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Moldovan elections and the Ukrainian crisis

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Abstract:

The Moldovan general elections on 30th November next will be taking place at a crucial moment for the country, both for domestic and external reasons. Over the last few years Moldova has stood as the "success story" of the Eastern Partnership – even though there are still many reforms to be made, e.g. on corruption and institutional reforms. This model remains however extremely fragile for economic, political and geopolitical reasons. This is why Moldova has found itself in a difficult position during the crisis in Ukraine, which, apart from dividing public opinion, is also a source of fear over the sovereignty of Transnistria. The future of Moldova is still open as the electoral outcomes are still uncertain, leaving the country with several scenarios.

INTRODUCTION

The general elections on 30th November 2014 are taking place at a vital moment for Moldova. Never have regional tensions been as high since independence: one of its two neighbouring countries (the other being Romania), Ukraine, has been in turmoil and even in military conflict over the last months. Meanwhile, the Europeans are struggling to find a common approach for their Eastern policy – trapped in their divisions and dilemmas when dealing with Eastern partners and Russia.

Given these developments, Moldova is moving towards the European Union in spite of undeniable weaknesses on the economic, political and geopolitical levels. Reforms are far from being fully completed, but undoubtedly, Moldova has stood as a "success story" in the Eastern Partnership over the last few years, since the programme was launched in 2009 – it coincided with the same year as the 'Alliance for European Integration' won the elections.

These elections are all the more important as it seems they will deeply impact the country directly both internally and externally.

A COUNTRY IN QUEST OF ECONOMIC, POLITICAL AND GEOPOLITICAL STABILITY

Undeniably Moldova is still trying to assert itself regionally from an economic, political and geopolitical point of

view. To be more precise: it has to find a subtle balance between European integration and privileged relations with Russia, both internal and external reasons. Some of them are specific to Moldova, while others are partly shared with other Eastern partners.

From an economic point of view, Moldovan income per capita is still low compared with the European level, reaching only 10% of the European average. The level of urbanisation is only 47%, leaving every second Moldovan in a rural area. However, it is also proving to be dynamic now – its nearly 9% growth rate in 2013 is the highest rate in Europe. Moldova, which is a small open economy, must improve the quality of its infrastructures and institutions if it wants to take full advantage of the Deep and Comprehensive Free Trade Agreement with the European Union [1]. European markets account for more than a half of its external trade (54%), even though its links with Russian economic players are still important. The energy sector is a case in point, as Moldova remains dependent on Russia's supplies; it managed to conclude an agreement at the beginning of November regarding a rebate on gas prices ahead of the elections. In addition, one of the peculiarities of the Moldovan economy lies in the huge role played by remittances, money sent by workers abroad representing nearly a quarter of the GDP (25% in 2011), i.e. nearly 10 times the total of direct foreign investments. The returns of qualified personal, and, at the same time, the development of a policy regarding the diaspora are both equally important priorities for the Moldovan authorities.

1. According to Global Competitiveness Report 2013-2014, of the 148 countries its infrastructures lie 116th in terms of air transport, 138th for ports and 148th for roads.

The Moldovan parliamentary regime has proved that it is open to political change: the democratic parties dominated the 1990's; then the Communist Party was elected in 2001 and 2005; finally, the Alliance for European Integration was formed in the wake of 'April events' of 2009. The Alliance for European Integration, a coalition of parties led by Prime Minister Vlad Filat, clearly put forward a reform agenda aimed at the country's European partners. However, Moldova still suffers from the weakness of its intermediate bodies; civil society can rely on well-trained experts, but only in limited numbers. Unfortunately, corruption is still a major scourge (in 2013, Moldova was ranked 102nd out of 177 by *Transparency International*), which further weakens citizens' confidence in their institutions. 2013 was significant in terms of highlighting Moldova's weakness in this regard: Prime Minister Vlad Filat was forced to resign in April after a scandal illustrated the strength of the informal networks as well as a confusion of political, financial and judicial interests. He was replaced by Iurie Leanca, a former Foreign Minister whose mission was to follow the pro-European line.

