Electoral program, January, 2005. See also Flux agency, January-March 2005.
4. Viorel Ciubotaru, Planul Individual de Parteneriat Republica Moldova-NATO rezida in necesitatile vitale ale Republicii Moldova (The IPAP Republic of Moldova-NATO originates in the vital necessities of the Republic of Moldova) www.europa.md.
5. CEPA resolution 1280(24 april 2002). See also the CEPA resolution from 26 of September 2002.

hasn't succeeded in meeting at least the requests from these resolutions [6], moreover, there is no decision of the acting authorities in trying to meet those requests and to get out of the monitoring mechanism of the CoE.

On the contrary, a *step back* has been taken by introducing the 'integrated history', in fact a history driven by the Stalinist doctrine of 'Moldovenism' claiming the existence of two different identities, 'Moldovan' and Romanian [7]. The Resolutions imposed a moratorium in this problem and the migration of this issue from the political to the scientific ground, so that the society would not be split again, but reconcile. Even if this was observed for 3 years, last year an 'experiment' with this history was conducted and this year the study of these books was imposed in all the schools, despite the protests of the children, the the teachers and the parents. Those who are teaching this history have huge incomes granted by the state [8], as well as the authors of those books, they don't believe in.

The relations with the *IMF* and the *World Bank* were always deficient. First, commitments were not observed and no agreement was taken to term (1997–2000). In the first term of the Communist government, the two institutions were practically chased out of Moldova [9] and no agreement or negotiation was accepted. Nowadays, the IMF has come back with a new stand by proposal, under negotiation, and the World Bank develops some important programs like the SCERS, a strategy for tackling the extreme poverty.

EU-Moldova relations

The Republic of Moldova has succeeded in limiting its relations with the West to basically only some relations with the EU. The necessity came from the need to access the privilege taxation and the internal market, but also because of the request for a special visa regime [10] and the huge number of citizens working in the EU countries. European funds for development projects are also requested, even though for the moment, the only relation is the

6. Vladimir Philipov, Council of Europe special representative in Moldova, declaration at the ending of the mission, Flux agency, Chisinau, 6 October 2006, See also declaration in Timpul, Chisinau, 6 October, 2006.
7. Iulian Chifu, coordinator, Alunecarea antidemocratică a guvernării gălăgioase (Antidemocratic sweeping of the noisy government), Conflict Prevention and Early Warning Centre Country report on Moldova, 2003, Politeia-SNSPA, Bucharest, 2004, pp. 11–52; see also Iulian Chifu, Spațiul post-sovietic. În cautarea identității/Post-Soviet Space: Identity Reloaded (bilingual edition), Politeia SNSPA, Bucharest, 2005; Iulian Chifu—Identity and multiculturalism: Diversity and societal cohesion. From misunderstanding towards openess and collaboration in multicultural societies, Pontos, Chisinau, 2005.
8. Vlad Cubreacov, head of CDPP (Christian Democrat Popular Party) parliamentary group, Parliamentary declaration on integrated history; see also Ion Varta, Flux newspaper collection, June-November 2006.
9. Iulian Chifu, coordinator, Alunecarea antidemocratică a guvernării gălăgioase (Antidemocratic sweeping of the noisy government), Conflict Prevention and Early Warning Centre Country report on Moldova, 2003, Politeia-SNSPA, Bucharest, 2004, pp. 169–184; Iulian Chifu, Robert Ion, and others, Spre Uniunea Europeană fără reforme democratice (Towards EU without democratic reforms) Conflict Prevention and Early Warning Centre Country report on Moldova, 2004, Alfa and Omega, Chisinau, 2005, pp. 61–94 and 495–516.
10. Sergiu Buşcaneanu, Monitorizarea Guvernamentală a Implementării Planul de Acțiuni RM-UE. (Governmental monitoring of RM–EU Action Plan) E-Democracy. Md. 15.10.2006. See also Igor Boțan, ADEPT monitoring on RM–EU Action Plan, Iulian Fruntaşu, RM–EU Action Plan monitoring, www.ipp.md.

Moldova—EU Action Plan [11] in the framework of the European Neighborhood Policy.

EU has opened a mission in Chisinau, a *Delegation of the EU Commission*, and has started a monitoring mission at the border—*EUBAM* for the Ukrainian-Moldovan border including the sector between the separatist region of Transnistria and Ukraine. At the same time, a *special representative for the Transnistrian conflict* was appointed, Aadrian Jakobovitz de Szeged, who now plays also the role *of representative of the EU* in the 5 plus 2 mechanism [12]. All these steps were made in a period of reconsideration of EU's policies and blockage of the constitutional treaty, Transnistria being a good place where CFSP (Common Foreign and Security Policy) and even ESDP (European Security and Defense Policy) could be applied in practical terms and a success could be a good step forward for the whole EU policy in this field.

Moldova is *claiming the will to join the EU* and two declarations of the former parliament and the parliament in place are stating this goal [13]. But besides a common declaration, no important steps were taken. The revue of the Action Plan that will be done by the end of this year will have to realize *the poor reforms and few commitments made by Moldova* [14], not mentioning the problems in the human rights field that the Council of Europe has revealed [15] and which the EU is monitoring with great interest.

The CIS—a framework for the former center-periphery relations

The position of the Republic of Moldova in relations with the CIS is very interesting to follow. First, president Mircea Snegur signed in Alma Ata the agreement that gave birth to the Commonwealth of Independent States, in 1992. But when the agreement was presented to the Parliament—in fact the former Supreme Soviet elected in the Soviet Socialist Republic of Moldova—the agreement was rejected [16]. This led to a call for new elections—the first one without any representation from the Eastern districts of Moldova and all agreements were validated by the agrarian-socialist-pro Russian majority [17].

Interesting is that the CIS never represented a real institution, with bodies and functionalism [18], but more a framework for Russia to continue its Soviet policies of power toward the

11. RM–EU Action Plan, Documents, www.eurojournal.org
12. Nicu Popescu, Moldova and EU, Bridging the gap, 14 October 2005. The EU and Moldova. Settling conflicts in the neighborhood, 4 December 2005, www.eurojournal.org
13. Iulian Chifu, coordinator, Alunecarea antidemocratică a guvernării gălăgioase (Antidemocratic sweeping of the noisy government), Conflict Prevention and Early Warning Centre Country report on Moldova, 2003, Politeia-SNSPA, Bucharest, 2004, pp. 312–342; Flux, 4–5 April 2005.
14. Idem note 10.
15. Vladimir Philipov, idem note 6.
16. Iulian Chifu—Război diplomatic în umbra Kremlinului, (Diplomatic war under the Kremlin walls) Iasi, Loreley, 1997; Iulian Chifu, Război diplomatic în Basarabia (Diplomatic war in Bessarabia), Bucuresti, Paideia, 1997.
17. Idem, note 16.
18. Vladimir Socor, Articles in Eurasia Daily Monitor. See also Serghei Markedonov, Russia Profile. See also Igor Volnitchi, Cat Timp va mai Crede Guvernul in Mitul Frumos al Avantajelor Economice pe Care le Ofera CSI? (How many times will the Moldovan Government believe the Beautiful Myth of economic advantages of the CIS) Azi.md. 18.09.2006.

'near abroad', in fact in the post-soviet space without the Baltic countries. Moreover, even the decisions taken in the framework of the Economic Community of the CIS never were in place, first and foremost because Russia refuses to open the market to the export of other countries. In fact, all were arranged in bilateral relations and the CIS was only the shield that took the USSR place in Russian near abroad policies.

The Republic of Moldova claimed its neutrality and refuses to take part in the military agreements of the CIS, but in 1994–1995 signed some dozen agreements involving the Minister of Internal Affairs and the Minister of National Security [19], in fact offering all the information and police support, the juridical recognition of all mandates issued by Moscow, even if in real and practical terms, a lot of mandates that Moldova wanted to be in place—including those against Igor Smirnov and the separatist leadership—were never applied by Russia [20] or Ukraine.

Basically the presence of Russian troops, weapons and ammunition on its territory and the agreements signed in the fields of Security, Police and Justice are the living proofs that Moldova never gave up the dominance of Moscow even in security matters, not mentioning the economic matters. Those agreements have not been denounced by Chisinau so far, and some of them are incompatible with the IPAP, Moldova EU Action Plan and the EU aspirations.

Economic revue: a supported Russian dominance

Analysis of the economic policies of the Republic of Moldova proves that Russian economic interests were not damaged even if it was about pure competition for access to some privatizations. Even between 1997–2000, when the 'democratic' coalition was in place, the privatizations with western investors were rare and not a subject of an open policy of the government.

In 2001, the communistic regime came and began nationalizing all the privatized objects that were in the hands of western owners [21]. This was the case with *Farmaco*, a Glaxco Welcome—SmitchClime Beacham company, that entered Moldova through Europharm Brasov. It was the same with *Megadat.com*, a company offering internet services, with the most important private bank in Moldova, *Victoria Bank*, with *the Spanish Union Fenosa*, the distributor of energy, pushed away from the market by the low prices and debts of the consumers and the high prices of energy, together with a push of the officials to sell the company to Rao-AES, the Russian company, and to other forms of associations, including ones of Moldovan politicians. Nowadays, private efforts of some politicians of trying to attract strategic western investors are not a part of a national strategy.

Even after 2003, when the political relations between Chisinau and Moscow were frozen

19. Idem, note 16.

20. The most recent was the 'Bulgaru' case, with person transferred from Kiev to Moscow and released by Russian authorities, even though there was a mandate issued by Moldova authorities on his name.

21. Idem note 9.

by the rejection of the Kozak plan—the only visible proof of changing the orientation toward the West—the economic interests of Russia were protected. Even more, the choice was to privatize everything in this direction. Now, the most important companies on the market are Russian ones, the whole trade and distribution is done by Russian citizens, and no equal access to the Moldovan market was offered to western investors [22]. The propriety rights were not reestablished, the state has kept all the proprieties confiscated from the population in 1940 and 1944, through the kolhoz ('collective farms') that took the land and nationalization of all businesses. No comprehensive law to allow foreign investors in Moldova with fair competition and access to the market was elaborated.

Even now, when the war of wine and agricultural products was declared by Moscow [23], the presidential adviser was send to Moscow to offer new economic advantages, including in the field of telecommunications, IT and energy. On the other hand, no economical fundamental reforms were made, the collection of taxes is very poor and a big share of shadow economy is present (not talking about the Eastern districts of the country), a huge part of the budget is not transparent and not controlled by the parliament, but in the hands of the Minister of Finance, who decides on his own where to direct spending at a local level. The local administration hasn't got a financial law yet and is dependent on begging in Chisinau for every penny. The administrative organization is not efficient and pays more to the bureaucratic apparatus than making a public service to the population, according to the old Soviet rules of centralization [24].

Solving the Transnistrian issue—a goal with a great deficit of credibility

The Moldovan authorities put Transnistrian issue in the first place of the political agenda and are keeping it in the same position in the media agenda, even if the public does not see it with interest (only 4% see the issue as being important for them, according to the IPP, based in Chisinau, poll). On the other hand, a lot of decisions that Chisinau could take without costs are not observed [25], and so a huge deficit of credibility began to rise on the matter.

This is the case with a lot of politicians having businesses with the separatists. It is the case of a lot of 'legitimate' businesses developed in Chisinau by separatists, together with local

22. Iulian Chifu, Robert Ion, and others, Spre Uniunea Europeană fără reforme democratice (Towards EU without democratic reforms) Conflict Prevention and Early Warning Centre Country report on Moldova, 2004, Alfa and Omega, Chisinau, 2005, pp. 61–94 and 495–516.

