

## **Moldova: Where Next?**

Ann Lewis\*

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It would be a rash observer who, in late 2003, would predict Moldova's course over the next few years with any confidence. The economy, the social structure, the body politic and the very future of the state seem to hang in the balance. Will it become another failed state, endangering not only its region but the wider community? Or can it, with international help, find a way out of its difficulties?

This short tail-piece will not attempt to summarise the various contributions to this book, but rather draw out a few threads and indulge in a little speculation.

But first, why should we bother with Moldova? It is small, far away, quiescent if not peaceful. It barely impinges on the consciousness of the outside world. If it is a mess, what does it matter? If it fractures, or parts are absorbed by its neighbours, some might argue that that would be a perfectly satisfactory solution for the world at large. The search for a united, stable and prosperous Moldova might well be long and painful: is it worth the effort?

Moldova is undeniably part of Europe, and the EU must as a matter of principle wish to see the country embrace the best European values and standards. As the EU enlarges, it has an increasing interest in promoting regional stability and resolving any potential conflicts near its borders. In more practical terms, Transdnistria provides a dangerous haven for illegal traffic in arms, drugs and people. Given the international threat from terrorism, this is a hole that needs to be plugged.

Many authors have drawn attention to Moldova's weak sense of national identity as underlying many of its problems. It has been described as a state that has not yet become a nation. The country has indeed never before existed as an independent entity within its current borders, which simply perpetuate the arbitrary borders

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imposed in Soviet times. Polls suggest that the majority of people (where opinion can be tested) do feel 'Moldovan', but this finds little expression in the political process. Attempts on the one hand to redress the inequities inflicted on the Romanian-speaking population through 50 years of russification, and on the other to combat perceived discrimination and total 'romanisation', have created a dangerous polarisation of attitudes and an unwillingness to seek consensus on the highly symbolic cultural and language issues. Cutting across the ethnic divide, the political parties have been fractious and fragmented, some looking eastwards, some westwards, some leaning towards democratisation, others tending to the authoritarian, many highly personalised. The radical wings are outspokenly hostile to and deeply suspicious of each other.

All this has made it hard for Moldova, even excluding Transdnistria, to maintain any kind of coherent and consistent policy line round which the people can rally and which can get the country out of its difficulties. To the outsider it seems clear that the only identity open to Moldova is that of a multi-ethnic and multi-cultural society with good relations with both East and West. As it is, many Moldovans are already hedging their bets. Many Russian-speakers hold Russian passports, while increasing numbers of Romanian-speakers are acquiring Romanian citizenship. Huge numbers already live and work abroad. Hardly a sign of commitment to Moldova.

Moldova's most urgent need is to stem its long-term economic decline. The economists writing in this book, whether from Chisinau, London or Washington, are agreed on what is wrong: excessive dependence on the agricultural sector (subject to the vagaries of the weather); excessive dependence on the CIS for markets (subject to economic swings) and imports especially of energy (subject to political pressures and leading to massive indebtedness); institutional weakness leading inter alia to increasing corruption (Moldova sank to no 100 on Transparency International's 2003 corruption index, down from 93 in 2002 and 64 in 2001); a stop-go process of reform; and a poor climate for investment both foreign and domestic, without which Moldova will never achieve real growth and development. The separation of Transdnistria has deprived Moldova of a potentially substantial industrial base.

All of this is greatly aggravated by the very high level of emigration, which has deprived the country of much of its educated and energetic young workforce, removed a natural constituency in favour of change and reform, and propped up the budget through remittances, thereby obscuring the urgent need for action. It has also led to acute social problems and the danger of a downward spiral of deprivation and breakdown in the social fabric, fuelling yet more emigration.

The advent of the Voronin administration with a large majority in parliament offered the chance of greater stability in policy-making. But in the event the leading party is itself divided and not much progress has been made. Economic gains stem largely from short-term factors rather than reflecting any fundamental improvement in the economic base. Prospects for the future look unclear. If the communists lose votes in the next round of elections, this could lead to the adoption of more coherent and centrist policies; but equally it could result in further fragmentation. The situation presents a challenge to the centre-right parties.