In geopolitical terms, Moldova is influenced in several ways, by Romania, the European Union, Russia and Ukraine. Romania, with whom it shares its language, can be both a useful advocate within the European institutions and a destabilizing neighbour. Hence, the declarations made by former Romanian President Traian Basescu at the Vilnius Summit in November 2013, when he suggested there was a plan for a reunification of Romania and Moldova, was embarrassing for the European Union and the Moldovan authorities alike. He then stated that "*When a nation has the opportunity to be together, it should not give up. I think this is the right time to say that we have this objective, if the Moldovan people want this. I am convinced that if Moldova wants to unite, then Romania will accept it.*" [2] Despite these declarations, Bucharest is of significant aid to Moldova, via high level inter-state contacts and lobbying. This has not prevented Moldova from asserting itself as a "success story" over the last few years, as part of the Eastern Partnership, a role previously attributed to Georgia and then Ukraine. The liberalisation of visas for Moldovans, implemented on 28th April 2014, and the signature of the Association Agreement on 27th June 2014 show the recent progress. As for Russia

and Ukraine, two other major players in Moldova, their respective positions have to be considered in the light of recent events.

THE CUSTOMS UNION, EUROMAIDAN AND THE WAR IN DONBASS

The quest for Moldova's stability has been made more difficult over the last few months by the Ukrainian crisis, which has directly impacted the country [3].

The immediate cause of these events was the non-ratification of the Association Agreement between the European Union and Ukraine by the then-President Viktor Yanukovich, planned at the Vilnius Summit. The Euromaidan movement was originally born out of this refusal, before the protestors oriented their demands on reforming the internal political system and promoting the rule of law – i.e. living in a 'normal country', far from the arbitrary and the reign of the oligarchs. A second high point was the annexation of Crimea by Russia in March 2014: there are meaningful parallels between this region conquered by Suvorov in 1787 and Transnistria, a separatist region of Moldova also conquered by the same General in 1792. Finally the war in the Donbass, with the Russian involvement, is bound to intimidate and divide a fragile country such as Moldova.

Given this situation, public opinion as well as political leaders have adopted ambivalent positions. From the beginning, the Moldovan authorities have stood by the new authorities in Kyiv, fully aware that an excessively anti-Russian position could weaken national unity. Indeed, main opposition parties took position in support of Viktor Yanukovich, until the repression of the demonstrators started in February and before Russian support to the separatists in the East began to disturb them quite significantly.

It is also quite clear that polarisation is strong concerning debates about Russia and Customs Union. The possible negative outcomes of the free trade agreement with the EU are feared, notably regarding farmers, for whom the implementation of European sanitary and phytosanitary standards (SPS) will be very costly. In addition, most Moldovan emigrant workers are to be found in Russia (around 70%); they are strongly encouraged to support the pro-Russian parties, if they

2. Quoted in Mila Corlateanu, "Much Ado About Moldova", *New Eastern Europe*, 28 April 2014, <http://www.neweasterneurope.eu/articles-and-commentary/1209-much-ado-about-moldova>

3. See notably Svetlana Suveica, "Crisis in Ukraine: A Question for Moldovan Territorial Integrity", *Südosteuropa*, Vol.62, n°2, 2014, pp.208-220

want to be able to continue working in Moscow and St. Petersburg.

The autonomous region of Gagauzia, in the country's south also supports Customs Union. A referendum was organised on the issue in February 2014, and is said to have been funded by Russian millionaire Yuri Yakubov. The results were very clear, as voters supported Customs Union by an overwhelming 98% (with a turnout of 70%). Rather than an opposition to the EU, the results shows the regional fear of losing privileged links with Russia; like a significant share of the population, this region is particularly hostile to drawing too close to Romania.

The Ukrainian crisis and the possibility of joining the Customs Union are not followed with more interest than in Transnistria, a separatist territory in Moldova's East. Transnistria, an old, unresolved conflict since the ceasefire in 1992, is mainly inhabited by Russian-speakers and new developments may occur within the next few months. Separatist President Yevgeny Shevchuk said he is now seeking a "civilised divorce" from Moldova and supports annexation to Russia. Transnistria's involvement in the events in Ukraine is a reality since Transnistrians were found amongst the victims in the fire in Odessa (around forty people died in May 2014). Some of them are directly involved in the Donbass war, as separatist fighters and leaders. This is why Ukraine will probably step up its pressure on Transnistria within the next few months, so that it will not be destabilised on its western border.

POSSIBLE POST-ELECTORAL DEVELOPMENTS IN MOLDOVA

Three variables should be considered in dealing with Moldova's political development: the first is the political variable, i.e. forthcoming general elections; the second variable is the politico-territorial one, involving relations between Moldova and Transnistria; finally, the third one is linked to developments in the military and political situation in Ukraine.