23. Russia Prefers Wines From Abkhazia and Transnistria. BBC. ro. 07.11.2006; Russia Could Cut Rail Links With Moldova Over Transit Dispute. RIA Novosti. 27.10.2006; Moldova Tries to reestablish the rail connection with Ukraine, BBC. ro. 27.10.2006.

24. The Moldovan Government only recently adopted a strategy of developing regions, European style, but it is not sure how this idea will be put in place. See 6 regions of development, Info prim neo, 7 November 2006, Flux, 8 November 2006.

25. Igor Munteanu, Romanita Berghia, Iulian Chifu and others, Moldova on the way to democracy and stability, Cartier, Chisinau, 2006, pp. 135–160.

businessmen and politicians, in an open money laundry of the separatists' illegal money. It is the case of the lack of will to withdraw the international status—granted by Moldovan authorities in 1997—of the Tiraspol airport, out of control both for military and civilian flights with goods and persons and one of the most used ways for arms trafficking. It is the case of the absence of a comprehensive strategy for reintegrating the country.

The officials from Chisinau use, on the other hand, the existence of this Transnistrian issue to avoid reforms and changes and blaming the very existence of this conflict [26]. The very authorities included the solution of the Transnistrian issue in the bilateral EU-Moldova Action Plan, hoping that EU will do the job without the full commitment and substantial efforts of the Moldovan establishment, together with credible actions and assumed costs for the solution of this frozen conflict. The behavior in this respect comes to underline once more the ambiguity, unpredictability and reversibility of the claimed and stated direction of development of the Republic of Moldova towards Western democratic values, market economy, rule of law and European institutions.

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26. Iulian Chifu, Insecurity Challenges in the Republic of Moldova, in Igor Munteanu, Romaniţa Berghia, Iulian Chifu ş. a.—Moldova on the way to democracy and stability, Cartier, Chisinau, 2005, pp. 72–83.

The state and prospects of Moldova's economy

In fifteen years of independence, the economy of the Republic of Moldova has not managed yet to become an engine of development for the country that is disintegrated, not competitive and without a clear concept for development. This period was not enough to strengthen the institutions specific to the market economy, and those that were set up represented the effects of external pressures and not of the internal needs. Once the state had to recognize its incapacity to coordinate the economic affairs of the country and the process of privatization was launched, when the majority of the sectors of the national economy became private, it still did not manage to identify its economic role in society. Until present, there are still rudiments of the former centralized system. When trying to coordinate the economy of the country through centralized administrative methods, the private character of the economy is not taken into consideration. After fifteen years since the collapse of the Soviet economy, currently we face the process where each ministry assumes the responsibility to create new jobs in their 'subordinate' branches.

The still present nostalgia regarding the mechanism of functioning of the Soviet economy as well as the lamentation for the former USSR, both start from the false hypothesis that was not combated by anyone until now. Thus, the majority of the population, politicians, as well as economic agents sincerely consider that the independence of the Republic of Moldova has led to the bursting of the economic relations with the countries from the former USSR and as a consequence to the breaking-up of enterprises and total poverty of the population. In reality, things are totally different. The Soviet economy started to deteriorate starting with 1976, and from 1983 it went bankrupt and was surviving only on the high price on oil. Certainly the decay of the Soviet economic system and the burst of the economic relations among the existent enterprises at the time, the total inefficiency of the enterprises have led to the economic and political collapse of the USSR. As a consequence, fifteen independent states appeared, including the Republic of Moldova. Thus, our economy is ruined not because we got independent but we got independent because everything we can call economy got ruined. The Republic of Moldova was formed as a state, having a totally inefficient agriculture and industry, the institutions specific to the market economy and the experience of activity in the conditions of the market economy were totally lacking. This reality, however, little by little starts to be understood only nowadays. It can also be noticed from the actions of the state throughout the whole period after independence.

During the first years of independence we sincerely thought that what was destroyed and bankrupt could actually be somehow reanimated through the support of the state. Thus, until 1996, the agriculture composed of Soviet kolkhozes annually was receiving subsidies from the state up to 30% of the state budget. These subsidies however had only prolonged the agony and when the state actually became incapable of financing the agricultural sector we had to state the first sad reality: we, an agrarian country, do not have agriculture. Moreover,

the limited financial resources were inefficiently used throughout these years and there was no result achieved. We may even say that there was a negative result because during five years we have postponed the reforms in agriculture. It is worth mentioning that the reforms that were implemented did not result from the internal understanding of the problems and difficulties but were implemented at the suggestion of foreign donors. As a consequence, the negative results of the agrarian reform were seen as a failure of the donors as if we were not responsible for the development of reforms in our country. We can only say that until now the reform in agriculture continues and still, there is no clear understanding of how the agricultural sector should develop. Only from 2004, the Government started to support the agricultural sector. However, the Ministry of Agriculture still has not defined its role as the Ministry that led the kolkhozes, the property of the state, its new function as the engine of the state policies in agriculture which is private.

The following revelation took place somewhat later. Since the state budget became very limited and the state could not support financially the economy, more years in a row, the Government was allotting guarantees for external loans contracted by economic agents. People sincerely believed that with a minor support from the state the re-launch of the industry would be possible, without entering into details regarding its level of efficiency. It is not necessary to state an obvious fact, that most of the credits that were guaranteed by the Government were transformed into the debt of the Government as the enterprises got bankrupt one after another. Thus, in 1998 the guarantee by the Government of the credits contracted by the economic agents was forbidden by law and the second reality became clear: we have no industry.

The third and the most dramatic reality starts to be understood only today. After the crisis in 1998 in Russia, and the lack of industry and agriculture, the economy of Moldova was almost dead. The poverty of nationals that became imminent in 1999–2001 imposed the big majority of the population to emigrate abroad to look for a job. Thus, our society has solved by its own the problem of poverty. Massive migration of the working force had also a significant impact on the national economy. Massive remittances from abroad which in 2006 constituted 30% of the GDP have animated the economic life in Moldova. The government managed to obtain considerable revenue sources to the state budget in comparison with the previous periods. It allowed the Government to solve several social problems. Moldova is the only country in Europe, most probably, where the taxes on consumption make 85% from the revenues to the state budget. The sudden increase in the financial possibilities of the Government (in 2005 the state budget increased with 156%) [1] created the illusion that it is possible to govern without undertaking any initiatives. Thus, this entire period of free of charge 'welfare' became a service for the society as the institutions necessary for the normal development of the market economy were not developed at all. The consumption during the recent years represented the engine of economic growth. However, this source of growth will be exhausted in 2006. Throughout the recent years we faced economic growth which was not accompanied by economic development. On average, during the last years in the Republic of Moldova one billion US dollars per year were pumped in as remittances from abroad, but this money was used only

1. Economical Statewatch, quarterly analyses and forecast, Issue 7, Quarter 2, 2006.

for consumption while nothing was invested in economic development. If, imaginary, we take a picture of the Republic of Moldova from the outer space on January 1, it will be identical to the picture taken of December 31 when there will be one additional billion dollars in the country. Nothing changed as everything transformed into consumption.

Many economic analysts ask themselves why the population does not invest the remittances from abroad. The World Bank as well as other international financial institutions did research to find out how much money is invested and how much are spent on consumption. In our view, this approach is totally wrong. An elderly man who receives 100 or 200 Euros per month from his daughter from abroad is very doubtful to become a potential investor. Moreover, the fact that only 5% of the population has entrepreneurial skills is forgotten. We call this situation the existence of 'non-qualitative money' in society. There is indeed one billion dollars in society, but they are much dispersed and are in the hands of some people who by definition can not become entrepreneurs. But the situation is much worse than it may seem at first glance. We should not forget that all this money in a very limited period of time are spent on consumption and are transformed in incomes for a small number of economic agents with entrepreneurial abilities. The key question is not why the individual who receives remittances from abroad does not invest but why the economic agents which have received one billion dollars prefer to import instead of investing. What is the reason for which they do not do business? Many years it was considered that our economy does not develop because there is no request. But the reality, on the other hand, is very cruel: now we have a massive request. What impedes the economy to develop? Here we have to state the saddest reality: we do not have competent governance that could develop a normal business climate and we do not have institutions specific to the market economy.

After fifteen years of independence we start discovering what we were supposed to know from the very beginning: we do not have an adequate agriculture, a competitive industry, a Government that knows how to act in a market economy and we do not have institutions specific to the market economy. This is the diagnosis of the economic reality of the Republic of Moldova and the faster we understand the situation, the faster we will start to solve the existent deficiencies.

What we did when we started the reform in agriculture was to isolate a vital but destroyed branch of the economy from the inefficiency of the state. But people wrongly believed that the life-buoy was to give arable land in the absence of qualitative traditions of management of agriculture. Moreover, we tried to connect 60% of the population of the Republic of Moldova to agricultural activities. Thus, the ownership of arable land does not save one from poverty. The population during 3–5 years believed in the myth of the saving land and only in 2000–2001 realized that possessing 60–300 hectares of land does not save one from poverty. If analyzing the Moldovan statistics one may notice that until 1997–1998 nearly 80% of the population apt for work was actually working. In reality, more than half of them were primitively working the owned land that allowed them to solve only the problem of hunger and not of the normal existence, not even mentioning about development. The reduction of 300 thousand of people engaged in the national economy throughout the period of 2000–2006 is mostly due to those working in agriculture. A cleaning of what we call working force took place because

those who wrongly were considered to be employed were actually not. The increase of welfare of those engaged in agriculture means the increase in the labor productivity and as a consequence the reduction of the number of those employed. The global encashment per employee in agriculture equals to only 20 thousand lei per year (around 1,500 USD). Without major increases in the following years of this indicator the increase in welfare of those engaged in agriculture will not be possible. According to our estimations the number of those engaged in agriculture in the following 5 years will reduce in 200 thousand people. It is necessary to have a clear policy of their employment in other branches of the national economy; otherwise we risk having a further increased pressure of migration of the population.

The deplorable situation of our industry dues mostly to the illusionary belief that we have a competitive industry, thus all actions have started from this platform, and the imperfect process of privatization that was carried out.

The industry privatization in the Republic of Moldova was done in two ways: on the patrimonial ration books and for money. Both good, in general, were carried out extremely defectively. They totally discredited the notion of ownership and as a consequence we have a lousy industry that has no capacities to enter external markets and which is in the final stage of entirely losing the domestic market.

The privatization on patrimonial ration books is a subject for study but generally was outlining several major handicaps. Firstly, the enterprises were privatized but it was not recognized. Further development of events proved that they were dead enterprises. As a consequence, the population was told to receive goods that in reality did not exist. People until now ask themselves what has happened to their property that has been created for 70 years and how much it costs. No one dares to state the sad reality: it costs nothing. An enterprise when is sold is considered that its new owner will undertake two major things: 1) will invest in the development of the enterprise, 2) will come up with new managerial technologies and techniques that will ensure the qualitative development of the enterprise. It was obvious that the population as an investor did not have any of these abilities and it was clear that even a prosperous enterprise in this case was destined to bankruptcy.