### **To be or not to be?**

Given the current rifts and contradictions, it is worth asking the question: can and should Moldova survive as a single state? It is already run de facto as two separate states. Why not regularise this? Some in Moldova already believe that the country's path to European integration would be easier without the burden of undemocratic Transdnistria. In the case of Transdnistria, formal recognition by the international community would bring it back under international law and undermine its position as a safe haven for crime. Against this, it is by no means clear that Tiraspol wants to be burdened by the trappings of full statehood. Both new countries would need substantial external support. And for the West simply to recognise the current Transdnistrian leadership would go against all its commitments to state sovereignty, democracy and human rights. Furthermore, the international community, through the OSCE, has generally taken a negative view of border changes other than in exceptional circumstances.

This last objection would also apply to a further option: for one or both parts of Moldova to be absorbed into larger states. In the case of Transdniestria this could scarcely be Russia, to which many already owe allegiance, since there is no common border - unless Russia were prepared to contemplate another exclave like Kaliningrad, which seems unlikely. But Transdniestria could join neighbouring Ukraine, given its 30 per cent of ethnic Ukrainians, which would solve the problem of the regime's illegality. As for the majority Romanian-speaking area, some Romanian nationalists have long hankered after union with Romania - essentially a return to the pre-war situation. This might begin to look appealing to many more with the approach of Romanian accession to the EU. The idea of absorbing a part of Moldova has at various times been raised as a possible eventuality in both Ukraine and Romania, though neither seems keen at present on such a solution, and Ukraine has enough internal divisions already without taking on another major liability. Certainly, neither country would advocate it publicly, and both would be wary of any possible damage to their budding relationships with the EU. The idea might begin to look quite tempting to the wider community however (if not to one or both of the potential partners) if there were a general breakdown in Moldova.

All options for splits or dismemberment come up against one major objection: while Moldova may be on a fault-line, the fault does not run neatly down the Dniester. Both parts are ethnically mixed, and there are no doubt divergent political attitudes throughout the country. This, together with the complementarity of the economies, suggests that it is worth a major effort to reunite the state on a viable long-term basis. Hence the efforts of the OSCE and others over a decade to find a settlement.

### **What kind of Moldova?**

The Transdniestria issue is immensely complex. Readers interested in gaining a full understanding of its ramifications and the history of the negotiations are advised to look at the full text of the ICG report 'Moldova: No Quick Fix'. The Executive Summary is printed as an appendix to this volume, but this does not do justice to the main report.

There are some fundamental contradictions involved in any attempt to solve the Transdniestrian problem by reintegrating the statelet. While a settlement may be in the long-term interest of Moldova's people and regional stability, many in the current political elites involved, whether in Chisinau or Tiraspol, Moscow or Kiev, have a vested interest, often economic as well as political, in the status quo. And if there is to be a settlement, there are fundamentally opposing ideas about the basis for any new state. Tiraspol is seeking the greatest possible degree of independence for Transdniestria, perhaps in a weak confederation, while Chisinau wants a strong central government with some autonomy for Transdniestria.

Against this background it is not surprising that, while all parties paid lip-service to the need for agreement, the mediation process involving Russia, Ukraine and the OSCE staggered on for nearly a decade with almost no progress towards a settlement. In the circumstances it is something of an achievement that the mediators managed to produce the outline for a possible settlement known as the 'federalisation plan' or 'Kiev Document'. While many in the international community hailed this as a helpful step forward, the text met with a barrage of criticism from some political analysts and NGOs from the Romanian-speaking community.

Critics of the federalisation plan complain that it would legitimise the undemocratic, illegitimate and corrupt regime in Tiraspol, give Transdniestria undue influence over the central government and enable Russia to exercise influence or control over Moldova via Transdniestria; that the putative guarantors of the settlement (Russia, Ukraine and the OSCE – in which Russia has veto powers) are too heavily weighted to one side; that the people of authoritarian Transdniestria could not express their opinion freely in a referendum; and that, in sum, it would deliver Moldova back into the Russian orbit and get in the way of any moves towards the EU.