The political variable points to three possibilities in the upcoming elections: a victory by a pro-European coalition, a victory by a pro-Russian coalition or the establishment of a "grand coalition". A victory by a pro-European coalition relies on the shoulders of the

Liberal Democratic Party (PLDM) of Prime Minister Iurie Leanca, Democratic Party of Marian Lupu and Liberal Party of Dorin Chirtoaca (Mayor of Chisinau) - the incumbent coalition. The scenario of a victory by a pro-Russian coalition depends on the score of the Communist Party (PCRM), which should remain at a high level, the "Patria" party led by Renato Usatii (a 36-year-old Moldovan millionaire who has returned from Russia), the surprise element in this campaign, and the Socialist Party led by Igor Dodon. The scenario of a "grand coalition" rallying the Communist Party with the Liberal Democratic Party cannot be ruled out since the issues at stake are different from those in the last election in November 2010. Electoral forecasts are still difficult to make since a large share of the electorate remains undecided (and studies contradictory), but the PCRM will probably remain the leading party ahead of the PLDM, at a minimum level of around 20-25%; the latter should be chosen by around 16-20% of the electorate. The Democratic Party and Patria are now credited with a score of around 10-12%, whilst the Socialist Party led by Dodon is said to lie at around 4% of the vote - below the required electoral threshold. The score of the latter (including of the diaspora) might be decisive for the final results.

The politico-territorial variable leads to three possibilities in terms of developments between Moldova and Transnistria: the exacerbation of Transnistrian separatism, stability or re-integration. The exacerbation of separatism might be the indirect result of Moldova's rapprochement with the EU; we cannot rule out a unilateral declaration of annexation to Russia even though technically Transnistria's geography (it is an exclave) lends itself badly to this situation. The stability of the situation, as it has stood since July 1992, would not be illogical, as many players see their interest in the *status quo*, starting with Russia which has troops stationed there and also Ukrainian, Moldovan and Transnistrian actors with vested interests. Finally re-integration, following to the "Kozak Memorandum" model of 2003, would only result from specific circumstances with strong encouragement on the part of Russia and the goodwill of Europeans and Americans.

The military variable, depending on how the situation develops in Ukraine, points to two main possibilities:

destabilisation of the region of Odessa, allowing Transnistria greater room to manoeuvre – going as far as annexation to Russia; or the contrary – that of stability of the region and the determination on the part of the Ukrainians to settle the Transnistrian conflict by contributing to the isolation of the separatist entity. Drawing from these different variables, it is possible to foresee several possible developments depending on the electoral results.

The victory of a pro-European coalition may go hand in hand with a stronger push towards separatism (rise of tension over the last few months), or relative stability (status quo) depending on the Ukrainian front. A pro-Russian alliance would probably lead to stability in Transnistria – re-integration under the aegis of Russia. Finally the possibility of a “grand coalition” undoubtedly points to a wide number of possibilities: separatism might be strengthened, but this scenario is no more certain than stability with re-integration seeming to be the most unlikely one.

CONCLUSION

Moldova's fate depends on internal reforms and also on a series of regional and international factors: tension in Ukraine has undeniably affected Moldova's divided public opinion until now. The victory of a pro-European coalition is still uncertain, they may not secure enough vote to fulfil their policy. It is however important to

communicate with the future authorities after the ballot, whoever they are: the Party of Communists was elected in 2001 on a pro-Russian platform supporting a Russian-Belarusian Union, before winning again in 2005 with a pro-European programme.

In this context, the EU must push forward its reform agenda, e.g. the fight against corruption as well as internal reforms (the rule of law). It should address all Moldovan citizens, including the minorities, which should be included in country's development. It will find it hard to prevent separatist trends in Transnistria and avoid tensions in Gagauzia; it does not have the means to complete reunification with Transnistria; it can however help to shape and modernise Moldova, as well as the other Eastern partners. Supporting Moldova's transition to the rule of law now is a crucial task for Europe, as well as the reconciliation of a divided continent.

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He has notably published *Les chemins de l'Etat de droit. La voie étroite des pays entre Europe et Russie*, Paris, Presses de Sciences Po, 2014, and *Moldavie. Les atouts de la francophonie*, Paris, Non-Lieu, 2010.

He also took part in the edited book led by Jacques Rupnik, *Géopolitique de la démocratisation. L'Europe et ses voisinages*, Paris, Presses de Sciences Po, 2014.

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