Here I will just mention that in the developed states only the most prosperous and the most efficient enterprises become public through public offers of actions. In order to initiate the process of placing Initial Public Offers (IPO) they pass through a difficult process of reformation, external auditing that can last for 3–4 years and the final success is not guaranteed [2]. We experienced exactly the opposite: the weakest, not to say the dead enterprises, became public, and Moldova turned into a country with 3 million shareholders (total population of the country). This led to the total discreditation of everything that means the bonds market. Privatization was done through the Fund for Patrimonial Shares which later was transformed into the Fund for Investments. The legislation was so imperfect and the public institutions so weak that it made space for corruption, money laundering, inefficient management, etc. As a consequence, in 2004 the Parliament adopted a law stipulating that all the funds originated

2. Pia Weiß, A Note on Firms' Strategic Behaviour During an IPO, Institute for Economic Policy at the University of Cologne.

from privatization on patrimonial shares were cancelled and the revenues originating from the sale of their patrimony will be distributed to shareholders (meaning to all the citizens of the Republic of Moldova). According to the most positive options from the sale of the left patrimony nearly 300 million lei will be cashed, meaning in average 100 lei for every shareholder (less than 8 USD). This is everything that the citizens will receive from the privatized Soviet industry.

Privatization for money had the same sad destiny as the privatization on patrimonial bonds. The aim of privatization for money was to acquire the properties presenting interest by influential people or in the best case the completion of the state budget with revenues. Privatization was seen throughout the last years as an instrument for filling up the budget with revenues and not as an instrument for re-launching the privatized enterprises.

As a consequence, currently we have no credible owners that would have the true feeling of property as the given property was acquired without big efforts. The negative effect of privatization was best seen in 2006 when Russia prohibited the import of Moldovan wines. We have to mention that the wine enterprises were privatized without announcing a tender, without public auctions but on the basis of an agreement with the Government of the Russian Federation. Until now it is not known who and in what manner has obtained the ownership for the factories. As a consequence of the prohibition, the owners had a totally inadequate behavior for an owner of goods. Moreover, the means of management of the enterprises leaves the impression that the enterprises are exploited and not developed.

The illusion of welfare in the recent years allowed losing at least 5 years when the institutionalization and development of institutions and relations specific to market economy was possible. Today we have no internal basis for economic growth and we have a system and economic relations that do not favor at all the economic development.

Moreover, as we have mentioned above, most of the institutions specific to market economy do not exist and those that exist are present because of external pressure. Thus, the Agency for Energy Regulation was set up due to the fact that the Government wanted to obtain revenues to the state budget. A possible source for revenues was the privatization of the networks of distribution. For this, it was necessary to create basic rules in the sector. The engine for the changes consisted of the desire to compensate the state budget with revenues. The necessity to create an energy sector adequate to the market economy was never understood. The agency was created but until present there are rudiments of the Soviet system. Thus, the Government considers itself to be responsible in the domain of tariffs and when in 2003 the Agency decided to increase the tariffs on electric energy, its director was simply fired and the second day the tariff got back to 'normal'. Despite the fact that the law foresaw the liberalization of the energy sector in 2005, it did not happen [3]. As a consequence, we have a crossed subsidy within the sector. The economic agents pay more for the electric energy (nearly 40% more than on the free market) for the population to benefit from lower tariffs [4]. The private

3. Parliamentary debates, Session II, 22 December, 2005. http://www.parlament.md/news/plenaryrecords/22.12.2005/
4. Constitutional Court Decision, Decision regarding constitutionality of Telecommunication Low and Governmental decision, Nr. 1 from 16.01.2003. http://www. constcourt. md/decisions_ro/2003/dec1.htm

economic agents are imposed to bear financially the 'social policy' of the state in the energy sector. Regarding the regulated prices (energy, telecommunications) until now we have abusive interventions from the state which do not allow the sector to develop in the end. For example, until recently in telecommunications crossed subsidies existed when the low price for tariffs on domestic calls was compensated by the enormous prices on international calls. With the appearance of IP-calls, the national operator Moldtelecom started to face major problems. As a consequence, the Government banned the activity of IP operators in Moldova to avoid the adjustment of local tariffs. The 'social policy' of the Government impeded the development of an entire national sub-branch for more than one year until, after long trials, the activity of private IP operators was continued.

However, if the Agency of Energy Regulation was set up due to the fact that there was at least one actor interested in its creation (the private operator in the distribution of electric energy), then the destiny of the agency for the protection of the competitiveness is even sadder. The law stipulated that this agency had to be set up in 2000 but only in 2003 the Government decided, based on external recommendation, to open it. However, in three months the decision was retrieved. Until now, this agency does not function and the prices for oil products, especially, are formed arbitrarily. In fact, once a year, in spring, and also before elections the Government 'asks' the operators from the oil market to decrease the prices. The whole system is based on favors, warnings, and other local jewels.

The destiny of other institutions is in the best case as bad as this. As a consequence, we have what we have. Today, after fifteen years of independence we are in the situation when we have to:

1. set up and develop institutions of market economy;
2. to form adequate relations between the public authorities and the business sector;
3. to rethink the role of the state in society and the modern economy;
4. to rethink the agrarian policies;
5. to have a policy for encouraging entrepreneurship at the industry level.

The state is not administrating the national economy anymore as it was before the independence, but it has to respond permanently to the questions: why possessing land is not a guarantee against poverty, why our economic agents lose the domestic market and can not conquer external markets, why investments are not made and why we experience economic growth without economic development.

The ability to answer adequately these questions will determine the quality of the governance and the dynamics of development of the national economy.

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Moldova's neutrality: what is at stake?

Provisions concerning neutrality

The Constitution of the new state, the Republic of Moldova, was adopted in 1994. Article 11 of the Moldovan Constitution proclaimed firstly, the permanent neutrality of the Republic of Moldova and secondly, it stipulated that the Republic of Moldova does not permit the presence of foreign armed forces on its territory [1]. Neutrality was considered an important attribute of the new state, since along with the stipulations concerning independence, unity and sovereignty, the constitutional provision regarding permanent neutrality of the Republic of Moldova can be modified only in case the majority of the population should positively decide on that issue in a referendum [2].

Subsequently, in 1995, the National Security Concept and the Military Doctrine of the Republic of Moldova were adopted. Both documents refer to the permanent neutrality as stipulated in the Constitution and consider it a cornerstone for the security and military policy of Moldova. It is mentioned in the National Security Concept, an already outdated document, that Moldova is promoting a policy of permanent neutrality. Permanent neutrality is pointed out also in the Military Doctrine of the Republic of Moldova as a factor determining 'the exclusively defensive character of the military doctrine'. [3] Promotion of permanent neutrality is also one of the foreign policy principles of Moldova as they were laid down in the Foreign Policy Concept [4]. All three strategic documents date from 1995 and should be adapted to the new realities. It looks like the process of reforming started and there will be *The National Security Strategy*, *The National Strategic Concept*, *The National Military Strategy* and *The Strategic Defence Review* elaborated. Those documents shall form the basis for future military reforms.

At that time, neutrality appears to have been a wise option for at least two reasons. On the one hand, the new state did not have a military history at all, so permanent neutrality was seen as a substitute for a strong army. Thus, permanent neutrality became the cheapest and most convenient means to defend the sovereignty and independence of the Republic of Moldova. Permanent neutrality can be seen as the strategy to survive between two stronger neighbors and as the response to Russia's pressures to include Moldova in various security designs. The second reason to state neutrality was the presence of Russian troops on the left bank of the Nistru River. The constitutional provision served as an additional argument in favor of the withdrawal of the Russian soldiers and military equipment from the Moldovan territory.

Some experts consider that neutrality is rather an academic notion and that countries rec-

1. Article 11 of the Constitution of the Republic of Moldova, 29 July 1994, p. 6.
2. Article 142 of the Constitution of the Republic of Moldova, 29 July 1994, p. 31.
3. *The decision of the Parliament of the Republic of Moldova concerning the military doctrine of Republic of Moldova*, Nr. 482-XIII din 06.06.1995 on www.army.md accessed on 04.11.2006.
4. *The Foreign Policy Concept of Republic of Moldova approved by the Parliament*, Nr. 368-XIII, 08.02.1995, p. 2.

ognized as neutral such as Switzerland, Ireland, Austria, Sweden and Finland defined the concept of neutrality each in its own way [5]. In Moldova, neutrality was not detailed in any law and it remains rather very abstract. Besides the lack of inner regulations, Moldova's permanent neutrality is not recognized internationally.

Deepening the cooperation with NATO

Russian attempts to involve Moldova in dubious security and military schemes failed, when Moldova declared it would not sign the Collective Security Treaty and later that it would not become a member of the Collective Security Treaty Organization. Even if Moldova is not part of the Collective Security Treaty Organization, the Russian military presence in Transnistria and the Russian support for the military forces of the unrecognised Republic of Transnistria show clear disregard and represent an infringement on Moldova's permanent neutrality. A fact that is often overlooked by some politicians, who claim that the recent Partnership for Peace exercises were a violation of Moldova's neutrality [6].

At present, Moldova upholds a policy of rapprochement towards NATO. Moldova is participating in the Partnership for Peace Programme since 1994. For the first time in September 2006, two exercises in the framework of the Partnership for Peace Program were organized in Moldova—*Cooperative Longbow 06* and *Cooperative Lancer 06*. For 2007, the multinational exercise Medceur-2007 is programmed to take place at the Bulboaca training facility, aiming to improve the medical response to a crisis situation. A project that is currently in progress and is largely supported by NATO's *Science for Peace Programme* concerns the destruction of pesticides [7]. On July 6, 2006, the Individual Partnership Action Plan (IPAP) Republic of Moldova–NATO was approved by the Government [8]. Launched at the November 2002 NATO Prague Summit, IPAPs are open to those countries that have the necessary political will and ability to deepen their relationship with NATO. Such plans are designed to bring together all the various cooperation mechanisms through which a partner country interacts with the Alliance, sharpening the focus of activities to better support their domestic reform efforts.

The NATO–Moldova IPAP has been fully harmonized with the EU-Moldova European Neighborhood Policy Action Plan to ensure complementarities and avoid overlap. Neutrality

5. Interview with Viorel Cibotaru, http://www.europa.md/rom/infto/182, 31.08.2006.
6. See The Declaration of the Popular Republican Party led by Nicolae Andronic, who was against the beginning of *Cooperative Longbow 06* and *Cooperative Lancer 06* peacekeeping exercises in the framework of Partnership for Peace claiming that these are military exercises. The Party of Socialists and The Political Movement 'Ravnopravie' were also against these exercises. It should be noted that the exercises were supported by other neutral states. See http://www.europa.md/rom/serch/1/178
7. Launched on November 7, 2006, the project NATO/PfP-OSCE/ENVSEC has a budget of 650 000 Euros and will be implemented until January 31, 2007. It is the second great project supported by NATO in Moldova. The first one was completed in 2002 and it was dedicated to the destruction of aprox. 250 m^3 of rocket fuel and 11,000 anti-personnel stockpile mines.
8. Monitorul Oficial al Republicii Moldova, No. 134–137, 25.08.2006, p. 26–44.

is mentioned twice in the IPAP. First, it is stated clearly in the document that the implementation of the IPAP does not mean that Moldova aims to join NATO, but only strives to reform the military and security sectors [9]. A special emphasis is put on Moldova's political cooperation with the other neutral partner states [10]. In addition to Moldova, Georgia, Azerbaijan, Armenia and Kazakhstan have also signed IPAPs with the Alliance [11].