Some of these objections have substance and others show the deep well of mistrust for the other side. From the outsider's point of view, it is hard to see how a viable federation can be established unless all parts have a broadly similar political structure, or how international organisations dedicated to democracy, such as the EU and OSCE, could endorse a structure that is not based on democratic principles.

These issues need to be addressed if a settlement is to be achieved. The OSCE undoubtedly made tactical errors in drawing up the Kiev Document, especially in starting from a Russian model, which was bound to evoke suspicion that it was all a Russian fix. The document itself also failed to address some crucial questions, including the number of units in the federation and the distribution of competencies.

Those so vociferously opposing federalisation have not so far come up with a viable alternative way of securing an independent and united Moldova. They agree that, given the historical background, Transdnistria will have to have a good deal of autonomy, but see this as being exercised within a strong unitary state. How this is to be brought about is far from clear. One idea seems to be that the West should use its leverage to persuade Russia to secure the removal of the current Tiraspol regime, the establishment of democracy in Transdnistria and its subordination to a unitary Moldovan state. This is a tall order. If the opposition are serious about an alternative approach they need to produce a comprehensive strategy for the parties to consider. At present the federalisation plan is, to quote Western diplomats, 'the only show in town'.

President Voronin's proposal in February 2003 that the two sides draw up a new constitution and draft agreement kick-started another round of negotiations, bolstered by the EU visa ban on Transdnistrian officials and the withdrawal of a large number of Russian troops. The negotiations, to take place on a broader base than the Kiev Document, offered a new opportunity to the parties and the wider community. But progress in the first few months was slow.

As of late 2003, a number of alternative approaches have been aired. One is that set out in the ICG report, which charts a possible path to the creation, on a longer time-scale, of a federal state acceptable to all sides and the wider community. This would involve the development of a new power-sharing model (perhaps an asymmetric federation with several constituent units, of which Transdnistria would be one); a campaign to improve public understanding of the issues; steps by the international community to reduce the benefits of the status quo to those involved through a variety of sticks and carrots; and the strengthening of democratic processes in both Transdnistria and the rest of the country. The proposals deal in great detail with the

complex economic, political and military issues involved. To this observer, the most difficult part of the process seems to be to find ways of inducing the Transdniestrian leadership to accept any process of democratisation which would weaken their own position. In the end a generous exit strategy might be the price of their cooperation – perhaps a price worth paying to end the conflict and reunite the country.

This plan, like any other for the future of Transdniestria, depends crucially on Russian willingness to cooperate, especially by putting pressure on the Transdniestrian leadership. This raises the question of what Russia actually wants for Moldova. There are clearly some in Russia who profit from illegal activities in Transdniestria. It is less clear how far the interests of the political leadership are involved in this. Looked at more widely, does Russia want to see Moldova a stable and prosperous democracy with good links with the West? Or would it prefer to retain Transdniestria as a dependency, albeit a not always malleable one, with the scope that offers for political, economic and military influence in the region? Russia's direct military interest would seem limited, given that Ukraine serves as a substantial barrier between the two countries, and East-West tensions in the region are largely a thing of the past. But Romania's membership of NATO from 2004 will no doubt induce caution. What may be decisive is how far Russia is interested in making common cause with the West in general and the EU in particular in resolving this issue.

It may well be that views are divided in Moscow. Some probably see Transdniestria as a niggling issue which is capable of settlement and could be used as a 'quick win' in relations with the EU, possibly in return for some concession from the EU in other fields. Others will regard any diminution in Moscow's influence and position in the region as a blow to national prestige. Some will undoubtedly hope that a settlement can be reached which will gain Moscow international credit while entrenching its indirect influence over the whole of Moldova: the very scenario most feared by opponents of federalisation. The EU will have to be wary of being lured into unwise concessions through the desire to reach a settlement.

If the parties involved, with help from the wider community, cannot find a settlement acceptable to all, Moldova seems stuck with an indefinite continuation of the status

quo, and a steady economic decline possibly leading eventually to economic and social collapse and open conflict.