Public opinion and political elites

According to the last Barometer of Public Opinion, 35.1% of the respondents see neutrality as the best solution to assure the security of the country. 22.9% consider that joining NATO is the best solution, while 14.6% think it is better to be part of the Collective Security Treaty Organization [12]. Moldovan public opinion is rather divided on the issue of joining NATO or a Russian military alliance. If European integration is clearly favoured by the majority of the population, the same thing cannot be said about Euro-Atlantic integration. Discussions about Euro-Atlantic integration are absent in the Moldovan society. Joining NATO is not a formal criterion in order to adhere to European Union, but it must be noted here that the ten countries that joined EU in 2004 were already NATO members. The same is valid for Romania and Bulgaria. Thus, neutrality might be at some point an obstacle, even if not the most important on the road to EU.

From the current parliamentary parties only the Christian-Democrats came up in March 2006 with the proposal to organize a referendum on the issue of joining EU and NATO. The Central Electoral Commission rejected the initiative, labelling it as anti-constitutional since such an initiative would not respect the principle of permanent neutrality. Until now the ruling Party of Communists showed no signs that it is aiming to change the neutrality status of Moldova, partly because it still has strong ideological ties with the Soviet past. Not so long time ago, NATO was the main military enemy and these stereotypes are still widespread in the Moldovan society as shows the survey mentioned above. The centrist 'Alianta Moldova Noastra' does not have a specific and decisive attitude towards the problem of neutrality. Some of its former members like Vitalia Pavlichenco or Oleg Serebrian speak in favour of a revision of the neutrality provisions, while the leadership of that political alliance is rather for the preservation of the *status-quo*.

There is a consensus among the Communist politicians in power, that deepening the relations with NATO is a desirable thing, but at the same time they are more firm, when it comes to the discussion of the neutrality issue. The present Communist political elites do not consider that the revision of permanent neutrality should be on the agenda.

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9. Idem, p. 26.
10. Idem, p. 28.
11. On 29 October 2004, Georgia became the first country to agree on IPAP with NATO. Azerbaijan agreed upon one on 27 May 2005, Armenia on 16 December 2005, Kazakhstan on 31 January 2006, and Moldova on 19 May 2006. For more information access http://www.nato.int/issues/pfp/index.html
12. *Barometrul Opiniei Publice: Republica Moldova—martie–aprilie 2006*, ordered by the Institute for Public Policy, April 2006.

What is the alternative to neutrality?

European integration is advancing slowly in the military field, but at present EU has already developed rapid reaction forces. It develops a Common Foreign and Security Policy (CFSP) and a European Security and Defense Policy (ESDP) as well. Among the old fifteen member states, there are four neutral countries: Ireland, Sweden, Austria and Finland. They might also revise their neutrality principles to adapt them to EU's CFSP and ESDP. After a decade, the Union will probably have a common, consolidated military and security structure. Until now EU has delegated some of its military and security tasks to NATO, Western European Union (WEU), and OSCE or left them in the hands of the member states.

A neutral country takes no side in a war between other parties and in return hopes to avoid being attacked by either of them. With the notable exception of the Transnistrian conflict, termed as a frozen one, at present, Moldova is not involved in any other military conflict. Moldova's permanent neutrality is not recognized by the international community. According to some researchers, Moldova should reaffirm its permanent neutrality, assuming the obligation not to take part in any armed conflicts, in any political, military and economic alliances, that aim at preparing a war; avoid according the right of dislocation on its territory of foreign military; avoid developing, producing and possessing weapons of mass-destruction [13].

Neutrality of Moldova may be considered a strategy for better accomplishing the national interests, but in Moldova's case national interests are not yet defined. For Vladimir Socor, Moldova's guaranteed neutrality seems more an invention of the Russian Federation that would like to have guarantees that Moldova would not join NATO in the future [14]. It happens rarely that neutrality is clearly defined. From neutrality to non-alignment is just a step. Probably the best option for the moment in the case of Moldova is to use the concept of permanent neutrality in a flexible manner. In the medium term, the second step would be defining Euro-Atlantic integration as a national interest, so that in the end, permanent neutrality is abolished and Moldova can fully integrate with NATO.

The benefits of permanent neutrality for Moldova are not obvious. Central European states and some Eastern European states defined Euro-Atlantic integration as their national interest, because this was a response to their need for more security. Maintaining the permanent neutrality in the Moldovan context can prove a more expensive option than joining a strong military alliance, which would surely provide more security for the Moldovan citizens.

From a certain point of view, the situation of Moldova resembles the situation of Austria after WW II. The Austrian state was recognized by USSR and Soviet troops left the country, only after Austria guaranteed that it will proclaim its permanent neutrality. We may assume that the Russian Federation would withdraw its soldiers and military equipment, only after

13. Iurie Pintea, *Defence and National Security of Republic of Moldova*, Institutul pentru Politici Publice, Chisinau, 2001. See also Catherine Durandin, Interview by Alexei Lungu and Nicolae Federiuc in Flux, Nr. 43, November 3, 2006.

14. Vladimir Socor, *Voronin's six points plan to Putin: a calculated risk*, Eurasian Daily Monitor, Issue 183, October 4, 2006. See the full article: http://www.jamestown. org/publications_details.php?volume_id=414&issue_id=3876&article_id=2371505

Moldova will provide more guarantees that it will maintain its permanent neutrality for a longer period. It is highly probable that that would not be sufficient for Russia and that it might propose specific conflict resolution plans. In that case, Moldova might be trapped in some institutional arrangements that will make it more liable to pressure from the Russian side. On the other hand, Moldova cannot increase its security and military capabilities and at the same time, take into account a possible NATO membership as long as the Russian military are present in Transnistria and as long the conflict remains unsettled.

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What is happening there? Identity, democracy and public sphere in the Republic of Moldova

'What is happening there?' is one of the questions most often asked at the beginning of the 90s, when people would talk about Eastern European societies.

'What is happening there?' is more than a question: it is also an answer, a gesture of abandonment, slipped—and not very subtly—inside the very body of the question.

'What is happening there?' is the sign of the impossibility to understand or, if you will, of an intuition that what is happening there defies our European rules, our criteria, our framework of understanding and action. You ask this question not necessarily to get an answer, but to point out the fact that you can't even find a satisfactory answer. Sometimes you don't even need to; or, anyway, you don't even try to find one. As a consequence, you act as you are used to, as things are done here, in Europe—in the West, a describable and predictable place, and not there, and the results can easily be inferred.

Too many times have the institutions interested in the Eastern European space acted in this manner. And too many times have the results of this fundamental inadequacy not been the ones expected. They are not today either.

Today most countries from Eastern Europe have come out of the shadow of the question 'What is happening there?' Unfortunately, the Republic of Moldova has not.

'The public sphere'—the standard of any democracy. What about the Republic of Moldova?

We shall also relate the question to a concrete field. This text will speak about 'the public space in the Republic of Moldova': how it is constituted, how it is structured, how it can be characterized. Everything will be placed in the context of the efforts of the society from the Republic of Moldova towards Euro-Atlantic integration.

We have to start with Juergen Habermas. The whole work of German sociologists is basically centred on this conceptual axis: *'the public sphere'* (Habermas 1962, 1981–84).

This is what he means. By taking over from psychoanalysis the syntagm 'distorted discourse' and by defining it, in the social field, as an ideology, Habermas then defines the latter as 'systematically distorted communication'. It is what un-free societies are characterized by. To oppose this, Habermas proposes the concept of the 'situation of the ideal discourse', as a type of free undistorted communication, free from constraint and external intrusions. All voices must be allowed to speak in such a context, they all must be left on stage, and the decision must be taken through an exchange of *arguments* and reasonable 'agreements', and—most definitely *not*!—*by force*.

The community or certain sections of it communicate, it sends and receives messages, it discusses them, it compares and rationally contests them, it accepts them and, once again, it does not use other 'arguments'—'strong' arguments, generally speaking.

This being said, the public space now becomes the place where consensus may (or may not) be obtained through discursive actions. Through the power of the word, not that of the fist—'the fist' can mean anything here, any political, economic or other kind of intrusion.

Beyond the criticism which can be brought—and has been brought!—against the German's theory, we can already sense the chance of the concept to become an essential standard for the 'evaluation of the functioning of any democracy—and the 'public sphere'—by appeal to the most widespread public communication instrument, the *media*.

For democracy, in this view, no longer means the existence of a quantitative public space, on paper, a dead inventory of achievements one is only too happy to report. It is not enough to have in a society a certain number of papers, newspapers, radio or television stations. This is a purely *quantitative* criterion! What matters most is the manner in which these are structured, the degree of access to the public space, the real possibility of communicating efficiently with the audience, and additionally, of giving it the chance of manifesting itself adequately in the polls. The criterion now becomes *qualitative*, but this does not mean that the quantitative dimension should be neglected. Only that the latter without the former becomes shaky, and even more, runs the risk of justifying the very lack of democracy which, initially, it was meant to expose!

The case of the Republic of Moldova seems exemplary from this point of view.

The window press or the 'black box' phenomenon

In the Republic of Moldova the media exists. It is indubitable. Yes, we do have newspapers, radio and television stations. Any public official or clerk who makes a statistics or a report can smile satisfied at its conclusion. (Just as in the famous joke from the communist times about harvesting: 'we have already finished harvesting in the newspapers, now we also need to finish harvesting on the radio and on TV'.)

Of course the media exists, and who might be able to contradict that? But if we take the previous 'public sphere' idea seriously, things cannot be—and are not—that simple.

According to all opinion polls carried out in Chisinau during the past few years (sources: The Barometer of Public Opinion launched by the IPP, Chisinau, the IRI/Gallup Opinion Polls), the written press is the main source of political information to approximately 7–8% of subjects in the whole country. If we take a look at the rural area, we shall notice that, as for the use of the written press, the numbers are much lower than the national average. In the whole country, the radio rises somewhere at 11% as a main source of information, and television clearly comes first: 60%–70%, depending on the opinion poll. The national television of the Republic of Moldova is, practically, the sole player on the market of political news with a percentage of approximately 70%–80% of partial or complete trust. Besides, an opinion poll initiated by IDIS Viitorul (October 2004) shows us something shocking: 'the pluralism of opinions' is the syntagm which, as the first option, best describes the democratic government for only 4% of respondents (the second option, 3%), and the 'free and independent press', only for 2% (the second option, 3%).

How can we 'read' the democracy/democratization in the Republic of Moldova through these figures? Firstly, we shall say that the differences between the written press and the audio-video section are visible in any democratic country of the world. Hence, the Republic

of Moldova is part of a trend. And this point might be *accurate* but not *true*. For in democratic countries one can find a conveyor belt between the two components of the media: televisions and radio stations are the loudspeakers of most of the topics delivered to the audience by the written press. In other words, the agenda of the written press also becomes the agenda of the audio-video press, and the quantitative (in percentages) differences between what comes out in newspapers and what is said on television are very small or non-existent.

And here comes the crucial difference between the media from the Republic of Moldova and the media from functional democracies. In the Republic of Moldova, the conveyor belt between the written press and television (especially the national one) does not exist. For the most part, we are dealing with parallel discourses, which never meet and practically do not come up against each other on a national level, in any way.

In the terms we have been using here, the 'public sphere' in the Republic of Moldova does not exist. We cannot find that free access—in the sense of Weber's 'ideal-types'—within the public discourse, there is no equal access of actors or opinions, there is no space in which actors and opinions can meet and, through meetings, debates, and dialogues, points of view and decisions can emerge. Since this public space does not exist—for one cannot compare the weight of the written press to that of televisions, especially national ones—there is not such thing as public speeches, but monologues with clearly different impacts: the papers write one thing and the television stations say another. The arguments and justification for one decision are more often purely political (not even in the subtle sense given to this word by Foucault!), and they do not pass through the Caudine Forks of public dialogue (hence, the quasi-inexistence of an institution such as the talk-show).

One more time. There is a written press in the Republic of Moldova. But the structural mechanisms which exist and are perpetuated on the level of society simply blow to pieces the idea of diversity, since the weight of public discourses is incomparable. Hence, the apparent paradox: although there is a free press (and many journalists can write exactly what they want in their newspapers), there is no 'public sphere', and consequently, there is no real media pluralism. We are dealing with a *window media democracy*, where those public discourses previously unapproved by a political authority have limited access: they circulate freely in a black box from which they can never escape. There are crowds of authors and newspapers who address themselves to the same audience, small and constrained, for financial reasons, to buy less and less papers. Television is both more comfortable and cheaper!

Finally, the apparent paradox can be formulated thus: *in the Republic of Moldova there is a free press, but there is no democratization of the public space*.

The civil society—an *absent presence*

One of the main actors that should populate and fundamentally shape the space of public communication is the *civil society*. And the other way round: the existence of public sphere should define and shape what we call today 'the civil society', that is that social space in which associations, identities, interests, differences are freely merged, beyond—and not necessarily against!—the coercive space of politics and government.

About the 'civil society' one speaks abundantly in Chisinau. But from the perspective of what we have been talking about so far, its presence in the Republic of Moldova is only virtual. It is an *absent presence*.

It is a 'presence' because there are actors who illustrate it, real actors, quality actors (people and institutions), many of them capable to have a dialogue with the western institutions which credit, finance and add them as dialogue partners. And there is nothing wrong with this, only that, in reality, the dispersion on the level of 'civil society' neutralizes it. It makes it *absent*.

It is an absent presence because in the absence of the civic space where it should manifest itself and where it should shape function of the needs of a society whose spokesperson it (also) is, the civil society does not exist in Chisinau. It is only a number of disparate, autarchic actors, without relevant public impact. Just as in the written press, here we are also witnessing a window phenomenon or a 'black box' one. The associations know each other—and sometimes recognize each other!—they support or envy each other, but almost no one knows about them outside this circle. What are the consequences?

Mainly two. The first: in the absence of a public space in which discourses are manifested or confronted and thus reach the public, the most often used instrument of public communication in the Republic of Moldova has until recently been the street. A society exasperated by the lack of a public 'microphone' (televisions, radio, widely circulated publications) is forced to go out into the public square in order to be, if not listened to, at least heard. The phenomenon is typical of many Eastern European countries after 1990, and even Romania has experimented with and used it extensively.

The second consequence: given the excessive and structural politicization of the society of the Republic of Moldova, the only chance for the civil society to manifest itself was *the political channel*. Yet another paradox: in order to manifest itself in the public space, the civil society in the Republic of Moldova has to become *political*. Only by putting on the political cloth, hence by taking on such a stake, was the civil society able to stand together and coherently transmit a relatively unanimous message.

Hence we may conclude, that the 'victories' of the civil society of the Republic of Moldova have been, despite their civic air, *political*.

The most famous episode: the battle for language and history, started in 1995, continued in 2002 and ended unpredictably. The political stakes of the demonstrations were perfectly illustrated by the political leader of the demonstration: 'Although it seems convenient, we must admit as fake or al least incomplete the idea that in present-day Bessarabia talks about the glotonym "the Romanian language" and the ethnonym "the Romanian people" would only have a scientific nature… Here, in Bessarabia, the affirmation that you are Romanian is a political act… Here you can be anything you like, but if you're stubborn enough to be what you are, that is a Romanian, you exasperate the whole caste of the artisans of a new nation'.

Case study I — the identity issue

There was no debate on the *identity* issue in Moldova, as no *public sphere* has existed or exists now, namely that environment in which the arguments should be un-politically heard and

discussed. Therefore, talking nowadays about the pros and cons of the 'Romanian language' / 'Moldavian language' or the 'Romanian people' / 'Moldavian people' is an illusion, because *the public space for such a debate does not yet exist*. Therefore, the solution to the identity issue is an indirect one: that of *democratization*, inasmuch as this means *creating a real space of public communication*.

Democratization of the public institutions, de-politicizing and depersonalizing them, free access to all means of *mass* communication of *all* arguments, elaboration of the history textbooks without ideological intrusions and by specialists authorised by the professional associations, and not by historians of one political regime or another—all these will generate that debate so necessary and that Moldova really lacks at this moment. For now, it is not the arguments or the common sense that have come forward at Chisinau in this matter, but the *political decisions*. But in what concerns the *ukases*, *democratization* only is the cure. And we know it from the entire Eastern European experience! The 'primitive Moldavianism' [1] in the republic can be compared—for the sake of example, rather—with 'national-communism' and its historians from Romania during the communist regime. They had the last say because no-one could officially argue against them. They were the historians of the regime, and their speech was *political*, not historical. But these people are now gone, their books as well, once the democratization of Romania began. Who is still speaking about them? Nobody!

Nowadays in the former communist state the debate is more open and, even though unanimity does not exist—this is only the case for dictatorship —, and the *frame* for a real debate is created. The solution is the same for the Republic of Moldova as well, at least for the medium term—*democratization of the public space* and the creation of a real frame for all debates, including the identity issue.

In this context, one should stress upon the idea that the *initiatives of international institutions*—otherwise well-intended—*to solve the identity issue before the democratization of the society is a mistake* which, on long term, will not solve the problem and which, moreover, will engender the dangerous idea that European institutions are willing to sacrifice the sacred democratic norms in its own home in order to preserve an illusory stability within this area.

Because never and nowhere, especially not in the East, were the identity (national or religious) issues solved from top to the bottom…

Case study II: 'integrated history' textbooks

In 2006, in the Republic of Moldova the so-called 'Integrated History' textbooks were introduced replacing the previous ones—'Romanians' History' and 'Universal History'. This decision divided the society.

On the one side, most of the historians who criticize these 'Integrated History' textbooks

1. 'Primitive Moldavianists' are called in Chisinau the historians who claim, for example,—reshaping the Soviet framework—that the Romanian language is different from the 'Moldavian language'. Today, they are *official* historians.

and the way they were introduced—textbooks that reach back to the Soviet era ones and that were introduced without a real public debate; on the other side, the historians close to the Communist Party who support these textbooks.

Once again, *the discussion does not bear upon who is right and who is wrong, but whether there has been or there is an environment in which the two positions could develop equally.*

The justification of those who now promote the integrated history textbook is that 'Europe demands this!'. And this is not, really, a lie, it is just… half the truth—which is more dangerous than a lie. Because, naturally, Europe demands adjusting the educational matters of the Republic of Moldova to the European norms. But not just *some* of them, those that, for the moment, the Communist leaders like.

Just one example. Nowadays, in Chisinau, one of the European norms, referring to the decentralization and the annulment of the political / ideological monopoly upon education, is systematically ignored, namely *introducing in the Republic of Moldova a real and functional system of 'alternative textbooks'*—like in other countries. In the Republic of Moldova there is still a unique textbook, selected by the Government, which by the means of economical and financial mechanisms can implement whatever textbook it desires and only that. All the other textbooks that exist at a certain moment are not subsidized by the Government; therefore pupils have to pay for them. And that, of course, does not and will not happen, especially in the rural area. Moreover, even if these textbooks were subsidized from non-governmental sources, the Communist Government can exclude them from the market with a very simple procedure: reintroducing history for the high-school graduation examination subjects, and selecting the examination questions only from the 'integrated' textbook preferred by the Government… It is then clear that in this case both the teachers and the students must choose what the Government chooses for them!

The lack of a real and efficient mechanism of 'alternative textbooks'—let us add the fact that all three publishing houses that print the 'Integrated History' textbooks belong to the state—makes possible for education in Chisinau, especially historical education, to remain *political*.

One cannot support the curricular change in what concerns the 'history' subject in the Republic of Moldavia, but not be interested in the context of this change, and moreover, not to be bothered by the fact that the State's monopoly is maintained in every aspect of education. In these circumstances, any debate on this theme risks to turn in its opposite. That is legitimating the monopoly status of the Government and of those who think the same, both at the level of public space and of implementing the course of integrated history.

Conclusions: the Republic of Moldova—a society dominated by *power*, and not by *politics*

The solution to all the contradictions and paradoxes discussed here is only that of democratization, since that means, in fact, creating a real space for public communication—*a public sphere*. The democratization of public institutions, their de-politicization, their de-personalization, and the free access to mass communication—all these developments will generate

that debate so necessary and which the Republic of Moldova truly does not have today. For now, it is not arguments or good sense which speak or have spoken in Chisinau on many matters, but *political* decisions.

As I have said before—for *ukases*, only *democratization* is a remedy. And that we know from the entire Eastern European experience.

For a real democracy has not yet been built in Moldova, neither regarding dialogue nor decision-making, the Republic of Moldova remains a society in which *power* dominates—the meaning is not merely political here—and not the relationship between the civic and the political sectors, which structures the western democracies consecrated and validated by the Euro-Atlantic space.

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New Initiatives are the Key to Success

Back in 1985, the policy of 'Perestroyka' ('rebuilding'), uncovered deep antagonisms within the population of the Moldavian Soviet Socialist Republic (MSSR). During that period, national intellectual groups declared themselves most clearly, since they perceived the weakening of the Kremlin's power as a chance to reunite with Romania—in a way similar to what happened in 1918. However, despite wide coverage of the issue in the media, an absolute majority of the MSSR's population was afraid of union with Romania to the point of panic. This easily can be seen in the results of parliamentary elections starting from 1994: out of all political parties which tried to promote unifying with Romania, not a single one has ever crossed the election barrier and obtained a seat in the Parliament. It should be noted that no influential opposition to the Communist ideology existed in the MSSR, and the majority of the population, regardless of their ethnic origin, did not consider the fact that the MSSR was a part of the USSR to be an act of occupation. Moreover, a very high percentage of Russian-speaking population existed in the industrial centers on the left bank of the Dniester (Transnistria), and these people were strongly opposed to the MSSR becoming an independent state. At the same time, the majority of the representatives of the titular nation (83%) were concentrated in rural areas, in collective farms and state farms. Besides, this category of the population was characterized by the lowest percentage of persons with higher education.

Under the circumstances of the breakdown of the USSR, the declaration of independence on August 27, 1991 was perceived as the lesser of two evils, when compared to uniting with Romania. However, after the Parliament of the Republic of Moldova passed the Declaration of Sovereignty on June 23, 1990, the Kremlin was able to retaliate by provoking separatism in the industrial centers of Transnistria, with the purpose of forcing Moldova to sign the 'Renewed Union Treaty'. As a result, a repressive chauvinistic regime was established in Transnistria; soon followed ethnic purges and physical elimination of any opposition. In the summer of 1992 the Russian Federation performed an act of aggression against the Republic of Moldova, and *de facto* occupied 12% of its territory. The events led to the signing of the Treaty [1] on the principles of peaceful settlement of the armed conflict in the Transnistrian region of the Republic of Moldova on July 21, 1992 in Moscow. The Russian Federation imposed a deliberately distorted interpretation of the Transnistrian conflict, and the Moldovan authorities passively accepted it. According to the Russian version, it was an internal conflict between the population of the left and right banks of the river Dniester, and the Russian Federation was neither an aggressor nor a real side to the conflict, but only a 'mediator' in the process of negotiations.