### **What relationship with the EU?**

Moldova's attitude to the EU has always been ambiguous. It feels, rightly, part of the European mainstream by virtue of its history and culture. In the nineties the EU was seen by many as a beacon of hope offering promise of a more stable and prosperous future. Central and South-East European countries, even the Baltic states, were gradually being accepted as potential EU members and receiving substantial help in reforming their economies and societies.

Moldova has had a problem positioning itself in relation to the EU. Some Moldovans felt the country should be treated like the Baltic states, given their similar history of pre-war independence. But Moldova's 'independence' was as part of Romania, and it never had the powerful sense of national identity which made the Baltic states such distinctive entities even in Soviet times and enabled them to grab at and adjust rapidly to independence and democracy.

More recently Moldova has aligned itself with 'South-Eastern Europe', the somewhat amorphous entity extending from Romania and Bulgaria to the Western Balkans covered by the Stability Pact. Moldovan politicians have viewed their acceptance as part of this grouping as a way of jumping the EU queue through the Stabilisation and Association process, which offers its members the long-term prospect of EU accession.

For the EU, however, Moldova has always been placed firmly in a box for the westernmost FSU states: Ukraine, Belarus, Moldova and, depending on context, Russia. It is not surprising that Moldova is unhappy at always being grouped with its Slav neighbours, when it feels so different. But the EU is unlikely to want to change this (for it) convenient arrangement, and for the moment Moldova would do well to make the most of what is currently on offer if it wishes to make progress in relations with the EU.

These countries are now covered by the EU's latest 'Wider Europe' initiative. This notably does not offer the prospect of EU membership even in the long term, though this cannot explicitly be excluded under current EU law. But the Moldovan government is in any case ambiguous in its attitude to the EU. It would like the benefits of membership, and claims that the prospect of membership would enable it to secure domestic acceptance of radical reforms - a familiar theme, used by other countries in the region. But this betrays a misunderstanding about EU membership. Membership is not something the EU offers as a carrot to bring in new members, but as recognition that a country is committed to and actively pursuing the highest European standards. The best way to secure membership is to become fully qualified. So far Moldova's commitment seems to be restricted to declarations and organisational changes. There is little sign of movement towards more democratic structures, and there has even been some movement backwards, for instance in the area of press freedom, under the Voronin administration. The EU will be looking for more tangible signs of commitment.

If Moldova is serious in its intentions towards the EU, it will at some point have to consider how far EU accession and its WTO membership are compatible with membership of the CIS and, if this becomes an option, participation in the Common Economic Area (or Single Economic Space). The EU for its part has no interest in damaging Moldova's links with Russia, which will remain the country's key trading partner for the foreseeable future.

Moldova's aspirations to get closer to the EU, reaffirmed by President Voronin after an early tilt to the East at the beginning of his term of office, gives the EU the opportunity to play a more influential role in developments in Moldova in general and the settlement of the Transdnistria crisis in particular. Greater EU involvement in the settlement process would help reassure those in Moldova who deeply mistrust the current arrangements and the current mediators, or simply want to see a more balanced process.

Among the steps the EU could take in Moldova, depending on how events develop, are the following:

- Play a more active role in encouraging and assisting institutional change. The EU's new Action Plan under the 'Wider Europe' initiative provides a good framework. This should if possible cover Transdniestria as well. Any EU technical assistance should be carefully coordinated with that of multilateral and bilateral donors to prevent wasteful overlap.
- Provide expertise to those trying to devise a new legal and constitutional framework for a unified Moldova, encouraging best international practice in areas such as minority rights.
- Promote more informed public debate about the political, constitutional and other issues involved in any settlement.
- Provide more help in strengthening controls on all Moldova's borders, to help reduce illegal traffic and stem the drain on the economy.
- Be ready to increase pressure on Transdniestria's leadership eg through targeted sanctions, to reduce the benefits of separation and encourage a sensible settlement.
- Consider how best to take part in any joint peacekeeping effort, operating under an EU, NATO or OSCE umbrella.
- Be ready to offer substantial support for a newly united Moldova, in such areas as military observers, arbitration mechanisms, and aid for reconstruction.

The EU could also consider, as the ultimate carrot, offering Moldova the prospect of long-term association and then membership of the EU once it is united, peaceful, democratic, and committed to operating to the highest European standards.

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