For fifteen years that have passed from the moment of gaining independence, the Republic of Moldova has not been able to solve the problem of its economic and energy security. Illusions of economic growth in Moldova are based solely on the increased consumption, caused by a flow of money sent into Moldova by its citizens working abroad. The Moldovan authorities

1. G.N. Perepelitsa, 'The Transnistrian Conflict', 'Stilos', Kiev, 2001—p. 71.

failed to learn the lessons of the financial crisis of 1998 in Russia, which had a severe impact on the economy of Moldova due to its dependency on the Russian market. The very same authorities also failed to foresee the possibility of 'asymmetric' actions by Russia in response to attempts by Chisinau to take actual steps towards solving the Transnistrian problem. As a result, when Russia started an economic war against the Republic of Moldova in order to force it to make concessions on the Transnistrian issue, the latter found itself without goods which it could offer in other markets (first of all, those of the EU). It certainly appears that the formation of the Moldovan state cannot be considered a finished process yet. Among the ex-Soviet republics, Moldova is the only one in which the national identity of the representatives of the titular nation is a subject of political interpretations and confrontations. Part of the territory of the Republic of Moldova (about 12%) still remains under Russian occupation. At the same time, while Chisinau makes every effort to demonstrate its pro-European orientation, it seem to be unable to find the right tone in relations with its neighbor Romania, which is going to become a EU member on January 1, 2007.

There are serious problems in the functioning of the state and political democracy in the Republic of Moldova. The society, which inherited a dangerously low level of civil culture from the totalitarian past, turned out to be unable to use the mechanisms of democracy. This is clearly demonstrated by the results of a sociological poll [2] conducted in January 2001, before the revanche of the Communist Party (CPRM) at the parliamentary elections on February 25, 2001. In particular, 69% of respondents said that 'before the independence the situation with rights and freedoms was better'. In 2002, when asked 'How many political parties should be there in Moldova', only 17% of respondents replied: 'More than one'. Political revanche of the CPRM, which, despite its aggressively anti-democratic election platform, won 50.7% of the votes and 71 out of 101 seats in the Parliament, came as a logical result of profound disillusionment caused by inability of the society to use the instruments of political democracy and market economy. Another fact worth mentioning is that all three democratically elected presidents of Moldova come from the former Central Committee of the Communist Party of the MSSR. Yet another serious problem faced by Moldovan democracy is weakness of opposition and absence of viable doctrinal parties in the political center.

Communist regime and European perspectives?

In 2003, a principal change occurred both in the internal and external state of affairs of Moldova. Firstly, the European Union decided that it should develop a special policy in relations with countries which will become its neighbors after the upcoming EU expansion (meaning the Republic of Moldova, Ukraine and Belarus). At the same time, the EU realized the risks emanating from the existence of the Transnistrian conflict near its eastern border. Consequently, on February 27, 2003, the EU and the USA imposed a ban on any travel of 17 representatives of the Transnistrian administration through their territories. Besides, on May 15, 2003, with active EU assistance, the State Customs Committee of Ukraine and

2. Barometrul de Opinie Publică, Republica Moldova, Ianuarie 2001, www.ipp.md

Customs Department of the Republic of Moldova signed the Protocol of mutual recognition of customs documents (this was intended to force the economic agents from Transnistria to obtain such documents in Chisinau, which, in turn, required them to be registered at the State Registration Chamber of the Republic of Moldova).

Even more radical changes occurred in the domestic political life of Moldova. They were caused by failure of the so-called 'Kozak's Memorandum', which was to be signed on November 25, 2003. Upon request of the President of Moldova Vladimir Voronin, Dmitriy Kozak, being an authorized representative of the President of Russia Vladimir Putin, assumed the role of a mediator between Chisinau and Tiraspol in the process of settling the Transnistrian issue. This confidential 'shuttle diplomacy' resulted in the emergence of 'Kozak's Memorandum'. Both President of Moldova Vladimir Voronin and leader of Transnistria Igor Smirnov (the latter—by Kremlin's instructions) were ready to sign this document. The Memorandum came as an unpleasant surprise both for the EU and the USA, since it provided for transformation of Moldova into a completely non-functional pseudo-federation, and additionally guaranteed Russian military presence at the borders of NATO and EU. Information leakage about the plans of signing the Memorandum in the presence of Vladimir Putin caused a consolidation of opposition and establishment of the National Committee for protecting the independence and Constitution of the Republic of Moldova, which united most opposition parties. Preparations were underway to organize mass protest actions, including plans to block the runway at the airport in order to prevent Putin's plane from landing. In the end, foreign and domestic political pressure caused President Voronin to decline the Kozak's Memorandum at the last moment, which in turn led to actual severance of relations with the Kremlin for almost three years. Loss of Moscow's support together with 'colored' revolutions in Georgia and Ukraine predetermined a radical change of position of President Voronin, who wanted to avoid a similar revolution in the Republic of Moldova during the parliamentary elections scheduled for March 6, 2005. Declaring European integration as a strategic priority for Moldova neutralized the opposition and allowed the CPRM to score a second consecutive victory at the parliamentary elections.

Radical changes in Moldova's situation started with the signing of EU-Moldova [3] and EU-Ukraine [4] Action Plans. Using the fact that Transnistria was isolated from Russia, the EU started to implement a consistent policy of securing its borders by strengthening the border control between Moldova and Ukraine (1222 km), including the Transnistrian sector (452 km), which is not controlled by the Republic of Moldova. On October 7, 2005, a trilateral Memorandum of Understanding between the European Commission, the Republic of Moldova, and Ukraine paving the way for the launch of an EU Border Assistance Mission [5] was signed. The emergence of this fundamentally new mechanism allowed bringing customs control on the Transnistrian sector of the border back under the jurisdiction of the Republic of Moldova, starting from March 3, 2006. Besides, in September 2005 the EU and the USA

3. http://www.mfa.gov. md/img/docs/planul_actiuni_ro.pdf
4. http://www.mfa.gov. ua/mfa/ua/publication/content/2820.htm
5. http://ec.europa.eu/comm/external_relations/moldova/intro/ip05_1221.htm

obtained a status of observers in the pentalateral format (5 + 2) of the negotiations. The very fact that Russia had to accept formal participation of the EU clearly indicates that the situation around the Republic of Moldova has changed.

The signing of the EU-Moldova Action Plan also had substantial influence upon the domestic political situation in Moldova. The CPRM was forced to restrict its authoritarian instincts; the authorities became more perceptive to the initiatives and position of the civil society, while political opposition between the parties lost some of its aggressiveness. Another important achievement is that according to surveys, in case of a referendum, over 70% of the population is willing to vote in favor of joining the EU. In other words, the EU's increased attention towards the Republic of Moldova, together with the first examples of cooperation, considerably altered the state of public opinion in Moldova and influenced the behavior of the authorities. Of course, the situation is still far from normal, primarily because these changes result not from the internal democratization of society, but rather from its reaction to external factors. In 2009, new parliamentary elections are due to be held; besides, the second term of President Voronin will also expire. Given the insufficient power of current opposition parties and inevitable weakening of the CPRM's position, this can potentially lead to a long period of political instability, with the preservation of Russia's negative influence through the Transnistrian issue, 'gas blackmail' etc. Therefore, today there are grounds only for cautious optimism about Moldova's future state affairs and European perspectives—without any guarantees.

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The EU and Moldova: vague perspectives and clear shortcomings

The short history of Moldova's relations with the European Union is largely characterised by missed opportunities and sporadic actions on both sides, rather than by engaged (strategic) dialogue. In its first years of independence, Moldova was overwhelmingly neglected by the union, not only because member states had stronger interests in Central Europe or the Balkans, but also because Moldova failed to emerge with a clear European foreign policy, with membership as a strategic orientation and EU member states as strategic partners.

With the European Commission placing Moldova behind its neighbouring Ukraine, but also behind Jordan and Morocco in terms of progress in carrying out reforms as outlined in individual Action Plans, Moldova and the EU are approaching a critical point with unclear perspectives over the last phase of the plan and its satisfactory implementation. Moldova's leadership should seriously engage in transforming the country under a process widely described as Europeanization. The quality of reforms should become Chisinau's main selling point, not only to differentiate itself from Ukraine (and other states that share membership perspectives), but also to make, this way, the EU offer Moldova and its people more, and namely participation in its institutions and membership.

In the long run, Moldova should become a member of the EU. First, as a European country it can apply to become a member under art. 49 of the Treaty on the European Union. Second, it raises severe security issues in the region because of the Transnistrian conflict, that it would be in its own and in the union's interests to engage further on the European path. In her turn, the EU will accomplish the goal of spreading democracy, stability and peace to its neighbours and the region. For Moldova it is crucial this time not to miss the opportunities it has on the last lap of EU-Moldova Action Plan implementation.

Moldova: missed opportunities

In 1994 Moldova signed a Partnership and Cooperation Agreement with the EU. Defining the key framework for bilateral relations, the document entered into force in July 1998 for a ten-year period [1]. In spite of all the advantages the country could have as a result of the PCA implementation, this did not provide either for a clear end-point for Moldova's relations with the EU (i. e. membership of the Union), or for any perspective of a free trade area. Moreover, the desired regional cooperation and integration failed to materialize, with developments in the CIS moving in precisely the other direction; the PCA also failing to provide the EU with the degree of influence over regional developments which it has expected [2].

1. The EU postponed the ratification of PCA because of the war in Chechnya in 1994.
2. Roland Dannreuther, 'Developing the alternative to enlargement: The European Neighbourhood Policy', European Foreign Affairs Review 11, 2006

The PCA/TACIS instruments were supplemented in 2003 by the European Neighbourhood Policy, conceived first by Sweden and Britain as the 'Wider Europe' initiative, then known as the 'Proximity Policy' and 'New Neighbourhood Policy' [3]. The policy set out a new framework for relations over the coming decade with its future neighbours that do not currently have the perspective of EU membership, but who will soon find themselves sharing a direct border with the Union, as in Moldova's case after Romania joins the union in January 2007. The Commission refused to say whether any of these countries [4] could become members of the EU and it offered the 'ring of friends' participation in all EU policies, but not in its institutions [5]. However, it suggested that all neighbourhood countries should be offered a stake in the EU's Internal Market with the prospect of a Free Trade Agreement, provided that concrete progress and effective implementation of political, economic and institutional reforms on 'shared values' took place. Although the element of differentiation was underlined, the same document deals with the eastern and southern border regions, which creates the impression that Moldova was not only put in the same basket with Ukraine and Belarus, but also with countries like Morocco—a fact that led to a reaction of disappointment in Chisinau, since it was a sign of essential diminution of Moldova's chances for membership of the Union.

Individual Action Plans were drawn in order to ensure ENP's implementation. Moldova was the first country to conclude the negotiations over the document on 21 February 2005. The EU-Moldova Action Plan was signed on 25 February in Brussels for a three-year term, setting the agenda for complex political, economic, social, trade, market, justice, freedom and security reforms [6], aiming at bringing the country as close as possible to democratic principles and European standards. The Action Plan also covers cooperation and reform in transport, energy, environment, science, research, civil society, education, public health and culture. The sense of 'joint ownership' was a core principle that the Commission pursued, for it became a strength of the process. 'As partners become actively engaged in negotiation and implementation of Action Plans, their expectations and priorities become clearer and they formulate their own goals more precisely—all of which will prepare them for a deeper political and economic relationship with the EU'. [7] The financial instrument of the ENP is

3. Paving the Way for a New Neighbourhood Instrument, 'Wider Europe Neighbourhood: A New Framework for Relations With Our Eastern and Southern Neighbours', March 2003, http://europa.eu.int/comm/external_relations
4. ENP covers 16 countries with a population of 400 million people: Moldova, Ukraine, Belarus, Algeria, Tunisia, Libya, Syria, Morocco, Jordan, Israel, the Palestinian Autonomy, Egypt, Lebanon, Armenia, Azerbaijan, Georgia.
5. Speech by Romano Prodi, former President of the European Commission, 'Looking Ahead in Transatlantic Relations', 24 June 2003, http://ec.europa.eu/comm/external_relations/news/prodi/sp03_322.htm
6. In the first year of the Action Plan, the EU appointed a Special Representative for Moldova to deal mainly with negotiations over Transnistrian issue; it joined the negotiation talks as observer, together with the US in the '5+2 format'; and it sent a Border Assistance Mission to work at the frontier between Moldova and Ukraine. The European Commission also opened its Delegation in Chisinau in October 2005.
7. Rutger Wissels, 'The Developments of the European Neighbourhood Policy', Foreign Policy in Dialogue: The New Neighbourhood Policy of the EU, http://www.deutsche-aussenpolitik.de, 27 July 2006

the European Neighbourhood and Partnership Instrument that supports in particular the implementation of Action Plans, with a budget of almost 12 billion Euros for 2007–2013 [8]. The mid-term review of ENP at the end of 2006 should involve discussions over Moldova's progress, an overall assessment of the policy's achievements and shortcomings, with a view to developing the EU's next instrument for Moldova from 2008 onwards.

The EU: integration capacity first

The ENP finds its origins in the eastward enlargements of 2004 and 2007 that made the EU address the issue of its future neighbours, and its primarily concerns are over security, border control and immigration, alongside political-economic dialogue. However, enlargement was only one of the factors that led to the formulation of ENP. The crisis on the 'deepening' dimension, after the spectacular rejection of the Constitutional Treaty (and implicitly enlargement) by France and the Netherlands in 2005, imposed a period of reflection throughout the bloc [9]. Moreover, as Judith Kelley put it, the ENP followed in the wake of the relative weakness of past policies in promoting human rights, democracy and the rule of law values. The policy was also developed because of security and strategic considerations, with the EU's first European Security Strategy of 2003 signalling that 'integration of acceding countries increases our security but also brings the EU closer to troubled areas' [10]. At the same time, ENP was seen as a policy for 'neighbours' that will address the relations with geographically surrounding states, rather than a 'neighbourhood policy' to envisage deeper cooperation and interaction, and even membership perspectives for some neighbouring countries, with no framework for regular meetings among all neighbours and limited regional cooperation [11].

Although the ENP aimed at inclusion and not at the creation of 'new dividing lines in Europe', it emerged as a non-enlargement policy, placing its Eastern neighbours, such as Moldova, Ukraine and Georgia outside the union, by not offering explicit accession perspective [12]. The lack of 'membership carrot' brought a lot of criticism from those who chose to stress what the ENP *does not* offer. With no clear obligations and benchmarks, i. e. lack of conditionality, the policy fails to deliver strong incentives for domestic reforms, placing the success of the policy onto weak capacity and political will displayed by a large majority of ENP countries.

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8. This means an increase of 32 per cent in real terms above the amounts available for the period 2000–2006. Ibid.
9. The French vote in particular was widely interpreted as a vote against the EU enlargement that had taken place a year earlier as much as against the constitutional text that had been placed before French voters. Gideon Rachman, 'The Death of Enlargement', The Washington Quarterly, summer 2006
10. A secure Europe in a Better World—the European Security Strategy, 12 December 2003
11. Karen E. Smith, 'The Outsiders: the European Neighborhood Policy', International Affairs, 2005
12. ENP is not about enlargement. The EU will always have neighbors. Judith Kelley, 'New Wine in Old Wineskins: Promoting Political Reforms through the New European Neighborhood Policy', JCMC 2006, Volume 44, Number 1.

Enlargement in the short-medium run

Still, the major issue that appears when dealing with the ENP is the one of EU's borders. 'How big should the EU be?' is a question that concerns not only what will happen to the policy and enlargement, but how decisions will be taken, future budgets created and institutional reforms undertaken. For example, the Commission's Nov 2006 Communication on the Enlargement Strategy [13] avoided stating where Europe would stop and also giving a clear definition of what a European means. The report excludes enlargements as big as the 2004 one, but insists on priorities of European values over geography, thus countries like Moldova and Ukraine can aspire to EU membership one day [14]. However, further enlargement is not possible until the union reforms [15], while the 'integration capacity' that replaces the 1993 'absorption capacity' [16] term will become another criterion before further membership can take place. 'The EU needs to work on its economic and political revival, not to make enlargement the scapegoat for domestic failures' concluded Mr. Olli Rehn, responsible for Enlargement in the European Commission [17]. That means countries like Croatia or Macedonia should think of accession not earlier than in five years, while other Balkan states only in the medium-long run.

Moreover, the promise of the French government to subject all future enlargements to referendums is likely to cause grey clouds to gather over the widening of the EU, given people's growing scepticism on this matter. As Jeroen Bult writes, 'the spoiled inhabitants of 'Old Europe' and rich member states are no longer willing to pay for obscure, unknown people in the East, who dare to dream of a more prosperous future and who will deluge the West, snatching up all the jobs there' [18]. Recent debates in the UK over Polish, and possible influx of Romanian and Bulgarian workers forced the government to reconsider its 'open-door' policy in favour of a gradual opening of the market.

With calls on Brussels to give up the 'generosity policy' and start saying 'No' to countries such as Bulgaria or Romania who are proven to be not ready for enlargement because of poor records of reform in crucial areas like corruption, justice and home affairs, the main question on the EU agenda now is what will happen to the rest, now increasingly known as the 'outsiders'?

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13. http://ec.europa.eu/enlargement/pdf/key_documents/2006/Nov/com_649_strategy_paper_en.pdf, Communication from the Commission to the European Parliament and the Council, 'Enlargement Strategy and Main Challenges 2006–2007', Brussels, 8.11.2006
14. Oana Lungescu, Comisia Europeană evaluează viitorul extinderii UE, www.bbc.ro, 8 November 2006.
15. Adding more states within the existing structure simply dilutes the existing bonds and reduces the effectiveness of the Union even further. Peter Sain ley Berry, 'How big can the EU be?' EU Observer, 17 November 2006 .
16. This term was seen as too one-sided and had come to be synonymous with negative feelings about enlargement. Honor Mahony, 'Brussels to take more self-protecting approach to enlargement', EU Observer, 8 November 2006.
17. Mr. Olli Rehn, 'Europe's Next Frontiers', Lecture at the Finnish Institute of International Affairs, Helsinki, 2006
18. Jeroen Bult, 'Bulgaria and Romania Will Join the EU, but What About the Others?' 15 October 2006, http://www.worldpress.org/Europe/2524.cfm#down

What next?

PCA

With the Action Plan expiring in February 2008 and the PCA in July 2008, the question of future instruments between the EU and Moldova is the main issue on the agenda, especially since it is not clear yet how the progress will be assessed as 'clear benchmarks these are not' [19] and since the Action Plan does not state specifically what will happen if the country falls short of implementing reforms it undersigned to.

At the time of writing, there are few scenarios intensively examined among member states on how the ENP could be upgraded to an ENP+ instrument and even to an Integration Treaty, leaving the door open to membership in the long run. On Moldova's side there is a clear determination of the Ministry for Foreign Affairs and European Integration to ask Brussels for a Stabilisation and Association Agreement—the legal step before gaining the candidate status—with the membership perspective clearly acknowledged and placed on offer. Moldova does not want to be part of a policy, such as the European Neighbourhood Policy and placed outside the union within 'the ring of friends'; rather, it wants to be a member of the family, with relations upgraded to a legally binding agreement, similar to those offered to the Balkan countries [20].

Nevertheless, the PCA will continue to play the role of the key framework for bilateral relations, subject to automatic extension for a one-year term. The evolutionary ENP will have to be adjusted to the shortcomings identified in its implementation, namely limited progress in creating the 'ring of friends' with reforms lacking proper implementation in key areas such as the rule of law, fighting corruption, human rights, freedom of the press, and immigration. Also, the differentiation principle should be applied taking into account aspirations of European neighbours—Moldova, Ukraine, and South Caucasus countries—that share European values and aim at accession, as opposed to the Neighbours of the EU in the Mediterranean region that do not share such objectives.

ENP+

The EU announced it will re-enhance the ENP and relations with partner countries, but it will not grant accession. ENP+ will be coupled to sector-specific agreements [21] such as free trade, visa facilitation, interconnection of transport and energy systems, but this will

19. Karen E. Smith, 'The Outsiders: the European Neighborhood Policy', International Affairs, 2005.

20. Action Plan documents are agreements signed by the two parties, but are not subject to ratification, which would give them the status of treaties. 'A New Agreement between the EU and Russia: Why, what and when?', CEPS Policy Brief, No. 103, May 2006.

21. Part of Generalised System of Preferences (GSP+) since January 2006, Moldova is currently negotiating with the EU Autonomous Trade Preferences to lead to a Free Trade Agreement in 2007. Visa facilitation is another subject of current negotiations.

leave Chisinau disappointed, as its leaders argue that less than membership is not enough to undertake changes.

Thus, one could argue that the lack of membership carrot in the ENP will most probably *not* help overcoming poverty, fighting corruption and building democracy in the country, as 'everything but institutions' lacks the potential to reward reforms [22]. However, with the Action Plan in its last phase of implementation, this reasoning runs counter Moldova's European aspirations, since the country should adjust to union's norms and standards precisely because it feels it belongs to the European family and shares European values. Besides the fact that changes cannot and should not be imposed from outside, as these might prove weak in terms of sustainability, failure in enrooting European principles at home will only come to prove that Moldova is not European enough to be taken into account in future enlargement processes.

Moldova is a country where democratic principles such as free media, fair election, and open society are weakly rooted. The free market economy and business climate are also far from ideal. A shadow-democracy with the presidential administration emerging as an authoritarian regime determines a balancing act between genuine reforms, which would bring the country closer to the EU, and group interests, favouring this way Russia's foreign and security policies in the region.

The increasing presence of the EU in Moldova in the last years—with member states setting Embassies in Chisinau, the opening of the EC Delegation, the appointment of EU Special Representative, inclusion as observer into negotiation talks over Transnistria and with the EU Border Assistance Mission—came to lower the scale of Russia's involvement in the region. However, one can still observe the tendency of opposing Russia to the EU among Chisinau leaders, as the main point of debate, rather than focusing on the need to promote reforms and irreversible changes that will anchor country's system within the European one. Moreover, this would also serve as a long-term solution to the Russian delicate issue that Moldova is currently facing.

Romania, as the only neighbour included in the 2007 eastward enlargement of the EU, will have to serve as a driving force for Moldova on its journey 'back to Europe', by bringing up the case for reforms and the need to stick to commitments of bringing the country closer to European values. At the same time, Chisinau enjoys special relations with the Baltic States, also possible lobbyists for Moldova within the union, as they understand well country's sensitive position vis-à-vis Russia, which will, along Romania, support Moldova's eventual bid.

To get there, it is critical that Moldova takes real measures in order to increase its credibility in the eyes of the Union member states, since the EU does not make generous gestures unless it has strong and convincing reasons. In short, if Moldova wishes closer integration with the EU, it needs the will (political especially) to implement all necessary reforms, no matter how painful these might be and become such a good European that the EU could not

22. Without the membership perspective, the ENP countries may not be motivated to undertake domestic reforms (Grabbe, 2004), Judith Kelley, 'New Wine in Old Wineskins: Promoting Political Reforms though the New European Neighborhood Policy', 2006.

leave out. While coming up with the answer, the EU, which, if serious about its claim as an international actor and its 'transformational'—'soft-power' capacities, should reform the ENP and grant a long-term membership perspective to countries like Moldova.

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Quo vadis, Moldova?

A note of 'originality' in the landscape of Central Europe

Fifteen years have passed since the former Soviet Socialist Moldovan Republic, constituted after the war on three quarters of the old Romanian province of Basarabia, has declared its independence from Moscow. But we can firmly state that the experiment that has begun so promising (and insecure) in August 1991, today spreads the feeling of a quasi unanimous failure of impressive proportions. It is enough to confront the hopes of the citizens with which they began their post-communist adventure with the crushing reality that transformed since then, the wide majority, from actors of their own history, into dumb victims unconscious of their incapacity of outrunning the ancestral condition of slavery, and the bad luck of an unfavorable geographical location. I think it is worth concluding the reasons of this terrible Moldovan disappointment, before formulating some predictions for the proximate future of this state.

The declaration of independence of the Republic of Moldova on August 27, 1991 represented the expression of the will of freedom of the population, crushed throughout fifty years by the cruel machine of denationalization. Fructifying their right to choose, a mandatory precondition for democracy, the choice of Basarabians seemed to be a natural step at that moment. On the other hand, it is a state that never existed autonomously before 1940, unlike the Baltic States that once got independent in 1991, started to get back to the normal estate that was interrupted by the Soviet invasion. From the very start the act of independence of the Republic of Moldova raised some questions, as it was contradicting this unfolding scenario in the whole Eastern Europe, where nations enslaved by Russians were recovering their antebellum status, stipulated in the Treaty of Versailles. Following the same logic, the end of the deploring domination of the Soviet regime of occupation in Basarabia should be followed by the reunification with Romania, from which this province was rooted out by Stalin through the Ribbentrop-Molotov Pact, on June 28, 1940. Romania, that also came out of the long tunnel of communist dictatorship two years earlier, in December 1989, was apparently offering this chance. The Republic of Moldova however did not use it. This new note of originality in the *landscape* was suggesting a certain insecurity regarding the victory, in the new 'country' between Prut and Nistru rivers, of the democratic values that triumphed in the ex 'soviet block'. Therefore, the problem that the Republic of Moldova was facing from the very start, was not only its capacity to pass from a centralized system of governance to a democratic and capitalist one, but also at a certain extent, the *identity* of this state entity that appeared on the ruins of a dead empire. As a consequence, it used its historical, geopolitical and cultural legitimacy that was accompanying the democratic one, transposing into reality the right to self-determination of a community. Indeed: what kind of legitimacy from this point of view could a province pretend which independence was not reflecting so much the expression of the will of freedom toward a disfiguring centre, as the further evolutions demonstrated, but

it suggested its refusal to reestablish that *scenario of normality*, that most of the countries in Central and Eastern Europe were re-establishing? What foundation for proceeding *differently* could the artisans invoke to this geopolitical actor, called the Republic of Moldova, in the support of the *difference* in destiny which they opted for, including of the delimitation from the precedent, which took place just a year before: reunification of Germany after forty-five years since the Second World War ended?

Thus, it is not difficult to explain the bewilderment of the citizens of Romania toward the hesitation of their co-nationals from between Prut and Nistru rivers to reunite with Romania. A bewilderment however mined by the lack of perception of its own unhappy originality: after a bloody revolution that pushed Romania, at a certain moment, to the top of changes taking place in Eastern Europe, a neo-communist regime of governance was installed in Bucharest, a defender of Moscow interests in the zone. This regime did not hesitate even for a moment to officially recognize the second, in chronological order 'original event', in the same nation area: the independence of the Republic of Moldova, when only with four months earlier, in April 1991, the new regime had signed a treaty with the Soviet Union in which the former 'camp partners', were mutually confirming having no territorial claims…

We invoke these things as the current geopolitical formation of the Republic of Moldova existed in *embryo* when it detached itself from the imperialist structure. Despite it was not a direct consequence of this *original alienation* from the above mentioned Central European 'standard', the bankruptcy of the Republic of Moldova as a state is explained by the absence of premises that could have allowed it to pass the exam of independence. Firstly, a *firm political will oriented towards the West.* Today, at the end of 2006, this thing is more than just obvious: Moldova missed all waves in a row of the European Union enlargement just because of the fact that it was on the wrong path.

Short history of a national bankruptcy

Perceived in the context of the Soviet Union implosion and of the failure of the crypto-communist putsch from Moscow, from August 1991, as a first step towards the 'elimination of Ribbentrop-Molotov Pact consequences' (quoted from the Declaration of Independence of the Republic of Moldova, adopted on August 27, 1991), under the pressure of recrudescence of the neo-communist and revanchist forces from Chisinau and Tiraspol, independence has lost on the way its initial motivation, and has become a *purpose in itself* of the oligarchs in power. It determined soon a 'cooling down' of relations with Romania, and appeared more as a continuation, in changed geopolitical conditions, of the Russian domination in this region. Independence caught Basarabia at half of the way: between its privation from the Romanian (certain) identity and the obtainment of a new identity (improbable), a process that in the known conditions did not mean anything but an attempt to save the false 'Moldovan' identity, created by the KGB. The Romanian conscience between Prut and Nistru rivers, embodied especially in the intellectuality, could not be imposed by it after 1991 in the terms of a general option, under the form of a national program that in order to succeed had to include also decommunization: adopting the laws on Lustration and access to KGB files. As a result, old

nomenclature came back fast to their positions and adopted an anti-reformist speech hostile to the idea of Romanian communion. As a pendant, the rebellion of the separatist regime from Transnistria, supported by Moscow, against the legal authorities from Chisinau, has transformed the Republic of Moldova into a geopolitical hostage of Russia.

Personally, I am not the one who blames the masses, freeing of responsibility for example the intellectuals, but there is no doubt about the fact that we live in Basarabia, the projection of a certain internal structure of its inhabitants, of a 'soul' shaped throughout decades, if not centuries of existing in a grey zone of Europe, in an interminable geopolitical hesitation.

Moldovans had never been real nationalists, in the sense that is attributed currently to this term, of exclusivist feeling of self definition. The Soviet experiment of creating the 'new man' succeeded better between Prut and Nistru rivers than in other regions of the former empire. One example for this is that after more than ten years of freedom, the constitution of the Republic of Moldova stipulates the state language to be an ideologically false KGB model: the 'Moldovan language', and not the Romanian language. The communist party of Vladimir Voronin, that came back to power in 2001, did nothing but to re-launch these ideological fakes, trying to impose Russian language as the second state language and to replace the *Romanian History*, taught in schools since 1991, with the so called course of History of Moldova, that presented as an insertion in European history, picks up and emphasizes the Romanian-phobic vision of Soviet times. Or just well fixed in its constitutive attributes, the language, first of all, and a set of values voluntarily embraced, values connected to modern times, a post-colonial community will relegate to a western type civilization, in which multiculturalisms or 'political correctness', for example, to be normal things mutually accepted. The best illustration of this thesis, in the ex-soviet space, is represented by the Baltic States, an eternally valid example, whose strong national identity and internal cohesion (corroborative qualities, it is true, and with the support of the West) allowed the spectacular development of these nations on their path of European integration, once they regained their independence in 1990–1991.

'Second Option' solution

The Republic of Moldova will slip on the dissolution slide, until the moment when its citizens, despite their nationality, religion and political affiliation, will agree upon a common set of values. The key of the evolution of the Republic of Moldova resides in surpassing its unfortunate confrontational estate, where the national identity of the majority of its population will constitute the main topic of discussion. We stayed on barricades, in an interminable war of attrition: 'Moldovans' against Russian or Gagauzian minorities and vice versa, 'Moldovans' against 'Romanians'. I think that the problem of the Moldovan society consists in finding this *second option* that will reunite, beyond the primordial and non negotiable incandescence of national identities, different ethnical and political groups from Basarabia (even inside the majority group, differentiation between 'Moldovans' and 'Romanians', reflects, I stress, a *political* criterion, not an ethnic one: it is the same nation, but with opposite geopolitical pillars and different degrees of education). The 'second option', or otherwise stated, a consensus

creating space for agreement, for a climate where each 'belligerent party' could step back in order to discover some points of convergence, an acceptable for everyone *modus vivendi.* Until we lower the tone of polemics that rips apart the community of citizens from the Republic of Moldova, it is impossible to build a common national project. In my vision, this common national project could be only the *European project*: a democratic pluralist system, free market, competitive capitalism. The 'second option' however will not be formulated as long as the governing Communist Party gives up its policy of re-ideologization and re-russification of the Romanian majority and national minorities, as long as they deny the European standards. All this undermines the internal stability of the state and poison the relations among people. The new paradigm can not be installed if the freedom of expression will not be fully ensured in the Republic of Moldova, if economic development will not be encouraged through liberal reforms and Western investments.

Predictions for immediate future

Quo vadis, Moldova? Currently, this state is going into leeway, remains suspended between the East and the West, having a zero social cohesion. So far, Moldovans vote for Europe 'with their feet', as it is said, migrating in hundreds of thousands to work illegally abroad, not to die from hunger at home. More and more wish to have Romanian citizenship (only in the period of August-September 2006 at the Romanian Consulate in Chisinau approximately 400,000 requests were registered, from a local population of nearly four million people). The passport of an akin country, Romania, is desired, of course, not because of a sudden Romanian nationalism, but because of the advantages of free movement in Europe that it offers, which is an essential economic motivation in poor times. It could signify a first step to the acceding of Moldovans to a superior national conscience, and implicitly, it could crystallize European reflexes, help Moldovans gain their dignity in relation with the state, and teach them to fight for their rights.

Moldova has never had sufficient historical interregnum to found a civilization on European basis. The best it had were short intervals of freedom (as the interbellic period), when it produced generations for export. The same thing happens after 1989. The main danger also comes from Russia, which will not give up putting into stage diversions to prevent the Republic of Moldova going westwards. Lacking a clear horizon of European integration, deprived of basic national security guarantees, the government in Chisinau is still opting for 'strategic neutrality', and does not dare to make the conclusive option in favor of NATO, in comparison with Georgia, often being compared with, the Republic of Moldova could anytime become a victim of collusion planned behind its back. These occult influences are transposed either in political and economic pressures, that we currently face, involving big participation of the Transnistrian factor, or through different suspicious initiatives, such as 'International Orthodox', a structure intended to reunite the Eastern Christian world in the idea of saving its 'specific' in the context of globalization, and to elevate 'a redoubt' in the way of catholic proselyte and protestant impetuosity. It is stupefying to find out that these corrosive projects still find followers in Romania, a secularized country which soon will adhere to the European

Union, also civilized and secularized. The association with other states on religious principles seems to me to be dangerous even by definition, especially in the ongoing 'conflict of civilizations'. Moreover, entering in such a 'spiritual' combination with Russia, a country that does not share Western values, suppresses democratic freedom and tries to disunite Europe through energetic blackmail, means to ignore your own national interests. The condition of freedom consists in the courage to escape from the reminiscences of sirens of the past.

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